

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on February 18, 2008, in Room 123-S of the Capitol.

All members were present except:
Senator Jay Emler - excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
Mike Corrigan, Assistant Revisor of Statutes
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Aaron Klaassen, Kansas Legislative Research
J. G. Scott, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Senator Phillip Journey, Vice Chair, Joint Committee on Special Claims Against the State
Representative Steve Huebert, Chairman, Joint Committee on Special Claims Against the State
Ron Gaches, Executive Director, Kansas Society of Professional Engineers
Mark Burghart, Benchmark Industries

Others attending:
See attached list.

Bill Introductions

Senator Morris moved, with a second by Senator Schodorf, to introduce a conceptual bill concerning the Regents block grant appropriations. Motion carried on a voice vote.

The Chairman opened the public hearing on:

SB 534--Claims against the state

Staff briefed the committee on the bill.

The Chairman welcomed the following conferees:

Senator Phillip Journey. Senator Journey addressed the Department of Social and Rehabilitation Services decision, but was limited on what could be discussed outside of the executive session in the Committee. (No written testimony was provided.)

Representative Steve Huebert, Chair of the Committee on Claims Against the State. Representative Huebert explained that the Jordan case was very emotional. In the beginning they had very little information, but at the second meeting they had more details. He noted that there always are two sides to the situation. Due to the executive session, he was also limited on what was discussed, but mentioned that it is a complicated situation. (No written testimony was provided.)

Ron Gaches, Executive Director, Kansas Society of Professional Engineers, addressed the claim in Section 6, Eldon Ray case (Attachment 1). Mr. Gaches explained that Mr. Ray is a church volunteer, and the facility was up to code and standards. He noted that the Board of Technical Professions respectfully requests that any reimbursement be paid to Mr. Ray be paid out of the State General Fund. Mr. Gaches mentioned that he felt it seems inappropriate that the fees of licensees should be used to reimburse the legal expenses of a gentleman who had openly acknowledged he performed design work without a license.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on February 18, 2008, in Room 123-S of the Capitol.

Mr. Mark Burghart, Legal Counsel for Benchmark Industries (Attachment 2). Mr. Burghart explained that Benchmark has in no way attempted to avoid the payment of tax on the sales tax transactions listed in his written testimony. He noted that, unfortunately, it now finds itself paying tax twice on the same sales - once to Kansas and once to Missouri. In closing, Mr. Burghart respectfully requested that the Committee remedy the inequitable situation for the taxpayer by reimbursing Benchmark of \$70,000, which represented a portion of the sales tax inadvertently paid to Kansas for the months of September and October of 2002.

The Chairman closed the hearing on **SB 534**.

Senator Kelly moved, with a second by Senator Teichman, to amend SB 534 regarding the Eldon Ray case and pay the claim from the State General Fund. Motion carried on a voice vote.

Senator Schodorf moved, with a second by Senator Steineger, to amend SB 534 to add language to reimburse postsecondary education expenditures for Brittany Jordan for books, fees, and tuition for eight semesters or completion of a bachelors degree whichever comes first at an accredited Kansas public postsecondary institution in addition to payment to Mark Jordan. Motion carried on a voice vote.

Senator Steineger moved, with a second by Senator Schodorf, to recommend SB 534 favorable for passage as amended. Motion carried on a roll call vote.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2008 and FY 2009 were available to the committee.

Subcommittee reports on:

School for the Blind (Attachment 3)

Subcommittee Chairman David Wysong reported that the subcommittee on the School for the Blind concurs with the Governor's recommendation in FY 2008 with adjustments and concurs with the Governor's FY 2009 recommendation adjustments.

Senator Wysong moved, with a second by Senator Schodorf, to adopt the subcommittee budget report on the School of the Blind in FY 2008 and FY 2009. Motion carried on a voice vote.

School for the Deaf

Subcommittee Chairman David Wysong reported that the subcommittee on the School for the Deaf concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustments.

Senator Morris moved, with a second by Senator Teichman, to amend the subcommittee report on the School for the Deaf to add \$5,000 in FY 2008 and \$20,000 in FY 2009 for transportation for the children to and from school.

Senator Morris made a substitute motion, with a second by Senator Betts, to have supervision of the children at the School for the Deaf on weekends, and that the school district would split the cost. Motion carried as amended on a voice vote.

Senator Wysong moved, with a second by Senator Teichman, to adopt the subcommittee budget report on the School for the Deaf in FY 2008 and FY 2009 as amended. Motion carried on a voice vote.

State Historical Society

Subcommittee Chairman David Wysong reported that the subcommittee on the State Historical Society concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustments.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on February 18, 2008, in Room 123-S of the Capitol.

Senator Wysong moved, with a second by Senator Teichman, to adopt the subcommittee budget report on the State Historical Society in FY 2008 and FY 2009. Motion carried on a voice vote.

Kansas Arts Commission

Subcommittee Chairman David Wysong reported that the subcommittee on the Kansas Arts Commission concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustment.

Senator Wysong moved, with a second by Senator Teichman, to adopt the subcommittee budget report on the State Historical Society in FY 2008 and FY 2009. Motion carried on a voice vote.

State Library

Subcommittee Chairman David Wysong reported that the subcommittee on the State Library concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustments.

Senator Taddiken moved, with a second by Senator Wysong, to amend the subcommittee report on the State Library in FY 2009 and delete Item No. 3, \$76,500 for Talking Books Service promotion from the State General Fund and review at Omnibus and to delete \$250,000 from the State General Fund for the establishment of a statewide courier system, and review at Omnibus. Motion carried on a voice vote.

Senator Wysong moved, with a second by Senator Kelly, to adopt the subcommittee budget report on the State Library in FY 2008 and FY 2009 as amended. Motion carried on a voice vote.

The meeting adjourned at 11:55 a.m. The next meeting was scheduled for February 19, 2008.

**SENATE WAYS AND MEANS
GUEST LIST**

Date February 18, 2008

NAME	REPRESENTING
Koumie Leffler	Budget
Jim Cox	N/A
Kennedy Cole	N/A
Payan Lytle	N/A
Katie Fitzbough	McArney & Associates
Lino Wilson	OFA
Jerry Slov	Jud. Branch
Austin Hayden	Hein Law Firm
Shelly Starr	Dept of Corrections
Mark A. Burkart	Benchmark Industries, Inc.
Ron Caches	KSPE
Jean Bolini	Bd of Tech. Professions
John Martelli	KS State School f/t Blind
Madeleine Buckindine	Ks St. School f/t Blind
Robert Schaumeyer	Ks St. School e/f Blind
MARK BORANYAK	CAPITOR STRATEGIES
Jeff Bottenberg	Polselli
Patrick Woods	SRS
Q.S. McKenna	SRS
Julie Mulvihill	Kansas Humanities Council
Terry Marmet	Ks St Historical Society
Debbie A. White	KS St Historical Society
Jennie Chin	Ks St Historical Society



Kansas Society of Professional Engineers

A state society of the National Society of Professional Engineers

Testimony of Kansas Society of Professional Engineers
Presented by Ron Gaches, Executive Director
Regarding SB 534: Claims Against the State
Presented to the Senate Ways & Means Committee
Monday, February 18, 2008

Thank you Senator Umbarger for this opportunity to comment on behalf of the Kansas Society of Professional Engineers regarding the recommendation for payment of the claim by Mr. Eldon Ray (page 9, lines 34-41).

The Claims Against the State recommendation is for reimbursement to Mr. Ray in the amount of \$3,122.00 to be paid from the account of the Technical Professions Fee Fund. The Kansas Society of Professional Engineers request that this payment, if it is made, should be paid by the State General Fund rather than the Technical Professions Fee Fund.

Last year Mr. Ray was investigated by the Board of Technical Professions for practicing design work without a license, an act he acknowledged committing. Specifically, Mr. Ray volunteered his services to design an addition to a church in Mayetta, a service for which he received a significant amount of media attention. The media coverage led to a complaint being filed with the Board of Technical Professions and the Board had investigated the complaint and was trying to negotiate a Settlement Agreement with Mr. Ray when the Legislature intervened on his behalf with the proviso approved during the Veto Session. There never was a legislative hearing about the merits of the Ray complaint, but he was a sympathetic figure to legislators and the proviso was agreed to before all the facts could be discussed.

Our request is not to reopen that debate. The Settlement Agreement was blocked and in the judgment of the Claims Against the State Committee Mr. Ray should be reimbursed for his legal expenses. However, the Board of Technical Professions was acting in good faith and in accordance with its statutory obligations when it investigated the Ray complaint and attempted to negotiate a Settlement Agreement with him. There was no violation of law or rule and regulation by the Board, and none has been alleged.

The fees of licensees are dedicated to running the fee-fund agency that regulates their practice. It seems inappropriate that the fees of licensees should be used to reimburse the legal expenses of a gentleman who has openly acknowledged he performed design work without a license. We respectfully request that any reimbursement paid to Mr. Ray come from the State General Fund. Thank you for consideration of this request.

**ALDERSON, ALDERSON, WEILER,
CONKLIN, BURGHART & CROW, L.L.C.**
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—
LL.M., TAXATION
LICENSED TO PRACTICE IN
KANSAS AND MISSOURI

MEMORANDUM

TO: Senator Dwayne Umbarger, Chairperson
Senate Committee on Ways and Means

FROM: Mark A. Burghart
Benchmark Industries, Inc.

DATE: February 18, 2008

RE: Senate Bill No. 534, Sec. 8

Thank you for the opportunity to appear in support of the claim filed by Benchmark Industries, Inc. ("Benchmark") to recover certain sales tax overpaid to the State of Kansas. Benchmark paid Kansas retailers' sales tax on certain sales that were delivered to customers in the State of Missouri for the period September 1, 2002 through October 31, 2005. Those sales were properly subject to Missouri compensating use tax rather than Kansas retailers' sales tax. The Kansas Department of Revenue acknowledges that the sales should not be taxed by Kansas. The Missouri Department of Revenue assessed Benchmark for these same sales transactions. Refunds were paid by Kansas for all periods not barred by the applicable statute of limitations. Unfortunately, two of the periods at issue in Kansas were not subject to refund because the statute of limitations had expired for those months. This claim merely seeks reimbursement of those taxes paid to Kansas for those periods that also were paid to the State of Missouri in the amount of \$70,000. A brief chronology of relevant events is set forth below:

1. On August 19, 2005, the Missouri auditor came on site and commenced the audit of Benchmark for the periods September 1, 2002 through December 31, 2004, and February 1, 2005 through June 30, 2005.
2. In October, 2005, the Kansas Department of Revenue advised Benchmark that it would commence a sales tax audit for the period November 1, 2002 through October 31, 2005.
3. On December 27, 2005, Benchmark's accounting office electronically filed amended sales tax returns with the Kansas Department of Revenue, seeking a

*Senate Ways and Means
2-18-08
Attachment 2*

total refund of \$148,584.71 for the period September 1, 2002 through October 31, 2005 to recover sales tax that should have been paid to Missouri.

4. On March 9, 2006, Benchmark received the proposed audit results from the Kansas Department of Revenue reducing the requested refund amount to \$26,458; the reduced refund amount was paid by the Department.
5. On April 10, 2006, Benchmark provided additional information to the Kansas Department of Revenue, including delivery tickets, documenting deliveries into the State of Missouri.
6. On April 25, 2006, the assessment from the State of Missouri was received by Benchmark for \$142,780.56. Most of the Missouri assessment is attributable to the months of September and October of 2002.
7. Benchmark appealed the Kansas Department of Revenue's notice of refund to the Secretary of Revenue and sought an additional refund of sales tax in the amount of \$121,386 plus statutory interest for the months of September and October of 2002.
8. On October 29, 2007, the Secretary's Designee issued a Written Final Determination wherein Benchmark's appeal was denied stating that any additional refund for September and October of 2002 was barred by the applicable statute of limitations.
9. Benchmark paid \$70,000 to resolve the assessment issued by the Missouri Department of Revenue.

Benchmark has in no way attempted to avoid the payment of tax on these sales transactions. Unfortunately, it now finds itself paying tax twice on the same sales – once to Kansas and once to Missouri. Benchmark would respectfully request that the Committee remedy this inequitable situation for the taxpayer by reimbursing Benchmark of \$70,000 which represents a portion of the sales tax inadvertently paid to Kansas for the months of September and October of 2002. A schedule prepared by the Kansas Department of Revenue setting forth the tax paid by Benchmark, requested refund amounts and actual refunds paid for all periods is attached for the Committee's consideration.

Thank you again for the opportunity to appear in support of Benchmark's special claim. I would be happy to respond to any questions that the members of the Committee may have.


Benchmark Industries Inc
 FEIN 480777205
 Case #5915
 Refund Request

Date of Original Return	Total Tax Paid	Amended Return Tax Due	Refund Request	Approved	Tax Refunded 9-14-06	Interest Refunded 9-14-06	Denied	Comments	Approved/Less Refunded
September-02	\$484,697.44	407,265.12	77,432.32	0.00			77,432.32	Beyond statute of limitations KSA 79-3609	0.00
October-02	\$476,545.70	432,591.72	43,953.98	0.00			43,953.98	Beyond statute of limitations KSA 79-3609	0.00
November-02	\$502,861.88	491,324.64	11,537.24	11,537.24	11,537.24	2,655.77	0.00		0.00
December-02	\$423,830.43	421,039.35	2,791.08	2,791.08	2,791.08	624.96	0.00		0.00
January-03	\$447,347.21	445,765.31	1,581.90	1,581.90	1,581.90	345.71	0.00		0.00
February-03	\$466,107.65	465,077.62	1,030.03	1,030.03	945.37	201.54	0.00		84.66
March-03	\$475,114.02	474,269.41	844.61	844.61	844.61	175.03	0.00		0.00
April-03	\$386,282.13	384,233.63	2,015.50	2,015.50	2,015.50	405.30	0.00		0.00
May-03	\$439,592.41	435,504.83	4,087.58	4,087.58	4,087.58	799.26	0.00		0.00
June-03	\$382,379.44	381,823.80	555.64	555.64	555.64	105.45	0.00		0.00
July-03	\$414,582.86	414,376.53	206.33	206.33	206.33	37.93	0.00		0.00
August-03	\$283,131.30	282,924.03	207.27	207.27	207.27	36.88	0.00		0.00
September-03	\$324,406.63	323,914.65	492.03	379.79	379.76	65.23	112.24	Additional return of \$112.24 received but not accompanied by payment	0.03
October-03	\$296,513.74	296,290.54	223.20	223.20	223.21	37.09	0.00		(0.01)
November-03	\$280,947.31	280,876.35	70.96	70.96	70.99	11.34	0.00		(0.03)
December-03	\$293,365.40	293,173.37	192.04	192.04	192.06	29.77	0.00		(0.02)
March-04	\$207,628.35	207,470.56	157.80	157.80	157.80	22.13	0.00		0.00
April-04	\$230,246.39	230,122.17	124.24	124.24	124.27	16.82	0.00		(0.03)
May-04	\$192,704.09	192,255.70	448.41	448.41	448.72	58.45	0.00		(0.31)
June-04	\$266,649.23	266,518.47	130.78	130.78	130.78	16.39	0.00		0.00
July-04	\$243,281.60	242,827.74	453.85	453.85	453.85	54.61	0.00		0.00
October-04	\$224,440.72	224,392.69	48.01	48.01	48.01	5.02	0.00		0.00
			148,584.80	27,086.26	27,001.97	5,704.68	121,498.54		84.29
					32,706.65				
February-03	\$466,107.65	465,077.62	1,030.03	1,030.03	945.37				
			Difference	84.66					
		Divided by 7.525% Tax Rate		1,125.05					

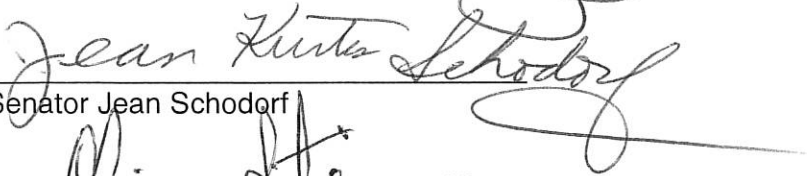
FY 2008 and FY 2009

SENATE WAYS AND MEANS SUBCOMMITTEE

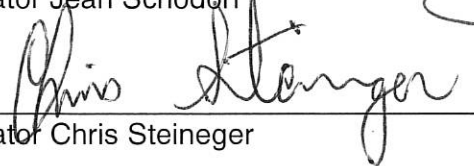
School for the Blind
School for the Deaf
Historical Society
Kansas Arts Commission
State Library



Senator David Wysong, Chair



Senator Jean Schodorf



Senator Chris Steineger

Senate Ways and Means
2-18-08
Attachment 3

Senate Subcommittee Report

Agency: School for the Blind **Bill No.** SB

Bill Sec.

Analyst: Scott

Analysis Pg. No. Vol.-

Budget Page No. 83

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,002,316	\$ 5,711,697	\$ 129,128
Other Funds	316,725	292,312	0
Subtotal - Operating	\$ 6,319,041	\$ 6,004,009	\$ 129,128
Capital Improvements:			
State General Fund	\$ 26,494	\$ 26,494	0
Other Funds	192,322	192,322	0
Subtotal - Capital Improvements	\$ 218,816	\$ 218,816	\$ 0
TOTAL	\$ 6,537,857	\$ 6,222,825	\$ 129,128
FTE Positions	93.5	93.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	93.5	93.5	0.0

Agency Estimate

The agency estimates FY 2008 operating expenditures of \$6,319,041, an increase of \$473,793, or 8.1 percent, above the approved amount of \$5,845,248. The agency estimates State General Fund expenditures of \$6,002,316, an increase of \$568,536, or 10.5 percent, above the approved amount of \$5,433,780. The differences between the approved amount and the agency's revised estimate are as follows: \$196,528 to eliminate the salary and wages shrinkage rate of 4.0 percent; an additional \$151,550 to fund four vacant positions, an instructional assistant position in a high needs classroom, a licensed practical nurse position, a general maintenance repair technician/security officer position, and a custodial worker position; \$160,000 to repay an advancement made by the Kansas State Department of Education (KSDE) to fund a payroll shortfall in FY 2007; and \$60,458 to fund an increase in costs and fees.

Governor's Recommendation

The Governor recommends FY 2008 operating expenditures of \$6,004,009, an increase of \$158,761, or 2.7 percent, above the approved amount. The Governor recommends State General Fund expenditures of \$5,711,697, an increase of \$277,917, or 5.1 percent, above the approved amount.

The Governor recommends a total of \$117,917, all from the State General Fund, to reduce the budgeted shrinkage rate for the agency from 4.0 percent to 1.6 percent. The Governor concurs with the request for \$160,000, all from the State General Fund, to repay the advancement made by

the Department of Education for a payroll shortfall. The Governor does not recommend the other requested State General Fund supplemental expenditures.

Senate Subcommittee Recommendation

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

1. Add \$78,611 from the State General Fund to eliminate the salary and wages shrinkage rate as requested by the agency. The Subcommittee heard testimony that the agency was having problems meeting its salary budget. In the course of budget discussions, the agency indicated it was only funding filled positions in its budget request. Budget instructions indicate the agency to fund all positions with shrinkage then applied to all positions. If shrinkage is applied to only filled positions, then retirements, turnover, or layoffs are the only option to achieve the assessed shrinkage rate.
2. Add \$50,517 from the State General Fund to fill four vacant position for the last four months of FY 2008. The committee heard testimony from the agency where the school was encountering staffing problems and the following four positions were their highest priority; an instructional assistant position in a high needs classroom, a licensed practical nurse position, a general maintenance repair technician/security officer position, and a custodial worker position. After filling these four positions, the estimated shrinkage would still be approximately 7.5 percent.

Senate Subcommittee Report

Agency: School for the Blind **Bill No.** SB

Bill Sec.

Analyst: Scott

Analysis Pg. No. Vol.-

Budget Page No. 83

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 6,058,441	\$ 5,705,295	\$ 75,642
Other Funds	304,628	283,652	(2,753)
Subtotal - Operating	\$ 6,363,069	\$ 5,988,947	\$ 72,889
Capital Improvements:			
State General Fund	\$ 27,770	\$ 27,770	\$ 0
Other Funds	284,832	284,832	0
Subtotal - Capital Improvements	\$ 312,602	\$ 312,602	\$ 0
TOTAL	\$ 6,675,671	\$ 6,301,549	\$ 72,889
FTE Positions	93.5	93.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	93.5	93.5	0.0

*Of the Subcommittee's recommended reductions, \$158,288 including \$155,535 from the State General Fund, is related to pay plan adjustment

Agency Request

The **agency** requests FY 2009 operating expenditures of \$6,363,069, an increase of \$44,028, or 0.7 percent, above the FY 2008 revised estimate of \$6,319,041. The agency requests FY 2009 State General Fund expenditures totaling \$6,058,441, an increase of \$56,125, or 0.9 percent, above the current year revised estimate of \$6,002,316. The agency's request includes five enhancements totaling \$624,643, all from the State General Fund, which include: an additional \$198,108, all from the State General Fund, to eliminate the assigned shrinkage rate of 4.0 percent; an additional \$192,228, all from the State General Fund, to fund a second three week summer school session during the 2008-09 school year; and an additional \$152,566, all from the State General Fund, to continue funding four vacant positions that the agency requested supplemental funding for in FY 2008.

Governor's Recommendation

The **Governor** recommends FY 2009 operating expenditures of \$5,988,947, a decrease of \$15,062, or 0.3 percent, below the revised current year recommendation. The recommendation for State General Fund expenditures totals \$5,705,295, a decrease of \$6,402, or 0.1 percent, below the current year recommendation. The Governor recommends only a portion of the shrinkage enhancement request and does not recommend the remaining enhancements.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustments.** Delete \$158,288, including \$155,535 from the State General Fund, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$110,492, including \$108,303 from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$29,246, including \$28,682 from the State General Fund, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$18,550, all from the State General Fund to remove the amount recommended by the Governor for longevity bonus payments.
2. Add \$78,611 to eliminate the salary and wages shrinkage rate as requested by the agency. The Subcommittee heard testimony that the agency was having problems meeting its salary budget. In the course of budget discussions, the agency indicated it was only funding filled positions in its budget request. Budget instructions indicate the agency to fund all positions with shrinkage then applied to all positions. If shrinkage is applied to only filled positions, then retirements, turnover, or layoffs are the only option to achieve the assessed shrinkage rate.
3. Add \$152,566 from the State General Fund to fill four vacant position to continue the position funded in FY 2008. The committee heard testimony from the agency where the school was encountering staffing problems and the following four positions were their highest priority; an instructional assistant position in a high needs classroom, a licensed practical nurse position, a general maintenance repair technician/security officer position, and a custodial worker position. After filling these four positions, the estimated shrinkage would still be approximately 7.5 percent.

Senate Subcommittee Report

Agency: School for the Deaf **Bill No.** SB

Bill Sec.

Analyst: Scott

Analysis Pg. No. Vol.-

Budget Page No. 135

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 9,148,459	\$ 8,996,675	\$ 0
Other Funds	341,019	341,019	0
Subtotal - Operating	\$ 9,489,478	\$ 9,337,694	\$ 0
Capital Improvements:			
State General Fund	\$ 56,464	\$ 56,464	\$ 0
Other Funds	323,713	323,713	0
Subtotal - Capital Improvements	\$ 380,177	\$ 380,177	\$ 0
TOTAL	\$ 9,869,655	\$ 9,717,871	\$ 0
FTE Positions	173.5	173.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	173.5	173.5	0.0

Agency Estimate

The agency estimates FY 2008 operating expenditures of \$9,489,478, an increase of \$136,148, or 1.5 percent, above the approved amount of \$9,353,330. The **agency** estimates current year State General Fund expenditures of \$9,148,459, an increase of \$151,784, or 1.7 percent, above the approved amount of \$8,996,675. The differences between the approved amount and the agency's revised estimate is an additional \$151,784 to fund four vacant positions; an in-school suspension teacher, a multi-handicap teacher, a dormitory teacher, and a paraprofessional.

Governor's Recommendation

The Governor recommends FY 2008 operating expenditures of \$9,337,694, a reduction of \$15,636, or 0.2 percent, below the approved amount. Recommended State General Fund expenditures total \$8,996,675, the same as the approved amount. The Governor does not recommend the supplemental expenditures requested by the agency.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

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

Analyst: Scott **Analysis Pg. No.** Vol.- **Budget Page No.** 135

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 9,744,889	\$ 9,344,343	\$ (291,149)
Other Funds	305,701	305,701	0
Subtotal - Operating	<u>\$ 10,050,590</u>	<u>\$ 9,650,044</u>	<u>\$ (291,149)</u>
Capital Improvements:			
State General Fund	\$ 58,826	\$ 58,826	\$ 0
Other Funds	1,031,787	357,000	0
Subtotal - Capital Improvements	<u>\$ 1,090,613</u>	<u>\$ 415,826</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 11,141,203</u>	 <u>\$ 10,065,870</u>	 <u>\$ (291,149)</u>
 FTE Positions	 173.5	 173.5	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>173.5</u>	<u>173.5</u>	<u>0.0</u>

*Of the Subcommittee's recommended reductions, \$273,449, all from the State General Fund, is related to pay plan adjustment.

Agency Request

The agency requests FY 2009 operating expenditures of \$10,050,590, an increase of \$561,112, or 5.9 percent, above the FY 2008 revised estimate \$9,489,478. The agency requests FY 2009 State General Fund expenditures totaling \$9,744,889, an increase of \$596,430, or 6.5 percent, above the current year revised estimate of \$9,148,459 and includes three enhancements totaling \$671,795, all from the State General Fund. The enhancements include: an additional \$352,391, all from the State General Fund, to reduce the shrinkage rate from the assigned amount of 5.1 percent to 1.1 percent; an additional \$17,700, all from the State General Fund, to replace a minivan; and an additional \$301,704, all from the State General Fund, to increase funding for special needs students.

Governor's Recommendation

The Governor recommends FY 2009 operating expenditures of \$9,650,044, an increase of \$312,350, or 3.3 percent, above the FY 2008 revised recommendation. The State General Fund recommendation totals \$9,344,343, an increase of \$347,668, or 3.9 percent, above the FY 2008 revised recommendation. The Governor recommends one enhancement to add \$17,700 to purchase a minivan.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustments.** Delete \$273,449, all from the State General Fund, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$183,183, all from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$70,366, all from the State General Fund, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$19,900, all from the State General Fund to remove the amount recommended by the Governor for longevity bonus payments.
2. Delete \$17,700, all from the State General Fund, to remove one minivan and review at Omnibus.

Senate Subcommittee Report

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

Bill Sec.

Analyst: Klaassen

Analysis Pg. No. Vol.-

Budget Page No. 199

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,302,910	\$ 6,302,910	\$ 0
Other Funds	3,058,703	3,058,703	0
Subtotal - Operating	\$ 9,361,613	\$ 9,361,613	\$ 0
Capital Improvements:			
State General Fund	\$ 349,167	\$ 349,167	\$ 0
Other Funds	353,546	195,413	0
Subtotal - Capital Improvements	\$ 702,713	\$ 544,580	\$ 0
TOTAL	\$ 10,064,326	\$ 9,906,193	\$ 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

For **FY 2008** the **Historical Society** requests revised operating expenditures totaling \$9,361,613, a decrease of \$44,517, or 0.5 percent, below the amount approved by the 2007 Legislature. Requested State General Fund operating expenditures total \$6,302,910, no change from the approved amount. The request would fund the currently approved 134.0 FTE positions.

Governor's Recommendation

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

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Historical Society

Bill No. SB

Bill Sec.

Analyst: Klaassen

Analysis Pg. No. Vol.-

Budget Page No. 199

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 7,104,303	\$ 6,421,471	\$ (242,288)
Other Funds	3,129,893	3,149,679	(54,366)
Subtotal - Operating	<u>\$ 10,234,196</u>	<u>\$ 9,571,150</u>	<u>\$ (296,654)</u>
Capital Improvements:			
State General Fund	\$ 615,335	\$ 125,000	\$ 0
Other Funds	200,000	700,000	0
Subtotal - Capital Improvements	<u>\$ 815,335</u>	<u>\$ 825,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 11,049,531</u></u>	<u><u>\$ 10,396,150</u></u>	<u><u>\$ (296,654)</u></u>
FTE Positions	134.0	134.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	<u><u>138.0</u></u>	<u><u>138.0</u></u>	<u><u>0.0</u></u>

*Of the Subcommittee's recommended reductions, \$282,254, including \$242,288 from the State General Fund, is related to pay plan adjustments.

Agency Request

For **FY 2009** the **Historical Society** requests operating expenditures of \$10,234,196, an increase of \$872,583, or 9.3 percent, above the revised current year estimate. The operating request includes State General Fund expenditures of \$7,104,303, an increase of \$801,393, or 12.7 percent, above the revised current year estimate. The request would fund 134.0 FTE positions.

The request includes enhancement funding of \$1,114,000, including \$1,088,700 from the State General Fund. Absent enhancements, the request totals \$9,120,916, which is a decrease of \$241,417, or 2.6 percent, below the FY 2008 revised request. State General Fund expenditures absent enhancements total \$6,015,603, which is a decrease of \$287,307, or 4.6 percent, below the FY 2008 revised request.

Governor's Recommendation

The **Governor** recommends expenditures of \$9,571,150 from all funds, an increase of \$209,537, or 2.2 percent, above the FY 2008 recommendation and a decrease of \$663,046, or 6.5 percent, below the agency's FY 2009 request. The Governor's recommendation includes \$6,421,471 from the State General Fund, a decrease of \$682,832, or 9.6 percent, below the agency's FY 2009

request. The Governor recommends \$233,900 in enhancement requests, of which \$219,500 is from the State General Fund. The Governor's FY 2009 recommendation includes the addition of \$115,151, for a 2.5 percent base salary adjustment, and \$101,903 below market pay adjustment for select employees.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustments.** Delete \$282,254, including \$242,288 from the State General Fund, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$115,151, including \$95,330 from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$101,903, including \$85,038 from the State General Fund, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$65,200, including \$61,920 from the State General Fund, to remove the amount recommended by the Governor for longevity bonus payments.
2. Delete \$14,400, all from special revenue funds, for the replacement of one vehicle and review at Omnibus.

Senate Subcommittee Report

Agency: Kansas Arts Commission **Bill No.** SB **Bill Sec.**
Analyst: Klaassen **Analysis Pg. No.** Vol.- **Budget Page No.** 59

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,658,614	\$ 1,658,614	\$ 0
Other Funds	683,350	683,350	0
Subtotal - Operating	<u>\$ 2,341,964</u>	<u>\$ 2,341,964</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 2,341,964</u></u>	<u><u>\$ 2,341,964</u></u>	<u><u>\$ 0</u></u>
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>8.0</u></u>	<u><u>8.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

For **FY 2008** the **Kansas Arts Commission** requests a revised FY 2008 budget totaling \$2,341,964, an increase of \$177,669, or 8.2 percent, above the amount approved by the 2007 Legislature. Requested State General Fund expenditures total \$1,658,614, the same as the approved amount. The request would fund the currently approved 8.0 FTE positions. The increase is due to carry forward balances in federal grant funds larger than expected grants and gifts fund receipts.

Governor's Recommendation

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

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas Arts Commission **Bill No.** SB **Bill Sec.**
Analyst: Klaassen **Analysis Pg. No.** Vol.- **Budget Page No.** 59

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 1,654,397	\$ 1,769,261	\$ (15,464)
Other Funds	568,790	568,790	(1,200)
Subtotal - Operating	<u>\$ 2,223,187</u>	<u>\$ 2,338,051</u>	<u>\$ (16,664)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 2,223,187</u></u>	 <u><u>\$ 2,338,051</u></u>	 <u><u>\$ (16,664)</u></u>
 FTE Positions	 8.0	 8.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>8.0</u></u>	<u><u>8.0</u></u>	<u><u>0.0</u></u>

*All of the Subcommittee's recommended reductions are related to pay plan adjustments.

Agency Request

For **FY 2009** the **Kansas Arts Commission** requests operating expenditures of \$2,223,187, a decrease of \$118,777, or 5.1 percent, below the revised current year estimate. The request includes State General Fund expenditures of \$1,654,397, a decrease of \$4,217, or 0.3 percent, below the revised current year estimate. The request would fund 8.0 FTE positions. The request includes enhancement funding of \$100,000, all from the State General Fund.

Governor's Recommendation

The **Governor** recommends expenditures of \$2,338,051 from all funds, a decrease of \$3,913, or 0.2 percent, below the FY 2008 recommendation and an increase of \$114,864, or 5.2 percent, above the agency's FY 2009 request. The Governor's recommendation includes \$1,769,261 from the State General Fund, an increase of \$114,864, or 6.9 percent, above the agency's FY 2009 request. The Governor recommends the agency's request for \$100,000 from the State General Fund to increase grants in FY 2009. The Governor's FY 2009 recommendation includes the addition of \$10,648 for a 2.5 percent base salary adjustment, and \$4,216 for below market pay adjustment for select employees.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustments.** Delete \$16,664, including \$15,464 from the State General Fund, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$10,648, all from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$4,216, all from the State General Fund, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$1,800, including \$600 from the State General Fund, to remove the amount recommended by the Governor for longevity bonus payments.

Senate Subcommittee Report

Agency: Kansas State Library **Bill No.** SB

Bill Sec.

Analyst: Klaassen

Analysis Pg. No. Vol.-

Budget Page No. 303

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 5,609,286	\$ 5,609,286	\$ 0
Other Funds	2,180,011	2,180,011	0
Subtotal - Operating	\$ 7,789,297	\$ 7,789,297	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 7,789,297	\$ 7,789,297	\$ 0
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.0	27.0	0.0

Agency Estimate

For **FY 2008** the **Kansas State Library** estimates operating expenditures of \$7,789,297 from all funds, an increase of \$367,859, or 5.0 percent, above the amount approved by the 2007 Legislature. The estimate reflects an increase in other funds of \$375,555, and a decrease in Federal funds of \$7,898. The agency estimates current year State General Fund expenditures of \$5,609,286, an increase of \$304 above the approved amount. The \$304 increase in State General Fund expenditures is due to a reappropriation of funds from FY 2007.

Governor's Recommendation

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

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas State Library **Bill No.** SB

Bill Sec.

Analyst: Klaassen

Analysis Pg. No. Vol.-

Budget Page No. 303

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 6,131,274	\$ 5,832,718	\$ (45,508)
Other Funds	1,900,285	1,900,285	0
Subtotal - Operating	\$ 8,031,559	\$ 7,733,003	\$ (45,508)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 8,031,559	\$ 7,733,003	\$ (45,508)
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.0	27.0	0.0

*Of the Subcommittee's recommended reductions, \$61,144, all from the State General Fund, is related to pay plan adjustments.

Agency Request

For **FY 2009** the **Kansas State Library** requests operating expenditures of \$8,031,559 from all funds, an increase of \$242,262, or 3.1 percent, above the FY 2008 revised estimate. This amount includes \$6,131,274 from the State General Fund, an increase of \$521,988, or 9.3 percent, above the FY 2008 revised estimate. This increase in State General Fund is due primarily to the agency's FY 2009 total enhancement request of \$657,364, all from the State General Fund. Absent enhancements, the request totals \$7,374,195, which is a decrease of \$415,102, or 5.3 percent, below the FY 2008 revised request. State General Fund expenditures absent enhancements total \$5,473,910, which is a decrease of \$135,376, or 2.4 percent, below the FY 2008 revised request. The request would fund 27.0 FTE positions.

Governor's Recommendation

The **Governor** recommends expenditures of \$7,733,003 from all funds, a decrease of \$56,294, or 0.7 percent, below the FY 2008 recommendation and a decrease of \$298,556, or 3.7 percent, below the agency's FY 2009 request. The Governor's recommendation includes \$5,832,718 from the State General Fund, a decrease of \$298,556, or 4.9 percent, below the agency's FY 2009 request. The Governor recommends \$310,864 in enhancements for the statewide library courier system and the statewide youth services consultant for FY 2009. The Governor's FY 2009

recommendation includes the addition of \$36,600 for a 2.5 percent base salary adjustment, and \$11,344 for below market pay adjustment for select employees.

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustments.** Delete \$61,144, all from the State General Fund, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$36,600, all from the State General Fund, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$11,344, all from the State General Fund, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$13,200, all from the State General Fund, to remove the amount recommended by the Governor for longevity bonus payments.
2. Delete \$60,864, all from the State General Fund, for a Statewide Youth Services Consultant.
3. Add \$76,500, all from the State General Fund, for the Talking Books Service promotion.