

MINUTES OF THE SENATE WAYS & MEANS

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on January 14, 2009, in Room 545-N of the Capitol.

All members were present except:
Senator Wysong - excused

Committee staff present:

Alan Conroy, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Mike Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Melinda Gaul, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees:

Duane Goossen, Director, Division of the Budget
Dale Dennis, Deputy Commissioner, Department of Education

Others attending:

See attached list.

Approval of Minutes

Senator Teichman moved to approve the minutes of the January 13, 2009, meeting as written. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Overview of Governor's Budget Recommendations

Duane Goossen, Director, Division of the Budget, presented an overview of the Governor's Budget Recommendations for FY 2009 and FY 2010, focusing primarily on FY 2009 (Attachment 1). Mr. Goossen explained that the budget recommendations proposed by the Governor will eliminate the gap of approximately \$1 billion in the State General Fund (SGF), as a result of the economic downturn, between state revenues and expenditures and produce a positive ending balance by the end of FY 2010. At the same time, the goal is not to raise taxes and preserve the state's investment in basic programs, such as education, health care and public safety. Mr. Goossen noted that all agencies will be included in the solution to the revenue shortfall.

In order to fill the approximately \$945 million gap between state revenues and expenditures by the end of FY 2010, the Governor has proposed reductions of \$200.4 million in FY 2009 and \$744.7 million in FY 2010. Mr. Goossen stated that the Governor's proposed reductions would require agencies to absorb a 1 percent salary increase for FY 2010 as well as reductions in both FY 2009 and FY 2010 budgets. In addition, there would be transfers from other funds to the SGF and a limitation on transfers out of the SGF to other programs. Tax policy changes are also proposed, several of which would require legislation.

Mr. Goossen presented details of a revised FY 2009 budget for state agencies and non-SGF agencies (Attachment 2).

Responding to questions from the Committee, Mr. Goossen provided the following comments:

- The Budget Office has made a realistic estimate of gaming receipts for FY 2010.
- It is anticipated that a reduction of expenditures or expenditure limitations in fee-funded agencies or non-SGF funded agencies will produce a positive balance that could be transferred to the SGF.
- All agencies will be expected to hold vacant positions open. If an employee retires or leaves employment, it is anticipated that the position will not be filled and duties will be absorbed by existing staff. Some layoffs may be necessary.
- Approximately \$80 million of the reductions would affect local governments - a small portion of the

CONTINUATION SHEET

MINUTES OF THE Senate Ways & Means at 10:30 on January 14, 2009, in Room 545-N of the Capitol.

total cuts of \$945 million.

- Reductions will be more significant for some agencies than others.
- With reference to the SRS-HCBS PD Waiver, a "hard freeze" has been put in place as of December 1, 2008.
- Current statute calls for a cost-of-living-adjustment (COLA) for education in FY 2010.
- A goal is to keep K-12 funding stable.
- Base State Aid Per Pupil (BSAPP) for K-12 in FY 2009 is \$4,433, Governor's FY 2009 budget recommendations call for the BSAPP to change to \$4,411 and \$4,345 in FY 2010.
- There is an increase in at-risk students at the K-12 level.

Update on K-12 Education Cash Flow

Dale Dennis, Deputy Commissioner, Department of Education, appeared before the Committee and discussed the effects of the revenue shortfall on K-12 education. Mr. Dennis stated cash flow was not a problem for school districts until the property tax accelerator was put in place by legislation passed in FY 2003. As a result of the accelerator, school districts receive very limited state funds from July 1 until January 20th of each year. This fact has caused some school districts to write checks before June 30th, the end of the fiscal year, and hold the checks until funds are received after July 1; however, recorded as expenditures in the prior fiscal year.

Responding to questions from the Committee, Mr. Dennis reported:

- A small percentage of school districts are in financial difficulty at this time.
- Reductions in K-12 FY 2009 budgets would be difficult, because salaries have been set, contracts have been set and other expenditures set. At this point in the school year, school boards only have control of about 5 percent of their budgets. Solutions are difficult and may result in some programs being eliminated. Fees for kindergarten could be implemented; there could be a reduction in extra curricular activities; there could be fees for participation in activities, transportation for students living less than 2.5 miles from schools could be eliminated or a fee charged; maintenance could be limited and substitute teachers could be eliminated.
- School foundations who have funds that are donated for a specific cause should not be used to support regular expenditures of a school district unless the foundations has funds not specified.
- Changes in issuance of bonds could affect the state's bond rating.
- Funds levied for capital outlay or a specific purpose, cannot be expended for normal operating expenditures.
- If legislation was entered to allow for an additional mill levy for utilities or regular expenditures for school districts, a separate fund should be established to receive the funds.

The Committee requested the following:

- A chart showing the amount of money generated by a 2-mill levy statewide but not earmarked for a specific purpose.
- Listing of school districts that had bond issues approved in the November 2008 election.

Adjournment

The meeting was adjourned at 12:13 p.m. The next meeting is scheduled for 10:30 a.m. on January 15, 2009.

**SENATE WAYS & MEANS COMMITTEE
GUEST LIST**

DATE: January 14, 2009

NAME	REPRESENTING
Zack Goodman	Sen Todd Ken #21
Jennifer Schwartz	KACIL
Jenni Rose	KCSL
Mike Reese	Coaches Bude
Mark Bozanyak	Capitol Strategies
Mary Ann Stankiewicz	KBFA
Erik Wisner	KS Dept. of Ag
Travis Lowe	Pro Pineser, Smith & Assoc
Kelly DiRocco	LITTLE ENV. RELATIONS
Jennifer Crow	KS Coalition, USD 501
Mark Tallman	KASTI
Bill Reardon	KCKs. Public Schools
Leslie Kaufman	Kis Co-op Council
HOWARD SMITH	PITTSBURG STATE UNIVERSITY
Dough Hahn	Hein Law Firm
Jeanne Kene	Wichita Eagle
Mike Peteaser	KS SENATE
Ron Ritcher	KSD E
Dale M Dennis	KSD E
Ethan Shickson	KDOT
Patrick Woods	SRS
Demie Gentry	HR
Deby Glyn	Transco Line

Overview Presentation

FY 2010 Governor's Budget Report

January 2009

Page 1	Narrative Overview
Page 2	State General Fund Revenue/Expenditure History Chart
Page 3	State General Fund Outlook Before and After Solutions
Page 4	Steps to Resolve Budget Gap
Page 5	Detail of State General Fund Reductions
Page 6	Detail of School Finance Recommendations
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Page 10	Children's Initiatives Fund
Page 11	Water Plan Fund

To view the full FY 2010 Governor's Budget Report or to receive further information, please go to <http://budget.ks.gov> or contact the Division of the Budget at 785-296-2436.

Senate Ways & Means Cmte
Date 1-14-2009
Attachment 1

Kansas, like many other states, faces a very challenging financial situation. State costs for public education and Medicaid have increased substantially, but revenue expectations have diminished due to slower economic growth in Kansas and a national recession. The most recent revenue estimates no longer support approved FY 2009 expenditures, and building a new FY 2010 budget following previous standards would lead to a gap between expenditures and available resources of over \$900 million.

Within this difficult financial context, Governor Kathleen Sebelius presents a revised budget for FY 2009 and a new balanced budget for FY 2010. Five basic principles guide the Governor's budget recommendations:

Resolve the State General Fund budget gap in a realistic way without raising taxes ;

Protect the state's investment in public education;

Fund human service caseload costs;

Ensure the public safety of Kansans, and the continuation of basic state services; and

Include all state agencies in the budget solution.

	Budget Totals			
	<i>(Dollars in Millions)</i>			
	SGF	Percent Change	All Funds	Percent Change
FY 2008 Actual	\$ 6,101.8	--	\$ 12,688.7	--
FY 2009 Apprv. (May 2008)	6,404.4	5.0%	13,487.1	6.3%
FY 2009 Apprv. with Shifts	6,440.7	5.6%	13,523.4	6.6%
FY 2009 Gov. Est.	6,348.6	4.0%	13,600.1	7.2%
FY 2010 Gov. Rec.	6,153.5	(3.1%)	12,881.4	(5.3%)

Expenditures

Expenditures in almost every State General Fund agency have been reduced in FY 2009, and then reduced further in FY 2010. In addition, State General Fund debt has been restructured, a 9-month

moratorium proposed on payments into the KPERS Death and Disability Fund, as well as a 7-pay period moratorium on payments to the state employees' health fund.

Total expenditures to fund public education in 2010 remain flat from the approved FY 2009 amount. The budget includes human service caseload costs. The Governor proposes that state employees receive a 1.0 percent general salary increase, but expects agencies to absorb the cost of the increase.

Changes to Revenue

The Governor does not recommend any tax increases as part of her budget, but does propose changes to transfers in and out of the State General Fund. Expenditures in special revenue fund agencies are reduced and the resulting savings plus any other balances transferred to the State General Fund. Available revenue from new gaming operations is proposed to be transferred. Transfers out of the State General Fund are suspended or limited.

The budget also recommends improving revenue through several tax policy changes to suspend the phase-out of the estate and corporate franchise taxes, eliminate the community service credit, accelerate severance tax collections and attribute a larger portion of liquor taxes to the State General Fund.

The next revenue projection will be made in mid-April. While this proposed budget uses updated November estimates, the state's financial situation is still fluid. Further action may be required once the spring estimates are made.

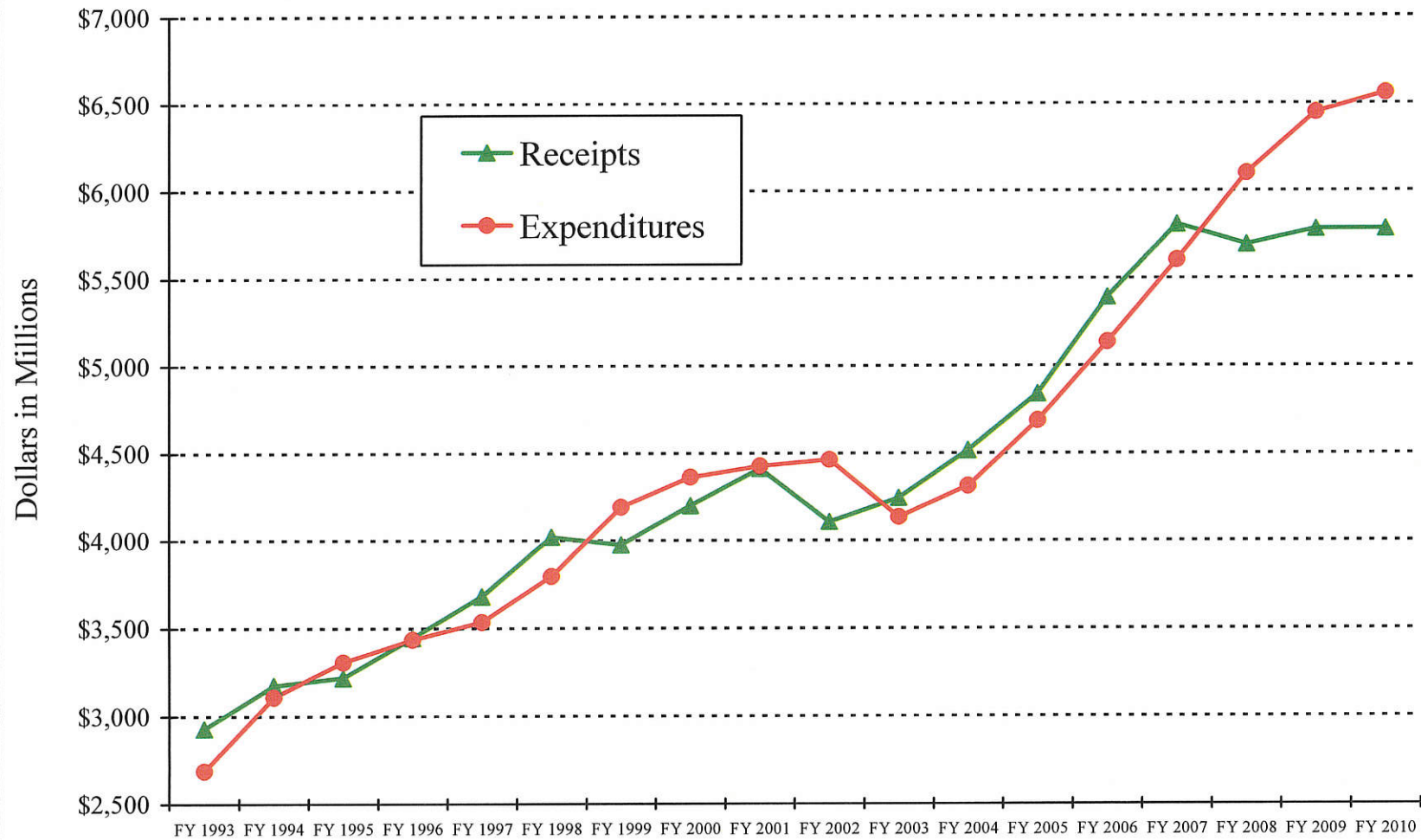
Ending Balance

Together, all of the steps proposed to resolve the budget gap yield an ending State General Fund balance of \$58.3 million in FY 2009 and \$0.6 million in FY 2010. Under the current extraordinary circumstances, building a realistic budget without tax increases that projects a 7.5 percent ending balance is not possible. A brief budget that meets statutorily required balances has been included in Volume 1 of *The Governor's Budget Report*.

State General Fund Receipts and Expenditures

FY 1993 - FY 2010

(Before Governor's Budget)



State General Fund Outlook--Without Solutions

Approved FY 2009 Budget Plus Consensus Amounts for Caseloads and School Finance

(Dollars in Millions)

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Beginning Balance	\$ 935.0	\$ 526.6	\$ (142.0)
November 4, 2008 Updated Revenues	<u>5,693.4</u>	<u>5,781.2</u>	<u>5,782.4</u>
Total Available	\$ 6,628.4	\$ 6,307.8	\$ 5,640.4
Expenditures			
Aid to K-12 Schools	\$ 3,065.1	\$ 3,222.4	\$ 3,357.9
School Finance Consensus Adjustments	--	3.7	--
Higher Education	829.1	852.6	852.6
Health/Human Services Caseloads	831.7	886.9	923.2
Consensus Caseload Adjustments	--	5.4	--
Undermarket Salary Adjustments	--	--	8.5
All Other Expenditures	1,370.1	1,442.5	1,442.5
Reappropriations from FY 2008	<u>--</u>	<u>36.3</u>	<u>--</u>
Total Expenditures	\$ 6,096.0	\$ 6,449.8	\$ 6,584.8
Ending Balance	\$ 532.4	\$ (142.0)	\$ (944.4)
<i>As Percent of Expenditures</i>	8.7 %	(2.2%)	(14.3%)

State General Fund Outlook--With Solutions

Governor's Proposed Balanced Budget

(Dollars in Millions)

	<u>FY 2008 Actual</u>	<u>FY 2009 Gov. Rec.</u>	<u>FY 2010 Gov. Est.</u>
Beginning Balance	\$ 935.0	\$ 526.6	\$ 58.3
November 4, 2008 Updated Revenues	5,693.4	5,781.2	5,782.4
Governor's Revenue Adjustments	<u>--</u>	<u>99.2</u>	<u>313.4</u>
Total Available	\$ 6,628.4	\$ 6,407.0	\$ 6,154.1
Expenditures			
Aid to K-12 Schools	\$ 3,065.1	\$ 3,223.5	\$ 3,181.9
Higher Education	829.1	830.0	773.0
Health/Human Services Caseloads	836.1	883.8	870.6
All Other Expenditures	<u>1,371.5</u>	<u>1,411.3</u>	<u>1,328.0</u>
Total Expenditures	\$ 6,101.8	\$ 6,348.6	\$ 6,153.5
Ending Balance	\$ 526.6	\$ 58.3	\$ 0.6
<i>As Percent of Expenditures</i>	8.6 %	0.9%	--

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Steps to Resolve Budget Gap

(Dollars in Millions)

	<u>FY 2009</u>	<u>FY 2010</u>
Changes to State General Fund Expenditures		
Reduce Current Year Approved Budgets	101.2	--
Reduce FY 2010 Budgets	--	431.3
Require Agencies to Absorb FY 2010 1% Salary Increase	--	--
Changes to State General Fund Revenues		
Transfers In:		
Reduce CIF Expenditures and Transfer Balance	--	9.2
Reduce EDIF Expenditures and Transfer Balance	--	3.5
Reduce non-SGF Agencies and Transfer Balances	2.2	2.9
Transfer Other Special Revenue Balances	29.0	2.2
End KSIP and Transfer Balances	4.2	--
Transfer Unallocated Gaming Revenue	(1.6)	56.7
KPERS D&D Moratorium Spec. Rev. Fund Savings	--	5.1
Health Insurance Moratorium	--	23.7
Limit Transfers Out:		
Stop Highway Fund Loan Repayment	30.9	30.9
Stop Other Fund Loan Repayments	3.8	3.8
Limit Bioscience Authority Transfer (\$35M FY '09 \$40M FY '10)	12.0	20.0
Suspend Transfers to SCCHF, SWPF, Health Care Stab.	19.1	19.1
Suspend Deferred Maintenance Transfer to Regents	--	15.0
Reduce Regents Research Corp. for Debt Restructuring	--	5.0
Limit Housing Trust Fund Transfer	--	2.0
Suspend Restoration of LAVTR Transfer	--	13.5
Suspend Property Tax Slider	--	45.3
Net of All Other Changes	(0.4)	(5.0)
Tax Policy Changes:		
Suspend Phase-Out of Corporate Franchise Tax	--	14.0
Suspend Phase-Out of Estate Tax	--	5.0
Eliminate Community Service Credit	--	4.4
Accelerate Severance Tax Due Date	--	10.0
Attribute all Liquor Taxes to State General Fund	--	27.2
Total of All Changes	\$ 200.4	\$ 744.7

**State General Fund
Expenditure Reductions**

FY 2009

Operating Budget Reductions	\$ (38.8)
Debt Restructuring	(14.0)
School Finance Held Flat	(17.7)
Regents System Reductions	(24.6)
KHPA--Switch to Fees Fund	(8.5)
SRS--HCBS PD Waiver	8.4
Close DOC Facilities	(1.6)
Close Atchison Juv. Correc. Fac.	(2.0)
Delay Osawatomie 30-Bed Unit	(1.8)
Net of Other Adjustments	(0.6)
Total	\$ (101.2)

FY 2010

School Finance CPI Increase	(108.4)
Special Education Increase	(37.9)
Other School Finance Increases	(18.7)
Regents System Reductions	(56.3)
Kan-Ed Shift to KUSF	(2.0)
KUMC--WCGME	(2.5)
Caseload Policy Changes:	
Freeze Nursing Home Rates	(6.0)
KHPA Switch SGF to Fee Funds	(5.7)
KHPA--Administrative Initiatives	(9.6)
SRS--New Foster Care Contract	(14.1)
MedKan/GA 18-month Limit	(12.3)
CINC Policy	(3.8)
CMHC Grants	(7.0)
CDDO Grants	(2.0)
DOC Facility Closures	(7.8)
Atchison Juv. Correc. Facility Closure	(3.7)
KHP--Suspend New Trooper Class	(1.0)
KPERS D&D 3-Quarter Moratorium	(30.4)
Health Ins. 7-Payroll Cycle Moratorium	(32.0)
Debt Restructuring	(34.1)
Net of Other Adjustments	(36.1)
Total	\$ (431.3)

Expenditure reductions have also been recommended for agencies that are not financed from the State General Fund. In most cases, the savings from these reductions are proposed for transfer to the State General Fund. In addition, the budget includes

Economic Initiatives Fund reductions resulting from the merger of KTEC and Kansas, Inc. operations into the Department of Commerce, and reductions in Children's Initiatives Fund and Water Plan Fund spending.

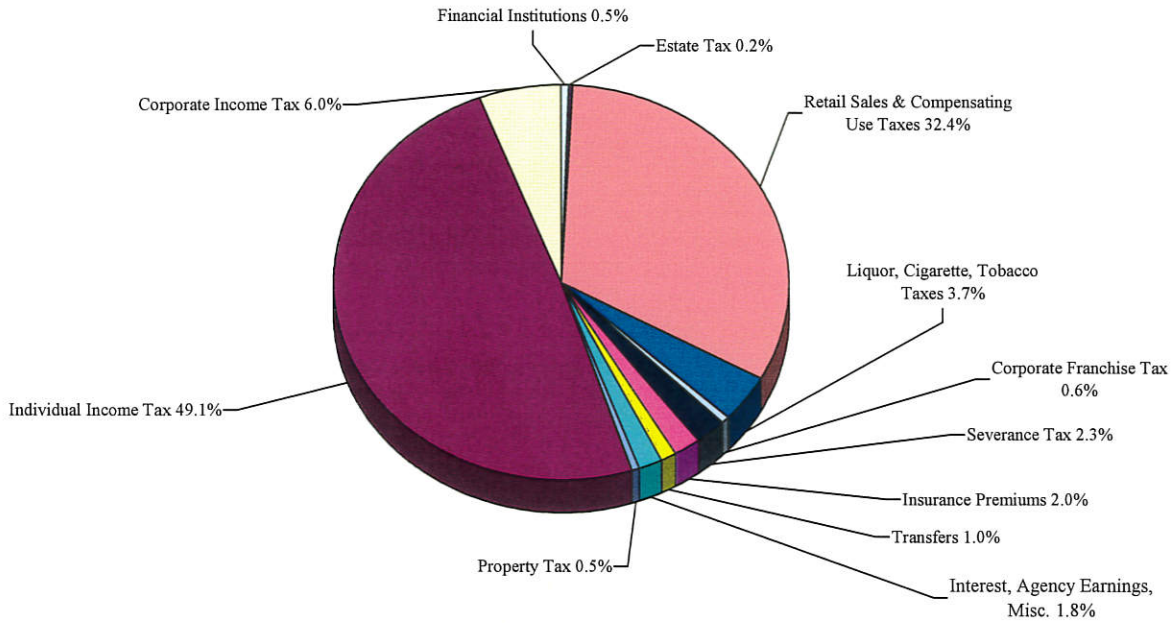
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Key Expenditures for Aid to Schools

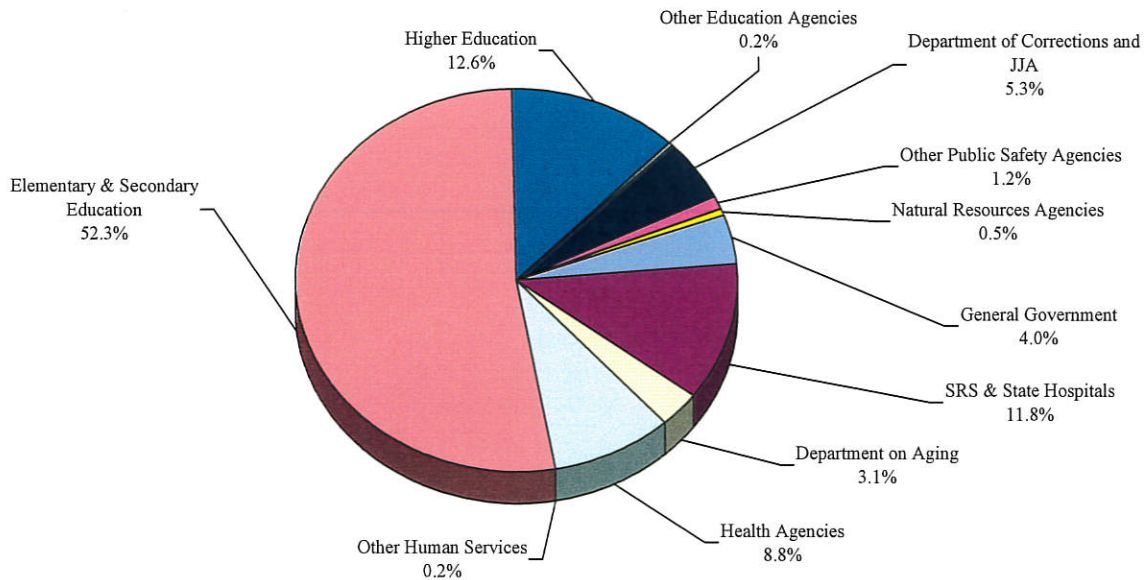
	<u>Approved FY 2009</u>	<u>Consensus FY 2009</u>	<u>Gov. Rec. FY 2009</u>	<u>Consensus FY 2010</u>	<u>Gov. Rec. FY 2010</u>
General State Aid	\$ 2,183,419,242	\$ 2,197,321,000	\$ 2,183,920,915	\$ 2,245,217,000	\$ 2,126,235,466
Special Education Aid	427,753,137	432,035,493	427,753,137	465,718,765	427,753,137
Local Option Budget	332,676,369	324,146,000	324,146,000	339,212,000	339,212,000
KPERS Employer Contributions*	249,998,012	249,989,121	249,989,121	282,188,282	274,111,409
Capital Outlay Aid	<u>25,439,522</u>	<u>22,600,000</u>	<u>22,600,000</u>	<u>25,600,000</u>	<u>25,600,000</u>
Subtotal--SGF	\$ 3,219,286,282	\$ 3,226,091,614	\$ 3,208,409,173	\$ 3,357,936,047	\$ 3,192,912,012
20 Mill Property Tax Levy	560,060,359	\$570,937,468	\$570,937,468	\$586,434,629	\$586,434,629
Total School Funding	\$ 3,779,346,641	\$ 3,797,029,082	\$ 3,779,346,641	\$ 3,944,370,676	\$ 3,779,346,641

*KPERS--School expenditures are before the proposed FY 2010 KPERS Death & Disability Moratorium.

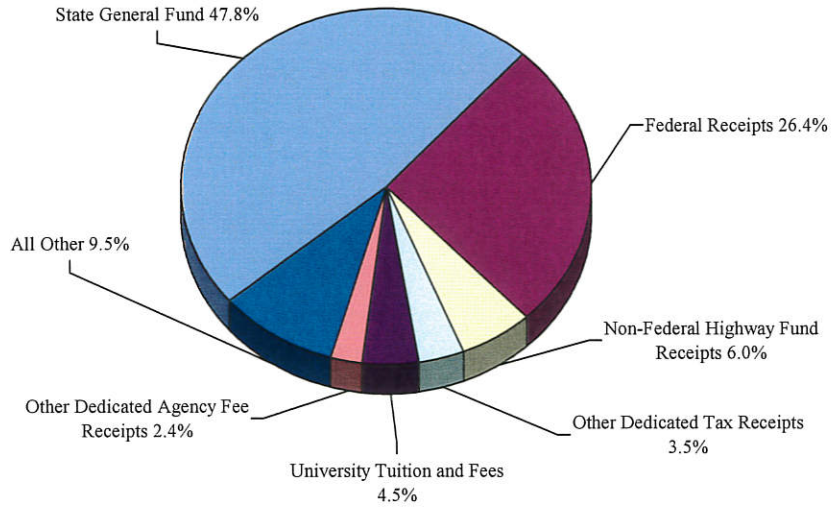
**Where State Dollars Come From
State General Fund
FY 2010**



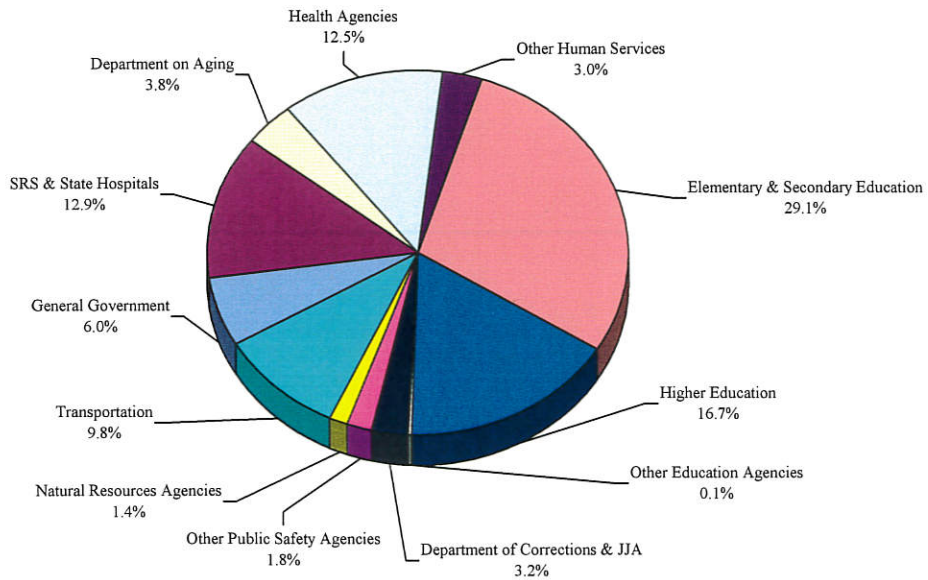
**Where State Dollars Go
State General Fund
FY 2010**



How the All Funds Budget Is Financed
 All Sources of Funding
 FY 2010



Where All Funds Go
 All Sources of Funding*
 FY 2010



* Excludes non-reportable expenditures.

Economic Development Initiatives Fund Summary

	FY 2008 <u>Actual</u>	FY 2009 <u>Approved</u>	FY 2009 <u>Revised</u>	FY 2010 <u>Gov. Rec.</u>
Beginning Balance	\$ 4,034,032	\$ 1,127,110	\$ 4,980,302	\$ 3,204,654
Revenues:				
Released Encumbrances	1,253,077	--	--	--
Lottery Revenues	42,432,000	42,432,000	42,432,000	42,432,000
Interest & Other Revenues	1,724,149	1,400,000	1,400,000	1,000,000
Transfer to KEOIF	(3,000,000)	(1,250,000)	(1,250,000)	(3,250,000)
Transfer to SECPDPF	(150,000)	--	--	--
Transfer to KQBFPIF	(400,000)	(400,000)	(400,000)	(200,000)
Transfer to SWPF	(2,000,000)	(3,043,985)	(3,043,985)	(2,000,000)
Transfer to PUGAADF	--	--	--	(1,000,000)
Parsons Road Transfer	--	750,000	750,000	--
KPERS Death & Dis. Transfer	--	--	--	(46,665)
Health Insurance Transfer	--	--	--	(194,411)
Transfer to SGF	--	--	--	(3,533,611)
Total Available	<u>\$ 43,893,258</u>	<u>\$ 41,015,125</u>	<u>\$ 44,868,317</u>	<u>\$ 36,411,967</u>
Expenditures:				
Department of Commerce	18,410,072	18,543,972	19,574,729	25,923,979
KTEC	12,162,460	12,032,258	11,083,876	--
Kansas, Inc.	504,743	415,363	321,139	--
Board of Regents	2,677,723	2,745,500	2,813,277	2,745,500
KSU-ESARP	300,000	300,000	300,000	293,911
WSU-Aviation Research	4,747,958	7,500,000	7,502,042	7,448,577
State Fair	110,000	70,000	68,600	--
EDIF Pay Plan Savings	--	8,789	--	--
Total Expenditures	<u>38,912,956</u>	<u>41,615,882</u>	<u>41,663,663</u>	<u>36,411,967</u>
Ending Balance	\$ 4,980,302	\$ (600,757)	\$ 3,204,654	\$ --

Children's Initiatives Fund

	FY 2008 Actual	FY 2009 Approved	FY 2009 Revised	FY 2010 Gov. Rec.
Beginning Balance	\$ 743,550	\$ 12,276,628	\$ 12,747,981	\$ 600,515
Revenues:				
Released Encumbrances	300,233	--	--	--
Transfer From KEY Fund	62,922,205	64,458,892	64,458,892	66,867,010
Transfer from CIRF	825,952	825,952	825,952	825,952
Total Available	\$ 64,791,940	\$ 77,561,472	\$ 78,032,825	\$ 68,293,477
Expenditures				
Social & Rehabilitation Services				
Early Childhood Block Grant	--	11,100,000	11,100,000	11,098,462
Children's Mental Health Initiative	3,800,000	3,800,000	3,800,000	3,800,000
Family Centered System of Care	5,000,000	5,000,000	5,000,000	5,000,000
Therapeutic Preschool	1,000,000	--	--	--
Child Care Services	1,400,000	1,400,000	1,400,000	1,400,000
Community Svcs. For Child Welfare	3,298,500	3,208,938	3,136,934	--
Smart Start Kansas	8,986,263	8,443,279	8,443,279	8,442,190
Pre-K Pilot	5,000,000	--	--	--
Early Head Start	1,600,000	3,452,779	3,452,779	3,452,779
Child Care Quality Initiatives	500,000	500,000	500,000	500,000
Children's Cabinet Account. Fund	541,802	541,802	541,802	541,802
Family Preservation	3,151,403	3,241,062	3,313,066	3,241,062
Attendant Care for Independ. Living	50,000	--	--	--
School Violence Prevention	227,392	--	--	--
Total--SRS	34,555,360	40,687,860	40,687,860	37,476,295
Kansas Health Policy Authority				
Immunization Outreach	277,876	500,000	500,000	--
Healthwave	2,000,000	2,000,000	2,000,000	--
Medical Assistance	3,000,000	3,000,000	3,000,000	--
Total--KHPA	5,277,876	5,500,000	5,500,000	--
Health & Environment--Health				
Healthy Start/Home Visitor	250,000	250,000	250,000	250,000
Special Health Services	208,000	208,000	208,000	--
Newborn Hearing Aid Loaner Program	--	50,000	50,000	50,000
SIDS Network Grant	--	75,000	75,000	75,000
Newborn Screening	--	2,216,888	2,221,556	2,202,682
Infants & Toddlers Program	1,200,000	5,700,000	5,700,000	5,700,000
Smoking Prevention Grants	1,000,000	1,000,000	1,000,000	1,000,000
Total--KDHE	2,658,000	9,499,888	9,504,556	9,277,682
Department of Education				
Reading, Vision, General Aid	300,000	300,000	200,000	--
Parent Education	--	7,539,500	7,539,500	7,539,500
Pre-K Pilot	--	5,000,000	5,000,000	5,000,000
Total--KSDE	300,000	12,839,500	12,739,500	12,539,500
University of Kansas Medical Center	252,723	--	394	--
Juvenile Justice Authority	9,000,000	9,000,000	9,000,000	9,000,000
Total Expenditures	52,043,959	77,527,248	77,432,310	68,293,477
Ending Balance	\$ 12,747,981	\$ 34,224	\$ 600,515	\$ --

State Water Plan Fund

	FY 2008 <u>Actual</u>	FY 2009 <u>Approved</u>	FY 2009 <u>Revised</u>	FY 2010 <u>Gov. Rec.</u>
Beginning Balance	9,052,462	2,846,479	2,846,479	--
Revenues				
Released Encumbrances	981,099	1,107,136	1,087,010	421,709
Transfer to GMD #3	(739,964)	--	--	--
Transfers to the SGF	--	--	--	(16,152)
Transfer to KCC	(400,000)	(400,000)	(320,000)	(288,000)
SGF Transfer	6,000,000	6,000,000	--	--
EDIF Transfer	2,000,000	3,043,985	3,043,985	2,000,000
<i>Kansas v. Colorado</i> Damage Award	584,217	525,729	525,729	--
Clean Drinking Water Fee Revenue	--	6,480,609	6,480,609	3,469,486
Fee Receipts	<u>9,605,356</u>	<u>9,591,669</u>	<u>9,591,669</u>	<u>9,429,270</u>
Total Available	27,083,170	29,195,607	23,255,481	15,016,313
Expenditures				
Dept. of Health & Environment	4,087,999	3,929,512	3,143,610	2,617,221
Univ. of Kansas--Geological Survey	40,000	40,000	32,000	28,800
Department of Agriculture	1,130,152	1,403,501	1,245,979	1,124,615
State Conservation Commission	15,173,035	19,118,350	15,210,497	9,065,321
Kansas Water Office	2,765,505	4,664,244	3,591,395	2,151,556
Department of Wildlife and Parks	<u>1,040,000</u>	<u>40,000</u>	<u>32,000</u>	<u>28,800</u>
Total Expenditures	24,236,691	29,195,607	23,255,481	15,016,313
Ending Balance	2,846,479	--	--	--

	FY 2009 App. with Shifts SGF	FY 2009 App. with Shifts All Funds	FY 2009 Revised SGF	FY 2009 Revised All Funds	Percent Change SGF	Percent Change All Funds
General Government						
Department of Administration	65,447,980	79,077,285	52,951,929	69,910,302	-19.1%	-11.6%
Kansas Corporation Commission	--	21,029,138	--	21,472,537		2.1%
Citizens Utility Ratepayer Board	--	803,448	--	859,619		7.0%
Kansas Human Rights Commission	1,776,937	2,250,971	1,724,014	2,191,624	-3.0%	-2.6%
Board of Indigents Defense Services	22,926,945	23,926,945	22,464,268	23,329,268	-2.0%	-2.5%
Health Care Stabilization	--	33,484,239	--	33,496,715		0.0%
Kansas Public Employees Retirement Sys.	10,270,948	57,057,166	10,270,948	53,579,481	0.0%	-6.1%
Department of Commerce	620,741	112,733,882	608,376	129,406,155	-2.0%	14.8%
Kansas Technology Enterprise Corporation	--	14,201,325	--	13,144,797		-7.4%
Kansas, Inc.	--	622,433	--	586,456		-5.8%
Kansas Lottery	--	78,069,226	--	50,901,225		-34.8%
Kansas Racing & Gaming Commission	--	17,548,633	--	10,237,649		-41.7%
Department of Revenue	21,439,029	98,240,974	20,795,859	100,536,669	-3.0%	2.3%
Court of Tax Appeals	1,826,913	2,328,147	1,626,669	2,272,903	-11.0%	-2.4%
Abstracters Board of Examiners	--	21,814	--	21,160		-3.0%
Board of Accountancy	--	315,697	--	315,893		0.1%
Office of the State Bank Commissioner	--	8,577,041	--	8,438,921		-1.6%
Board of Barbering	--	155,851	--	142,692		-8.4%
Behavioral Sciences Regulatory Board	--	625,213	--	610,371		-2.4%
Board of Cosmetology	--	806,356	--	798,593		-1.0%
Department of Credit Unions	--	894,662	--	877,990		-1.9%
Kansas Dental Board	--	382,560	--	380,950		-0.4%
Governmental Ethics Commission	554,614	715,706	512,918	699,843	-7.5%	-2.2%
Board of Healing Arts	--	3,259,578	--	3,601,944		10.5%
Hearing Instruments Board of Examiners	--	29,511	--	28,626		-3.0%
Board of Mortuary Arts	--	276,605	--	269,488		-2.6%
Board of Nursing	--	1,854,916	--	1,869,484		0.8%
Board of Examiners in Optometry	--	130,411	--	126,499		-3.0%
Board of Pharmacy	--	764,201	--	694,115		-9.2%
Real Estate Appraisal Board	--	326,818	--	316,050		-3.3%
Kansas Real Estate Commission	--	1,103,162	--	1,091,988		-1.0%
Office of the Securities Commissioner	--	2,961,053	--	2,875,503		-2.9%
Board of Technical Professions	--	576,909	--	584,269		1.3%
Board of Veterinary Examiners	--	268,925	--	262,051		-2.6%
Office of the Governor	8,744,874	18,676,585	8,384,355	13,164,094	-4.1%	-29.5%
Office of the Lieutenant Governor	254,362	254,362	203,947	203,947	-19.8%	-19.8%
Attorney General	5,445,352	20,639,252	5,111,224	19,550,997	-6.1%	-5.3%
Insurance Department	--	23,617,836	--	24,040,565		1.8%
Secretary of State	51,704	6,215,928	--	6,029,428	-100.0%	-3.0%
State Treasurer	--	17,971,781	--	62,940,200		250.2%
Legislative Coordinating Council	983,083	983,083	799,381	799,381	-18.7%	-18.7%
Legislature	18,852,105	18,938,575	18,475,210	18,550,279	-2.0%	-2.1%
Legislative Research Department	3,955,022	3,955,022	3,849,709	3,849,709	-2.7%	-2.7%
Legislative Division of Post Audit	2,875,097	2,875,097	2,808,623	2,808,623	-2.3%	-2.3%
Revisor of Statutes	4,047,667	4,047,667	3,838,714	3,838,714	-5.2%	-5.2%
Judiciary	112,424,310	127,127,095	111,862,198	126,326,970	-0.5%	-0.6%
Judicial Council	161,210	1,555,573	158,210	1,441,525	-1.9%	-7.3%
Total--General Government	\$ 282,658,893	\$ 812,278,657	\$ 266,446,552			

Senate Ways & Means Cmte

Date 1-14-2009

Attachment 2

	FY 2009 App. with Shifts SGF	FY 2009 App. with Shifts All Funds	FY 2009 Revised SGF	FY 2009 Revised All Funds	Percent Change SGF	Percent Change All Funds
Human Services						
Social & Rehabilitation Services	683,916,546	1,559,077,509	686,625,225	1,604,449,849	0.4%	2.9%
Kansas Neurological Institute	11,112,811	28,731,630	11,112,811	28,730,954	0.0%	0.0%
Larned State Hospital	42,208,617	54,920,875	42,110,459	55,294,295	-0.2%	0.7%
Osawatomie State Hospital	18,110,591	28,017,799	16,267,473	26,543,999	-10.2%	-5.3%
Parsons State Hospital & Training Center	10,409,646	25,446,488	10,614,646	25,446,488	2.0%	0.0%
Rainbow Mental Health Facility	5,396,507	7,983,481	5,342,542	7,983,481	-1.0%	0.0%
Subtotal--SRS	\$ 771,154,718	\$ 1,704,177,782	\$ 772,073,156	\$ 1,748,449,066	0.1%	2.6%
Kansas Health Policy Authority	517,045,220	1,414,697,664	503,209,165	1,406,803,586	-2.7%	-0.6%
Department on Aging	199,402,878	501,676,928	195,084,155	494,775,499	-2.2%	-1.4%
Health & Environment--Health	26,501,725	157,902,521	25,343,400	160,744,299	-4.4%	1.8%
Department of Labor	608,030	362,231,305	564,139	402,709,389	-7.2%	11.2%
Commission on Veterans Affairs	9,511,635	22,197,145	9,227,492	22,962,754	-3.0%	3.4%
Kansas Guardianship Program	1,386,543	1,386,543	1,285,374	1,285,374	-7.3%	-7.3%
Total--Human Services	\$ 1,525,610,749	\$ 4,164,269,888	\$ 1,506,786,881	\$ 4,237,729,967	-1.2%	1.8%
Education						
Department of Education	3,247,497,788	3,769,682,217	3,235,266,585	3,767,793,642	-0.4%	-0.1%
School for the Blind	5,956,032	6,524,898	5,807,841	6,641,347	-2.5%	1.8%
School for the Deaf	9,373,237	10,038,104	9,157,444	9,962,461	-2.3%	-0.8%
Subtotal--Department of Education	\$ 3,262,827,057	\$ 3,786,245,219	\$ 3,250,231,870	\$ 3,784,397,450	-0.4%	0.0%
Board of Regents	197,351,649	301,518,583	192,136,497	241,825,589	-2.6%	-19.8%
Emporia State University	35,595,985	77,394,150	34,528,235	87,870,687	-3.0%	13.5%
Fort Hays State University	37,655,576	83,355,108	36,528,949	90,620,743	-3.0%	8.7%
Kansas State University	117,386,040	491,955,353	113,870,142	534,626,189	-3.0%	8.7%
Kansas State University--ESARP	56,123,762	127,206,221	54,440,049	123,730,291	-3.0%	-2.7%
KSU--Veterinary Medical Center	11,587,263	33,253,180	11,248,645	34,349,001	-2.9%	3.3%
Pittsburg State University	38,916,466	84,867,047	37,598,900	92,179,668	-3.4%	8.6%
University of Kansas	154,860,446	549,883,449	150,214,632	574,042,432	-3.0%	4.4%
University of Kansas Medical Center	127,017,719	275,331,477	123,293,470	275,561,035	-2.9%	0.1%
Wichita State University	78,467,225	209,305,210	76,162,534	220,692,263	-2.9%	5.4%
Subtotal--Regents	\$ 854,962,131	\$ 2,234,069,778	\$ 830,022,053	\$ 2,275,497,898	-2.9%	1.9%
Kansas Arts Commission	1,769,232	2,338,022	1,499,361	2,291,547	-15.3%	-2.0%
Historical Society	6,733,186	10,083,205	6,351,599	9,915,729	-5.7%	-1.7%
State Library	5,542,951	7,449,972	5,376,662	7,193,492	-3.0%	-3.4%
Total--Education	\$ 4,131,834,557	\$ 6,040,186,196	\$ 4,093,481,545	\$ 6,079,296,116	-0.9%	0.6%
Public Safety						
Department of Corrections	126,613,005	147,226,925	116,811,550	142,149,425	-7.7%	-3.4%
El Dorado Correctional Facility	24,070,874	24,195,016	24,171,714	24,383,634	0.4%	0.8%
Ellsworth Correctional Facility	12,149,799	12,200,351	12,536,799	12,625,883	3.2%	3.5%
Hutchinson Correctional Facility	28,031,623	28,415,531	28,466,282	29,214,392	1.6%	2.8%
Lansing Correctional Facility	37,013,581	37,313,581	37,345,280	37,746,156	0.9%	1.2%
Larned Correctional Mental Health Facilit	9,437,730	9,439,930	9,529,730	9,671,267	1.0%	2.5%
Norton Correctional Facility	14,120,621	14,314,398	14,325,621	14,747,143	1.5%	3.0%
Topeka Correctional Facility	12,315,485	13,221,812	12,315,485	13,647,939	0.0%	3.2%
Winfield Correctional Facility	11,943,711	12,195,763	12,248,325	12,911,555	2.6%	5.9%
Subtotal--Corrections	\$ 275,696,429	\$ 298,523,307	\$ 267,750,786	\$ 297,097,394	-2.9%	-0.5%

	FY 2009 App. with Shifts SGF	FY 2009 App. with Shifts All Funds	FY 2009 Revised SGF	FY 2009 Revised All Funds	Percent Change SGF	Percent Change All Funds
Juvenile Justice Authority	39,836,696	69,516,861	39,941,331	69,619,714	0.3%	0.1%
Atchison Juvenile Correctional Facility	5,549,957	5,844,083	3,014,899	3,094,880	-45.7%	-47.0%
Beloit Juvenile Correctional Facility	4,005,685	4,227,009	3,936,905	4,028,698	-1.7%	-4.7%
Kansas Juvenile Correctional Complex	15,257,018	16,287,646	15,704,777	16,262,420	2.9%	-0.2%
Larned Juvenile Correctional Facility	8,546,491	8,618,511	8,386,005	8,496,062	-1.9%	-1.4%
Subtotal--Juvenile Justice	\$ 73,195,847	\$ 104,494,110	\$ 70,983,917	\$ 101,501,774	-3.0%	-2.9%
Adjutant General	29,169,014	153,672,650	28,053,635	200,427,259	-3.8%	30.4%
Emergency Medical Services Board	--	2,306,203	--	2,494,249		8.2%
State Fire Marshal	--	4,780,958	--	4,941,259		3.4%
Highway Patrol	39,499,096	93,060,294	37,406,194	89,621,434	-5.3%	-3.7%
Kansas Bureau of Investigation	17,336,999	27,156,085	16,094,392	27,273,989	-7.2%	0.4%
Kansas Parole Board	522,900	522,900	502,669	502,669	-3.9%	-3.9%
Comm. on Peace Officers Stand. & Trng.	--	722,502	--	643,000		-11.0%
Sentencing Commission	10,034,517	10,506,945	9,342,428	9,809,768	-6.9%	-6.6%
Total--Public Safety	\$ 445,454,802	\$ 695,745,954	\$ 430,134,021	\$ 734,312,795	-3.4%	5.5%
Agriculture & Natural Resources						
Department of Agriculture	12,206,961	28,424,388	11,695,253	28,751,854	-4.2%	1.2%
Animal Health Department	941,265	2,800,855	913,027	2,886,773	-3.0%	3.1%
State Conservation Commission	912,258	15,731,332	884,917	17,043,594	-3.0%	8.3%
Health & Environment--Environment	10,161,902	74,275,246	9,469,653	74,207,368	-6.8%	-0.1%
Kansas State Fair	1,540,821	6,684,896	1,130,821	6,417,698	-26.6%	-4.0%
Kansas Water Office	2,912,892	9,530,098	2,824,403	19,822,620	-3.0%	108.0%
Department of Wildlife & Parks	9,974,440	57,941,870	8,704,441	66,896,569	-12.7%	15.5%
Total--Agriculture & Nat. Resources	\$ 38,650,539	\$ 195,388,685	\$ 35,622,515	\$ 216,026,476	-7.8%	10.6%
Transportation						
Department of Administration	16,148,175	16,148,175	16,148,175	16,148,175	0.0%	0.0%
Kansas Department of Transportation	--	1,599,023,985	--	1,497,105,234		-6.4%
Total--Transportation	\$ 16,148,175	\$ 1,615,172,160	\$ 16,148,175	\$ 1,513,253,409	0.0%	-6.3%
Finance Council Pay Plan Distribution	374,599	386,164	--	--	-100.0%	-100.0%
Total Expenditures	\$ 6,440,732,314	\$13,523,427,704	\$ 6,348,619,689	\$13,600,095,025	-1.4%	0.6%

<u>Agency Name</u>	<u>Fund Name</u>	<u>KSIP Balances</u>	<u>Redux of Non-SGF Agencies</u>	<u>Special One-Times</u>
Department of Administration	Department of Administration	63,978	--	--
Kansas Corporation Commission	Conservation Fee Fund	--	--	2,500,000
Kansas Corporation Commission	Flexible Fund Transfer	--	634,875	--
Kansas Corporation Commission	KETA Development Fund	--	--	1,000,000
Citizens Utility Ratepayer Board	Utility Regulatory Fee Fund	--	24,100	--
Health Care Stabilization Fund	Health Care Stabilization Fund	251,834	--	--
KPERS	KPERS Fund	29,756	--	--
Kansas Lottery	Lottery Operating Fund-KSIP	698,176	--	--
Racing & Gaming Commission	State Racing Fund- KSIP	43,761	--	--
Department of Revenue	Cigarette & Tobacco Products Regulation Fund	--	--	380,000
Department of Revenue	County Drug Tax Fund	--	--	400,000
Department of Revenue	Special County Mineral Production Tax Fund	--	--	2,000,000
Abstracters Board of Examiners	Abstracters Fee Fund	--	654	--
Board of Accountancy	Board of Accountancy Fee Fund	--	9,500	--
Board of Accountancy	Board of Accountancy Fee Fund - KSIP	41,382	--	--
State Bank Commissioner	Bank Commissioner Fee Fund	--	257,311	800,000
State Bank Commissioner	Bank Commissioner Fee Fund-KSIP	534,517	--	--
State Bank Commissioner	Consumer Education Settlement Fund	--	--	500,000
Board of Barbering	Board of Barbering Fee Fund	--	4,676	--
Behavioral Sciences Reg. Board	Behav Sci Reg Fee Fund--KSIP	27,134	--	--
Behavioral Sciences Reg. Board	Behavioral Sciences Regulatory Board Fee Fund	--	19,717	--
Board of Cosmetology	Cosmetology Fee Fund	33,549	24,191	--
Credit Unions	Credit Union Fee Fund	--	26,840	--
Credit Unions	Credit Union Fee Fund--KSIP	51,016	--	--
Kansas Dental Board	Dental Board Fee Fund	3,079	11,472	--
Board of Healing Arts	Healing Arts Fee Fund	--	67,618	--
Hearing Instruments Board	Hearing Instruments Fee Fund	--	885	--
Board of Mortuary Arts	Mortuary Arts Fee Fund	29,834	8,298	--
Board of Nursing	Board of Nursing Fee Fund	--	55,647	--
Board of Nursing	KSIP	50,460	--	--
Optometry Board	Optometry Fee Fund	--	3,912	100,000

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<u>Agency Name</u>	<u>Fund Name</u>	<u>KSIP Balances</u>	<u>Redux of Non-SGF Agencies</u>	<u>Special One-Times</u>
Board of Pharmacy	Board of Pharmacy Fee Fund	--	25,102	--
Board of Pharmacy	Board of Pharmacy Fee Fund--KSIP	72,524	--	--
Board of Real Estate Appraisers	Appraiser Fee Fund	11,681	9,804	--
Kansas Real Estate Commission	Real Estate Fee Fund	--	33,095	50,000
Kansas Real Estate Commission	Real Estate Fee Fund-KSIP	195,671	--	--
Kansas Real Estate Commission	Real Estate Recovery Revolving Fund	--	--	550,000
Securities Commissioner	Securities Act Fee Fund-KSIP	255,722	--	--
Board of Technical Professions	Technical Professions Fee Fund	--	17,325	--
Board of Technical Professions	Technical Professions Fee Fund - KSIP	33,566	--	--
Board of Veterinary Examiners	Board of Veterinary Examiners Fee Fund	--	8,068	--
Board of Veterinary Examiners	Board of Veterinary Examiners KSIP Fund	57,822	--	--
Attorney General	Interstate Water Litigation Fund	--	--	1,560,000
Attorney General	Medicaid Fraud Prosecution Revolving Fund	--	--	1,500,000
Insurance Department	Service Regulation Fund	--	--	5,000,000
Insurance Department	Service Regulation Fund	--	472,357	--
Insurance Department	Service Regulation Fund - KSIP	169,987	--	--
Insurance Department	Workers Compensation Fund	--	--	3,000,000
Secretary of State	Information and Copy Service Fee Fund	--	186,500	--
State Treasurer	Bond Services Fee Fund	--	--	250,000
State Treasurer	Bond Services Fee Fund	--	30,000	--
State Treasurer	Postsecondary Educ Svgs Prog Expense Fund	--	2,651	--
State Treasurer	State Treasurers Operating Fund	--	55,419	--
State Treasurer	Unclaimed Property Expense Fund	--	17,349	--
PMIB	Pooled Money Investment Portfolio Fee Fund	--	25,716	--
PMIB	Pooled Money Investment Portfolio KSIP Fund	145,543	--	--
Osawatomie State Hospital	Patient Fees Fund	--	--	541,202
Department on Aging	LTC Loan and Grant Fund	--	--	805,000
KDHE--Health	KSIP--SPOF--State Ops	110,394	--	--
KDHE--Health	KSIP--SPOF--State Ops--Environment	4,431	--	--
KDHE--Environment	Aboveground Storage Tank Release Trust Fund	--	--	1,950,000
KDHE--Environment	Radiation Control Operations Fee Fund	--	--	250,000
HE--Environment	Subsurface Hydrocarbon Storage Fund	--	--	250,000

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<u>Agency Name</u>	<u>Fund Name</u>	<u>KSIP Balances</u>	<u>Redux of Non-SGF Agencies</u>	<u>Special One-Times</u>
KDHE--Environment	Underground Storage Tank Release Trust Fund	--	--	1,250,000
KDHE--Environment	Voluntary Clean Up Fund	--	--	500,000
Department of Labor	Human Resources Special Projects Fund	--	--	100,000
Department of Labor	Workmen's Compensation Fund	--	--	600,000
Department of Labor	Workmen's Compensation Fund - KSIP Fund	25,976	--	--
Department of Education	State Safety Fund	--	--	--
KCI	KSIP	10,000	--	--
Adjutant General	Adjutant General Expense Fund – Haz Mitigation	--	--	1,883,892
Adjutant General	Nat'l Guard Life Ins Prem Reimb Payment Fund	--	--	319,657
Emergency Medical Services	Emergency Medical Services Operating Fund	46,922	53,077	--
State Fire Marshal	Fire Marshal Fee Fund	30,970	129,627	--
Kansas Highway Patrol	General Fees Fund	--	--	300,000
Kansas Highway Patrol	Highway Patrol Training Center Fund	--	--	150,000
Attorney General -- KBI	Private Detective Fee Fund	--	--	100,000
KS CPOST	KS CPOST Fund	--	--	500,000
KDOT	State Highway Fund - KSIP	1,205,857	--	--
Total		\$ 4,235,542	\$ 2,215,786	\$ 29,089,751

2-16

FY 2009 Transfers Out of the State General Fund

		November	Governor's	FY 2009
		<u>Cons. Rev. Est.</u>	<u>Adjustments</u>	<u>Gov. Rec.</u>
Transfers Out:				
Department of Transportation	Special County/City Highway Fund	(10,063,664)	10,063,664	--
	Loan Repayment from 2003 Session	(30,896,209)	30,896,209	--
Department of Education	School District Cap. Improvements Fund	(75,379,000)	--	(75,379,000)
Water Plan Agencies	State Water Plan Fund	(6,000,000)	6,000,000	--
State Fair	Capital Improvements	(300,000)	--	(300,000)
Board of Regents	Regents Faculty of Distinction Program	(4,240,229)	--	(4,240,229)
	Regents Research Corporation Bonds	(9,915,259)	--	(9,915,259)
	Infrastructure Maintenance Fee Fund	(7,000,000)	--	(7,000,000)
Attorney General	Tort Claims	(1,857,629)	--	(1,857,629)
	Interstate Water Litigation Fund	(1,560,000)	1,560,000	--
Department of Administration	Federal Cash Management Fund	(1,300,000)	--	(1,300,000)
	State Emergency Fund (KSU Storm)	--	(1,948,893)	(1,948,893)
Bioscience Authority	Biosciences Initiative	(47,000,000)	12,000,000	(35,000,000)
Ks Dev't. Finance Authority	State Housing Trust Fund	(4,000,000)	--	(4,000,000)
Health Care Stab. Fund	Reimbursement for Claims & Expenses	(3,000,000)	3,000,000	--
KPERS	Non-Retirement Administration	(230,000)	--	(230,000)
Insurance Department	Repayment to Workers Comp. Fund	(1,000,000)	1,000,000	--
Secretary of State	HAVA Match Monies	(223,176)	--	(223,176)
State Treasurer	State Treasurer Operating Fund	(16,225)	--	(16,225)
	Spirit Aerosystems Incentive	(4,500,000)	--	(4,500,000)
	Eaton MDH Spec. Qual. Indus. Mfg. Fund	(500,000)	--	(500,000)
	Cessna Incentive	(3,000,000)	--	(3,000,000)
	Tax Increment Finance Replacement Fund	(1,000,600)	--	(1,000,600)
	Learning Quest Matching Funds	(275,000)	--	(275,000)
	Property Tax Reimb. to Local Tax Subdiv.	(44,846,000)	--	(44,846,000)
Real Estate Commission	Prior Year Correction	(1,154)	--	(1,154)
Racing & Gaming	Racing & Gaming Reserve Fund	(450,000)	--	(450,000)
Dept. of Education	Keeping Education Promises Trust Fund	(37,170,000)	--	(37,170,000)
Dept. of Health & Environment	Repayment to Waste Tire Mgmt. Fund	(250,000)	250,000	--
	Repymt. to Ungd. Petrol. Trust Fund	(2,500,000)	2,500,000	--
Water Office	Prior Yr. Correction (Clean Drinking Fees)	<u>(3,073,743)</u>	--	<u>(3,073,743)</u>
Total Transfers Out		\$ (301,547,888)	\$ 65,320,980	\$ (236,226,908)
Interest		(24,000,000)	--	(24,000,000)
Net Transfers		\$ (118,200,000)	\$ 99,163,758	\$ (19,036,242)