

MINUTES OF THE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairwoman Lana Gordon at 3:30 pm on February 7, 2011, in Room 159-S of the Capitol.

All members were present.

Committee staff present:

Reagan Cussimano, Kansas Legislative Research Department
Dorothy Hughes, Kansas legislative Research Department
Shirley Morrow, Kansas Legislative Research Department
Eunice Peters, Office of the Revisor of Statutes
Bernadine Lloyd, Committee Assistant

Others Attending:

See attached list.

Conferees appearing before the committee:

Joe Budler, State Librarian, State Library of Kansas
Gina Milsap, Executive Director, The Topeka & Shawnee County Public Library
Jerry Slaughter, Executive Director, The Kansas Medical Society
Kathleen Selzler Lippert, Executive Director, Kansas Healing Arts

A motion was made by Representative Tom Arpke to propose a bill about reimbursing parents for AP (advanced placement) taken outside the classroom. The motion was seconded by Representative Connie O'Brien. The motion passed on a voice vote.

Representative Tom Arpke made another motion to propose a bill about defining suitability in education. The motion was seconded by Representative Clay Aurand. The motion passed by voice vote.

Jo Budler of the State Library of Kansas spoke about what the State Library provides and the federal grant program. (Attachment 1)

Gina Milsap, Executive Director of the Topeka & Shawnee County Public Library, spoke about the various benefits of using the library and how the library has brought their programs into a more usable form of accessibility and convenience. (Attachment 2)

Jerry Slaughter, Executive Director of the Kansas Medical Society spoke about the Board of Healing Arts budget and proposed enhancement for the position of Medical Director. Included in this, reference was made to HB 2620 in the 2008 session. (Attachment 3)

Kathleen Selzler Lippert, Executive Director, Kansas Board of Healing Arts gave an outline about the Board of Healing Arts and what their needs are. (Attachment 4)

Dorothy Hughes, Fiscal Analyst, KLRD, presented a draft copy of budgets for Behavioral Sciences Regulatory Board and the Board of Healing Arts. (Attachment 5)

Shirley Morrow, Fiscal Analyst, KLRD, presented a draft copy of the State Library Budget for FY 2011 and FY 2012. (Attachment 6)

A question and answer session followed each agency presentation.

The next meeting is scheduled for February 8, 2011 in 159-S.

The meeting adjourned 4:40 pm.

EDUCATION BUDGET COMMITTEE

3:30pm

Room 159S, State Capitol

GUEST LIST

DATE: 2-7-11

NAME	REPRESENTING
Mike Reasor	Daches Braden
Kelli Stevens	KS BHA
Cathy Brown	KS BHA
John Rae	KLA
Debb Damman	SLK
Kathleen Schlerhumpert	KS BHA
Leslie Allen	BSRB
Phyllis Gilmore	BSRB
John Kretzhaber	Ks. Chiropractic Assn.

February 7, 2011

To: House Standing Committee on Education Budget:
Representative Lana Gordon-Chair
Representative Clay Aurand-Vice Chair
Representative Valdenia Winn-Ranking Minority
Representative Tom Arpke
Representative Ward Cassidy
Representative Brenda Landwehr
Representative Connie O'Brien
Representative Sheryl Spalding
Representative Bill Feuerborn

From: Joanne Budler, State Librarian

Re: State Library of Kansas Testimony

The State Library provides:

- research and reference services to state government, including the legislature and the Governor's office
- support to the library community through continuing education, consultation, and
- statewide services to ensure equitable library service to all Kansans

The State Library administers:

- \$1.9 million federal grant program entitled Library Services and Technology Act. This program benefits all types of libraries and requires that the State Library show a Maintenance of Effort and a match in order to continue receiving these funds.
- State Aid grant program
 - \$2,746,046 in 2002
 - \$1,755,428 in 2011
 - That is a cut of 36% -- nearly one million dollars

It is not possible to do more with less. With less funding, libraries are forced to

- cut their collection budgets and buy fewer books
- offer fewer programs, and
- reduce the hours which they are open

All of this is happening at a time when people need these services more.

In just one day, Kansas libraries:

- Welcomed 39,037 people
- Loaned 75,827 books, movies and more

House Education Budget Committee
Date: 2-7-11
Attachment #: 1

- Answered 4,411 reference questions
- Helped 10,859 people access the web of which 40% had no other Internet access
- Supported 1,945 people in job search activities

Even in the best of times, no library can have all the material that may be requested by library users. In order to assist librarians in finding material for their patrons, the State Library funds and implements a statewide resource sharing system which enables interlibrary loan. The State Library also assists in the funding of a courier service which makes delivery of material from library to library more cost effective and efficient.

While physical delivery of items is still necessary, more and more information and services are being delivered electronically. I would like to highlight a few services that the State Library has funded or developed. All of these services are available to all Kansans at no charge.

I am proud to tell you that Kansas was one of the first states to respond to the financial difficulties in which many Kansans find themselves, by creating a website of e-government resources.

Thriving in Tough Times is a one stop shop which includes information on:

- finances
- housing
- health
- families and
- employment and training

These resources are maintained and updated by the State Library staff.

The State Library uses federal funding to subscribe to a commercial electronic resource which greatly compliments *Thriving in Tough Times*. *LearningExpress Library* is the name of the electronic resource and is available to all Kansans at no charge.

LearningExpress Library has several components:

- Hundreds of practice tests which include:
 - Occupational tests
 - Skill building practice tests
- Learning Centers which include math, reading, and science skills improvement
- Skill building for adults: tests, courses and ebooks for adults who want to refresh reading, writing and math skills
- Self-paced courses on Microsoft programs such as Excel, Word, PowerPoint and Publisher
- Job and Career Accelerator tools:
 - Explore career options
 - Search for jobs
 - Create a resume

- Assist individuals in tracking their applications

The State Library and libraries across Kansas are assisting Kansans in using these resources.

You probably noted that *LearningExpress Library* includes ebooks. I think that we have all become aware of the "ebook explosion." To assist Kansans who might want to read ebooks, the State Library and libraries across Kansas have created a consortium to purchase downloadable ebooks and audiobooks.

To the best of my knowledge, we are the only state in the Union which can brag about having access to these titles for every resident. No other state has a mechanism or agreement that allows all residents to utilize the shared collection. The Kansas collection includes fiction, nonfiction, romances, mysteries, children's books and more.

Kansas ebook, audio, and more

- Collection: 9,000 titles
- Checked out: 262,898 times (increase of almost 100,000 over previous year)

Innumerable studies have been published which reinforce what we all know anecdotally: how important reading is as a foundation to learning. For over 40 years, libraries have offered story times so our youngest residents may experience the joy of reading.

In one year's time, Kansas libraries:

- offered nearly 29,000 children's programs
- attended by 767,484 children.

Summer Reading Programs at public libraries keep children reading over summer vacation so they do not lose reading skills. **In 2009, 66,740 children participated in Summer Reading programs in Kansas.** The State Library of Kansas uses federal funding to assist libraries with Summer Reading so that all children in Kansas can benefit from these programs.

Studies also show that if a child is not ready to read when he or she begins kindergarten, often that child is *never* able to read at grade level. It is a priority of Governor Brownback to ensure that every student is reading at grade level by fourth grade. The State Library of Kansas and libraries across Kansas share this goal for our children.

Johnson County Public Library has created a successful Ready to Read program entitled *6 by 6: Ready to Read*. You should each have the packet of *6 by 6* materials which Johnson County has created as part of this program. The State Library, the Regional Library Systems and Johnson County Public Library are working together to adapt the *6 by 6* program to a statewide Ready to Read program. This program will be promoted to libraries in every part of Kansas. Librarians will reach out to caregivers in their communities so that caregivers might better understand the importance of reading to their children and how they can help children develop the necessary skills.

By ensuring that our youngest residents are ready to read when they enter kindergarten, we are a step closer to ensuring their academic success and their ability to be self-supporting throughout their lives.

You have difficult choices to make and I do not presume to suggest solutions to you, but I do hope that I have given you a glimpse of what the library of today is capable of doing. Kansans are turning to their libraries more and more and, naturally, all libraries could provide more services and materials if we had more resources. If you are able to restore funding to state aid, all public libraries and the Kansans they serve will benefit.

Thank you.

**Education Budget Committee
Kansas State Library Budget Testimony
February 7, 2011**

Gina Millsap
Executive Director
Topeka and Shawnee County Public Library
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785-580-4480

There has never been a better or more challenging time for libraries. Library use is at an all-time high nationally, in Kansas and right here in Topeka and Shawnee County.

People are using Kansas libraries to improve their health, find jobs, continue their educations (especially as the cost of formal higher education increases) and help their children learn to read and succeed in school. We are as Andrew Carnegie called us, "the people's university" helping citizens be independent and self sustaining in all aspects of their lives.

Key to all these pursuits as well as the pursuit of happiness is the ability to read and comprehend. Reading is a survival skill.

And like everything else in our society, there is not a one-size-fits-all for reading. Why people read, how they read, where they read and what they read is based on many factors including accessibility and convenience. That is why e-books have become an important part of how libraries serve their communities.

If you haven't had the opportunity to read an eBook, I brought a Nook e-reader, an iPad and a real hard cover book for you to compare. The book on the readers and in my hand is ***White Heat; The Friendship of Emily Dickinson and Thomas Wentworth Higginson*** – which was downloaded from OverDrive, the database that the Kansas State Library provides funding for in partnership with the urban libraries like the Topeka and Shawnee County Public Library.

Amazon recently announced that Kindle e-book sales have now overtaken its total sales of paperback print editions in the US. It still sells 120 print books for every 100 e-books sold but at this rate it can't be too long before Gutenberg's offspring is dethroned. We have reached a tipping point in how we read and how we have access to stories and information. And it is critical that libraries continue to facilitate that access digitally, just as we have with print.

To give you some sense of how libraries compare, here are the Topeka and Shawnee County Public Library's circulation statistics for books in 2010.

Circulation of print books from 1/1/2010 – 12/31/2010: 1,288,654 (this includes all circulating books, book group in a bag, and juvenile book bag materials)

House Education Budget Committee
Date: 2-7-11
Attachment #: 2

Circulation of audio books from 1/1/2010 – 12/31/2010: 93,667 (all audiobooks and Playaways-does not include music CDs)

Overdrive Stats for TSCPL:

Circulation of e-books from 1/1/2010 – 12/31/2010: 3525

Circulation of e-audiobooks from 1/1/2010 – 12/31/2010: 14,119

January 2011 Overdrive stats for TSCPL:

Circ of e-books: 666

Circ of e-audiobooks: 1434

We're projecting that we will double or triple circulation of e-books for 2011 and see at least a 25% increase in the use of e-audiobooks.

In this rapidly changing environment, the leadership and resources of the Kansas State Library are key. The State Library is helping all Kansas libraries leverage the investment we make locally in e-books and other content to ensure that all Kansans have access to digital content and with programs like *Ready to Read*.

Libraries are at a pivotal point in advocating and facilitating access to e-books and digital content and bridging that digital divide. We are uniquely positioned to help Kansans be educated, competitive and independent learners because of resources and expertise provided by the State Library.

Kansas is currently the only state that has a statewide contract with OverDrive, the primary source of e-book content for libraries. That is due to the vision and leadership of state librarian and her staff. It is also worth noting that Jo Budler is one of the authors of a recent study that is getting international attention. It's called ***eBook Feasibility Study for Public Libraries***.

Ready to Read is a statewide initiative that local libraries are implementing to help preschoolers be ready for school by providing them and their parents experiences and collections that facilitate reading readiness. It is a key component of my library's strategic plan and mission for the next decade. And we in the library community understand that libraries have an essential role to play in helping prepare children for reading and success in school.

I appreciate the opportunity to address the committee this afternoon.



To: House Education Budget Committee

From: Jerry Slaughter
Executive Director

Date: February 7, 2011

Subject: Board of Healing Arts budget; proposed enhancement for position of Medical Director

The Kansas Medical Society appreciates the opportunity to provide some background comments on, and our strong support for, the position of Medical Director that has been proposed by the Board. As you know, the Governor did not concur with the agency request for the enhanced spending authority in FY 2013 to add a physician medical director.

As you may recall, the authority for the position of medical director is found at KSA 65-2878(e), which passed the legislature unanimously as part of HB 2620 in the 2008 session:

(e) The board may contract with one or more persons who are licensed to practice the healing arts in this state and who are not members of the board to provide such advice and assistance as necessary on: Licensure matters including review, investigation and disposition of complaints; clinical and patient care matters; and the ethical conduct and professional practice of licensees; or to perform other duties as assigned by the executive director or the board.

This provision arose out of concerns expressed by several legislators that were involved with the development and consideration of HB 2620, that the agency did not have a qualified, licensed medical doctor on the staff to serve as a resource to the Board and to assist the agency staff with the evaluation and assessment of complaints and professional conduct. The agency still does not have a medical doctor on its staff three years after enactment of HB 2620.

It is our belief that such an experienced medical professional would be an invaluable resource to the agency by assisting with initial complaint review and providing guidance to investigative staff regarding special materials which are required to satisfy initial case status; performing initial analysis of materials collected for relevance to the complaint and identifying critical, relevant investigative factors, including standard of care issues, to Review Committee and Disciplinary Committee members; recommending complaint


disposition to staff, Review Committees, Disciplinary Committees and the Board; assisting in case review and hearing preparation; and providing general clinical consultation to agency licensure and investigative staff. We believe the Medical Director will improve the quality and efficiency of the agency's review and investigative functions.

As you know, the agency is fee funded, and no State General Funds are involved in this request. We feel so strongly that this position is an essential next step (as contemplated in 2008 HB 2620) to improving the agency's operations, that we are supportive of paying for the enhancement through a slight increase in the license renewal fees charged to physicians.

In fact, we would encourage you to not wait for FY 2013, but to provide for an enhancement in FY 2012, at least enough to fill the position effective January 1, 2012. An enhancement of \$100,000 for FY 2012 would be sufficient to allow the agency to begin recruitment this summer, with the hope of having the Medical Director start in the position January 1, 2012. Because the agency has a strong ending fund balance (over \$2.1 million), we believe the enhancement won't create a cash flow problem. We believe the agency has adequate resources to absorb the costs associated with the position without an immediate increase in licensure fees, and in any case, the agency can make the necessary adjustment yet this year in fees by rule and regulation to provide enough revenue to cover the additional expenditure authority if necessary.


We are mindful that the Governor and the Legislature want to slow the growth of government spending, and that is a goal with which we are in agreement. However, because this agency requires no state general fund support, and because this position was a key component of our support for HB 2620, which passed the Legislature unanimously in 2008, we respectfully ask for your support of this request.

We would be happy to respond to any questions. Thank you for your consideration of this request.



Kansas State Board of Healing Arts

House Education Budget Subcommittee
February 7, 2011
Kathleen Seizler Lippert, Executive Director




Who we are...What we do

The Kansas State Board of Healing Arts is governed by a 15 member board. Each member is appointed by the Governor. The Board is comprised of 12 health care providers and three members who represent the public. The Board's mission is to, "Safeguard the public through licensure, education, and discipline of those who practice the healing arts in Kansas."

The Board is supported by a staff of 45 employees. The staff is responsible for the licensing, legislation, investigations, and legal actions regarding health care professionals.

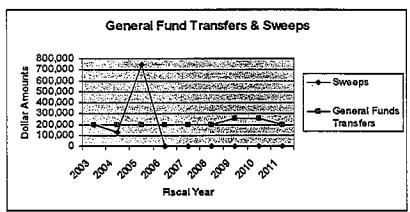

Currently, the Board and its staff regulate more than 23,000 health care professionals in 14 various categories. The statistics are as follows:

Medical Doctors (9557)	Chiropractic Doctors (1181)
Osteopathic Doctors (1062)	Podiatric Doctors (139)
Physician Assistants (903)	Respiratory Therapists (1819)
Physical Therapists (2187)	Physical Therapist Assistants (1284)
Occupational Therapists (1422)	Occupational Therapist Assistants (377)
Athletic Trainers (398)	Naturopathic Doctors (17)
Radiologic Technologists (3129)	Contact Lens Distributors (8)




General Fund Transfers and Sweeps

- From 2003 through 1/1/2011, **\$2,986,577** has been provided to the State in General Funds Transfers and Sweeps by KSBHA.


Budget Shortfalls Post 2005 Sweeps

- Due to the \$750,000 sweep in FY 2005, KSBHA was required to borrow \$200,000 in FY 2006 in order to cover operating expenses. These funds were returned in June of FY 2006.
- Furthermore, KSBHA was required to borrow \$100,000 in April of FY 2007 in order to cover operating expenses. Again, these funds were returned in June of FY 2007.
- KSBHA raised license fees for several professions in 2007 and 2009 to address cash flow issues that developed following sweeps.
- Due to cash flow fluctuations brought on by licensing fee renewal periods, KSBHA must begin each fiscal year with one-half of our annual appropriation in order to sustain itself for the full 12 month period.



FY 2012 and FY 2013 Requests

	FY 2012 Estimates	FY 2013 Estimates
Total Receivables	\$4,390,180	\$4,441,029
State General Fund Transfer	\$200,000	\$200,000
Available to Agency	\$4,190,180	\$4,241,029
FY Request	\$4,131,924	\$4,171,859
FY Budget	\$4,131,924	\$4,171,859



FY 2012 and FY 2013 Budget Request & Recommendations

	KSBHA Request	DOB/Governor's Recommendations
FY 2012 Budget:		
Base Budget	\$4.1 million	\$4.1 million
Staffing	Retain current FTE level	Eliminate 1 FTE
Budget Neutral Enhancement	Move 1 FTE clerical position from unclassified to classified service to comply with KSA 65-287(c)	No recommendation
FY 2013 Budget:		
Base Budget	\$4.1 million	\$4.1 million
Staffing	Retain current FTE level	Eliminate 1 FTE
Enhancement	\$150,000 for part-time contracted Medical Director	No enhanced funding

KSBHA Investigations

Open Investigations

FY 2008 609
FY 2009 719
FY 2010 746
FY 2011* 619

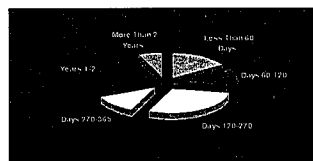
Closed Investigations

FY 2008 478
FY 2009 739
FY 2010 729
FY 2011* 365

* FY 2011 is through 1/28/11

Aging of Current Investigations

• Aging of Active Investigations



Stats as of 1/27/2011

60 Days or Less 102
60-120 Days 71
120-270 Days 177
270-365 Days 77
1-2 Years 151
> 2 Years 61
Total Open Cases 619

KSBHA Cases to the Disciplinary Panel

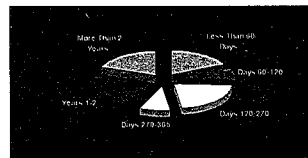
- The number of completed investigative cases presented to the Disciplinary Panel for review and consideration were:

2008 201
2009 441
2010 328

- The increased number of actions authorized in 2009 required litigation staff to focus time and resources on pending litigation cases.

KSBHA Litigation Cases

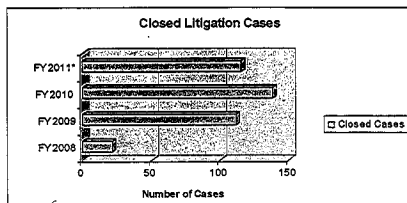
• Aging of Open Litigation Cases as of 1/28/2011



Less than 90 Days 30
90-120 Days 13
120-270 Days 37
270-365 Days 14
2-3 Years 40
More than 2 Years 33
Total Cases 168

KSBHA Closed Litigation Cases

- Comparison of the number of litigation cases closed from FY 2008-FY 2011*.



* Cases through 1/28/11

Thank you for your time & consideration

Presented by

Kansas

Kathleen Selzler Lippert
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BEHAVIORAL SCIENCES REGULATORY BOARD

Draft

Expenditure	Actual FY 2010	Agency Est. FY 2011	Governor Rec. FY 2011	Agency Req. FY 2012	Governor Rec. FY 2012	Agency Req. FY 2013	Governor Rec. FY 2013
Operating Expenditures:							
Special Revenue Fund	\$ 580,536	\$ 644,240	\$ 644,240	\$ 622,657	\$ 622,657	\$ 636,586	\$ 636,586
Percent Change	(3.1)%	11.0 %	11.0 %	(3.4)%	(3.4)%	2.2 %	2.2 %
FTE Positions	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Non FTE Perm. Uncl. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	8.0	8.0	8.0	8.0	8.0	8.0	8.0

AGENCY OVERVIEW

The Behavioral Sciences Regulatory Board was created by the 1980 Legislature to regulate psychologists and social workers. Since then, the Board's jurisdiction has expanded to include the licensing of professional counselors, master level psychologists, marriage and family therapists, and alcohol and other drug abuse counselors. The Board derives its funding entirely through licensing and registration fees assessed to its credentialed practitioners. With the exception of copying and printing reimbursement, 20.0 percent of all fees collected by the Board are deposited in the State General Fund.

The 12 members of the Board are: two licensed psychologists, two licensed social workers, one licensed professional counselor, one licensed master level psychologist, one licensed marriage and family therapist, one licensed addiction counselor or licensed clinical addiction counselor, and four public members. The Governor appoints all board members to serve four-year terms.

MAJOR ISSUES FROM PRIOR YEARS

The **2002 Legislature** amended the standard used to determine whether a person who is credentialed to practice marriage and family therapy in another state may be issued a Kansas license. The new standard states certification standards of the other state must be substantially the equivalent of the Kansas standards rather than at least equivalent or in excess of the Kansas standards.

In addition, the **2002 Legislature** passed legislation directing the Board to issue a license for doctoral-level psychologists to include those individuals who have met the requirements for both training and experience and who have passed an examination on psychology. Previously, a license could be issued if either of the criteria had been met.

In **2003**, the Legislature passed legislation allowing for reciprocal licenses in specific cases. Qualifications for this reciprocity include the individual: already possesses a license in another state with similar qualifications to Kansas, has continuously held his or her license for the

five years immediately preceding the application for reciprocity, has no serious disciplinary actions on his or her record, and has the appropriate degree for his or her profession from a regionally accredited institution.

The **2004 Legislature** amended the authority of the Board to give it uniform disciplinary authority under each of the practice acts. The Legislature also granted the Board the authority to:

- Assess an administrative penalty not to exceed \$1,000;
- Charge the costs of the action to the licensee or registrant in an amount up to \$200, when an order is adverse to the licensee or registrant;
- Issue a cease and desist order when the Board finds an individual has practiced without a license;
- Seek an injunction, restraining order, or other appropriate order when an individual has engaged in or is about to engage in an act that constitutes a violation of a practice act or rules and regulations;
- Revoke the license or registration of an individual who voluntarily surrenders his or her license or registration pending investigation of misconduct or while charges of misconduct are pending or anticipated; and
- Exercise the option of censuring a license.

The **2006 Legislature** passed 2006 SB 470, which amended current law requirements for temporary licenses issued by the Board for the four master level professions regulated by the Board: licensed professional counselors, clinical-level social workers, licensed marriage and family therapists and licensed master level psychologists.

The **2007 Legislature** created a temporary out-of-state permit for professionals to work in Kansas for 15 days and a one-time renewal of that permit which allows a total of 30 days annually.

The **2009 Legislature** passed 2009 HB 2162, which amended the licensing requirements for marriage and family therapists in Kansas by removing the requirement of completing a program of study with standards consistent with those of the state universities in Kansas. The bill also increased the statutory maximum the Board is permitted to charge for the application fee for the licensure of a psychologist, from \$150 to \$225, and reduced the statutory maximum of the original license fee, from \$200 down to \$150.

The **2010 Legislature** changed alcohol and other drug abused counselors from registrants to licensees. The two categories created by this legislation are: the licensed addiction counselor and the licensed clinical addiction counselor. It also increased the size of the Board from 11 to 12 members. These changes are effective as of July 1, 2011.

BUDGET SUMMARY AND KEY POINTS

FY 2011 – Current Year. The agency estimates a revised FY 2011 budget of \$644,240, all from special revenue funds, which is the same as the amount approved by the 2010 Legislature. It is also an increase of \$63,704, or 10.9 percent, above the FY 2010 actual. This increase is primarily due to health insurance, employment benefits, and computer equipment. The revised estimate includes 8.0 FTE positions, which is the same as the approved amount. The agency is fully fee funded and is not requesting any State General Funds for FY 2011.

The Governor concurs with the agency revised estimate.

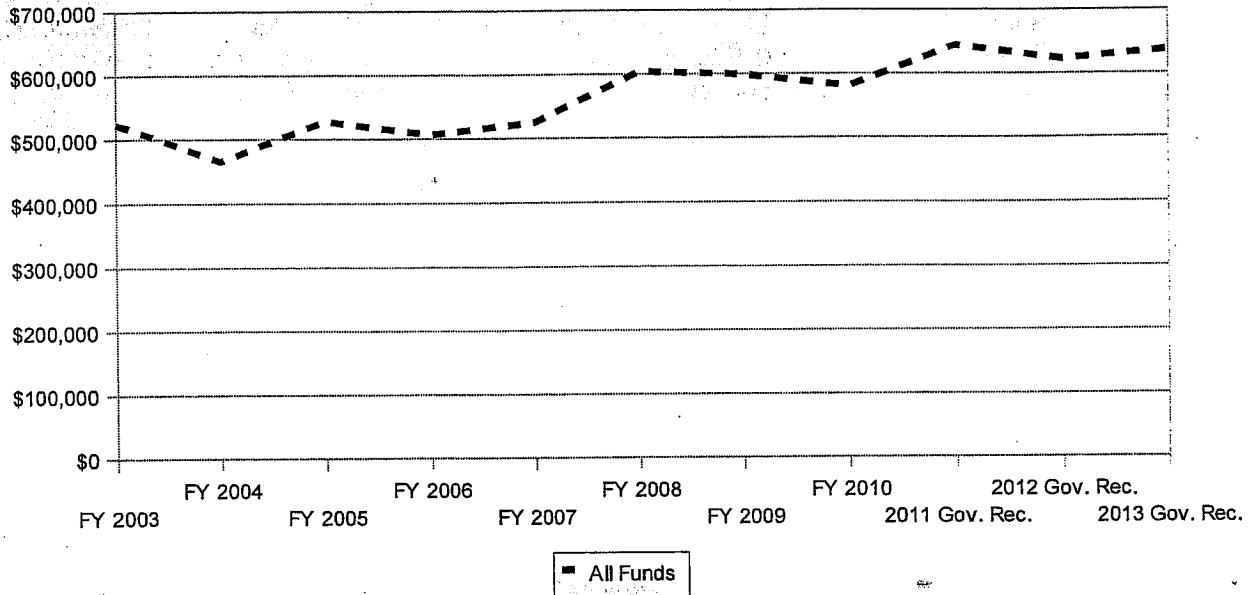
FY 2012 – Budget Year. The agency requests \$622,657 for FY 2012, all from special revenue funds, which is a decrease of \$21,583, or 3.4 percent, from the revised FY 2011 estimate. The decrease is mainly due to one-time computer equipment purchases during FY 2011; this was partially offset by an increase in group health insurance and KPERS employer retirement contributions. The request includes 8.0 FTE positions, which is the same as the approved amount. The agency is fully fee funded and is not requesting any State General Funds in FY 2012.

The Governor concurs with the agency request.

FY 2013 – Budget Year. The agency requests \$636,586 for FY 2013, all from special revenue funds, which is an increase of \$13,929, or 2.2 percent, above the FY 2012 request. The increase is primarily due to group health insurance, KPERS employer retirement contributions, increased contractual services, and an increase in capital outlay. The request includes 8.0 FTE positions, which is the same as the approved amount. The agency is fully fee funded and is not requesting any State General Funds in FY 2013.

The Governor concurs with the agency request.

OPERATING EXPENDITURES FY 2003–FY 2013



OPERATING EXPENDITURES FY 2003–FY 2013

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
FY 2003	\$ 0	--	\$ 523,257	13.0%	8.0
FY 2004	0	--	465,479	(11.0)	8.0
FY 2005	0	--	528,007	13.4	8.0
FY 2006	0	--	506,740	(4.0)	8.0
FY 2007	0	--	525,191	3.6	8.0
FY 2008	0	--	603,731	15.0	8.0
FY 2009	0	--	599,289	(0.7)	8.0
FY 2010	0	--	580,536	(3.1)	8.0
2011 Gov. Rec.	0	--	644,240	11.0	8.0
2012 Gov. Rec.	0	--	622,657	(3.4)	8.0
2013 Gov. Rec.	0	--	636,586	2.2	8.0
Eleven-Year Change Dollars/Percent	\$ 0	--	\$ 113,329	21.7%	0.0

55

Behavioral Science Regulatory Board Behavioral Science Regulatory Board

Draft

A. FY 2011– Current Year

CHANGE FROM APPROVED BUDGET					
	Approved 2010 Legislature	Agency Estimate FY 2011	Agency Change from Approved	Governor Rec. FY 2011	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Fund	644,240	644,240	0	644,240	0
TOTAL	\$ 644,240	\$ 644,240	\$ 0	\$ 644,240	\$ 0
FTE Positions	8.0	8.0	0.0	8.0	0.0

The agency estimates a revised FY 2011 budget of \$644,240, all from special revenue funds, which is the same as the amount approved by the 2010 Legislature. It is also an increase of \$63,704, or 10.9 percent, above the FY 2010 actual. This increase is primarily due to health insurance, employment benefits, and computer equipment. The revised estimate includes 8.0 FTE positions, which is the same as the approved amount. The agency is fully fee funded and is not requesting any State General Funds for FY 2011.

The Governor concurs with the agency revised estimate.

B. FY 2012 – Budget Year

FY 2012 OPERATING BUDGET SUMMARY				
	Agency Request		Governor's Recommendation	
				Difference
Total Request/Recommendation	\$	622,657	\$	622,657
FTE Positions		8.0		8.0
Change from FY 2011:				
<i>Dollar Change:</i>				
All Other Funds	\$	(21,583)	\$	(21,583)
<i>Percent Change:</i>				
All Other Funds		(3.4) %		(3.4) %
Change in FTE Positions		0.0		0.0

The agency requests \$622,657 for FY 2012, all from special revenue funds, which is a decrease of \$21,583, or 3.4 percent, from the revised FY 2011 estimate. The decrease is mainly due to one-time computer equipment purchases during FY 2011; this was partially offset by an increase in group health insurance and KPERS employer retirement contributions. The request includes 8.0 FTE positions, which is the same as the approved amount. The agency is fully fee funded and is not requesting any State General Funds in FY 2012.

- **Salaries and Wages.** The agency requests \$486,715 for salaries and wages for FY 2012, all from special revenue funds, which is an increase of \$10,731, or 2.2 percent, above the revised FY 2011 estimate. The increase is due to greater health insurance and KPERS retirement contribution costs.
- **Contractual Services.** The agency requests \$130,306 for contractual services for FY 2012, all from special revenue funds, which is an increase of \$3,585, or 2.8 percent, above the revised FY 2011 estimate. The increase is primarily due to an increase in Division of Information Systems and Communications (DISC) fees due to agency work on its licensure and disciplinary database.
- **Commodities.** The agency requests \$5,636 for commodities for FY 2012, all from special revenue funds, which is an increase of \$101, or 1.8 percent, above the revised FY 2011 estimate. The increase is due entirely to the purchase of office supplies.
- **Capital Outlay.** The agency makes no request for capital outlay for FY 2012, which is a decrease of \$36,000, or 100 percent, below the revised FY 2011 estimate. The decrease is due to the one-time purchase of computer equipment in FY 2011.

The Governor concurs with the agency request.

Enhancements Detail

The **Board** is not requesting any enhanced funding for FY 2012.

The **Governor** does not recommend any enhanced funding for this agency for FY 2012.

Reduced Resources

The **Board** was not required to submit a reduced resources budget for FY 2012.

The **Governor** does not recommend a reduced resources budget for this agency for FY 2012.

C. FY 2013 – Budget Year

FY 2013 OPERATING BUDGET SUMMARY				
	Agency Request	Governor's Recommendation	Difference	
Total Request/Recommendation	\$ 636,586	\$ 636,586	\$	0
FTE Positions	8.0	8.0		0.0
Change from FY 2012:				
<i>Dollar Change:</i>				
All Other Funds	\$ 13,929	\$ 13,929		
<i>Percent Change:</i>				
All Other Funds	2.2 %	2.2 %		
Change in FTE Positions	0.0	0.0		

The agency requests \$636,586 for FY 2013, all from special revenue funds, which is an increase of \$13,929, or 2.2 percent, above the FY 2012 request. The increase is primarily due to group health insurance, KPERS employer retirement contributions, increased contractual services, and an increase in capital outlay. The request includes 8.0 FTE positions, which is the same as the approved amount. The agency is fully fee funded and is not requesting any State General Funds in FY 2013.

- **Salaries and Wages.** The agency requests \$489,732 for salaries and wages for FY 2013, all from special revenue funds, which is an increase of \$3,017, or 0.6 percent, above the FY 2012 request. The increase is due to increased costs in health insurance and KPERS retirement contributions but is partially offset by a decrease in classified temporary employment costs.

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- **Contractual Services.** The Board requests \$133,583 for contractual services for FY 2013, all from special revenue funds, which is an increase of \$3,277, or 2.5 percent, above the FY 2012 request. The increase is due to a \$1,000 increase in building rental and several smaller increases in areas such as travel, printing equipment rental, and computer programming services.
- **Commodities.** The agency requests \$5,751 for commodities for FY 2013, all from special revenue funds, which is an increase of \$115, or 2.0 percent, above the FY 2012 request. This increase is due to increases in data processing and office supply costs.
- **Capital Outlay.** The agency requests \$7,520 for capital outlay for FY 2013, all from special revenue funds, which is an increase of \$7,520 above the FY 2012 request. This increase is wholly attributable to computer equipment. The agency states this cost is necessary to maintain its information technology plan.

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

Enhancements Detail

The **agency** does not request any enhanced funding for FY 2013.

The **Governor** does not recommend any enhanced funding for this agency for FY 2013.

Reduced Resources

The **agency** is not required to submit a reduced resources budget for FY 2013.

The **Governor** does not recommend a reduced resources budget for this agency for FY 2013.

Governor's Recommended Salary and Wage Adjustments

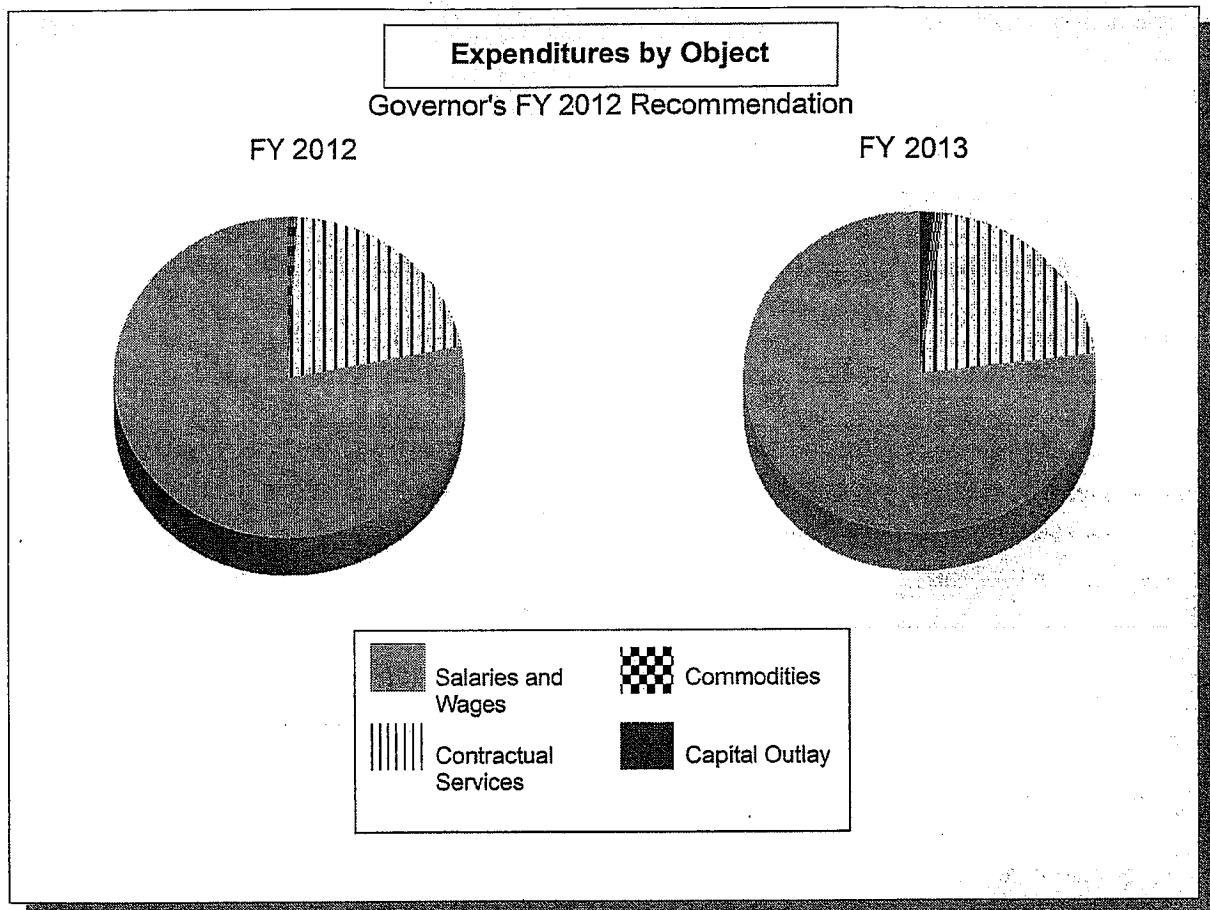
State Employee Pay Increases. The Governor's FY 2012 recommendation does not include a base salary adjustment for state employees.

Classified Employee Pay Plan. During the 2007 interim, the State Employee Compensation Oversight Commission was charged with the development of a new pay plan for classified employees for the Governor, Chief Justice of the Supreme Court and 2008 Legislature to consider. The Commission endorsed the recommendation of the Hay Group that five separate pay plans be created for state employees in the classified service, with different opportunities for pay increases to acknowledge the different types of work performed. The five pay plans recommended include: a management pay plan for those involved in managerial functions (increases based on performance); a professional individual contributor for employees requiring knowledge of principles and theories of a professional discipline that is normally obtained through a college curriculum (increases within broad bands to reflect different levels of work and performance against established standards); a protective service pay plan for uniformed officers and all other positions that meet the definition of police or law enforcement officer (increases based on achievement of milestone and certification events as well as time on the job and performance); a basic vocational pay plan for employees that perform routine, structured, work where performance can be measured on a pass/fail basis (increases based on the traditional step movement approach, based on time on the job); and a general classified pay plan for those employees who do not fall within the parameters of the other four plans (the pay ranges will have steps below the market rate and an open range above the market rate).

The time frame to fully implement the recommended plan was five years. Under the plan, the classified employees were divided into three groups to first address those with the greatest salary disparity to the market rate. The 2008 Legislature appropriated \$8.5 million from the State General Fund for FY 2009, the first year of the program. The 2008 Legislature also appropriated \$8.5 million from the State General Fund for each year from FY 2010 through FY 2013 to the State Finance Council. The Governor does not recommend continued funding for the plan, and recommends that the \$8.5 million which had been previously appropriated for both FY 2012 and FY 2013 be lapsed.

Longevity Bonus Payments. For FY 2012, the Governor recommends the continuation of the current "temporary" longevity bonus payment program. The recommendation provides for a bonus of \$50 per year of service, with a 10-year minimum (\$500) and a 25-year maximum (\$1,250). The current statutory provisions of the longevity bonus payment are \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2012 payments is \$12.6 million, including \$5.3 million from the State General Fund. For this agency, longevity payments total \$1,300, all from special revenue funds.

Kansas Public Employees Retirement System (KPERs) Rate Adjustments. A total of \$37.1 million, including \$32.3 million from the State General Fund, is included in the Governor's FY 2012 recommendations for KPERs adjustments. The FY 2012 rate for KPERs regular and school members will increase by 0.6 percent, from 8.17 percent to 8.77 percent, when compared to FY 2011. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.



Expenditures by Object	Gov. Rec. FY 2012	Percent of Total	Gov. Rec. FY 2013	Percent of Total
Salaries and Wages	\$ 486,715	78.2%	\$ 489,732	76.9%
Contractual Services	130,306	20.9	133,583	21.0
Commodities	5,636	0.9	5,751	0.9
Capital Outlay	0	0.0	7,520	1.2
TOTAL	\$ 622,657	100.0%	\$ 636,586	100.0%

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Behavioral Sciences Regulatory Board Fee Fund

According to K.S.A. 74-7505, the Behavioral Sciences Regulatory Board Fee Fund replaced in 1980 the Psychologists Fee Fund and the Social Work Examiners Fee Fund. The new Board inherited the previous boards' authorities to set, charge, and collect fees. With the exception of copying and printing reimbursement, 20.0 percent of monies collected by the BSRB is remitted to the State General Fund. The monies retained fully fund the agency.

Resource Estimate	Actual FY2010	Agency Estimate FY 2011	Gov. Rec. FY 2011	Agency Request FY 2012	Gov. Rec. FY 2012	Agency Request FY 2013	Gov. Rec. FY 2013
Beginning Balance	\$ 126,798	\$ 181,943	\$ 181,943	\$ 159,819	\$ 159,819	\$ 231,727	\$ 231,727
Revenue	649,123	618,416	618,416	690,865	690,865	615,709	615,709
Net Receipts	<u>2,565</u>	<u>3,200</u>	<u>3,200</u>	<u>3,200</u>	<u>3,200</u>	<u>3,200</u>	<u>3,200</u>
Total Funds Available	\$ 778,486	\$ 803,559	\$ 803,559	\$ 853,884	\$ 853,884	850,636	850,636
Less: Expenditures	579,845	643,740	643,740	622,157	622,157	636,086	636,086
Transfers Out	16,698	0	0	0	0	0	0
Off Budget Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$ 181,943</u>	<u>\$ 159,819</u>	<u>\$ 159,819</u>	<u>\$ 231,727</u>	<u>\$ 231,727</u>	<u>\$ 214,550</u>	<u>\$ 214,550</u>
Ending Balance as Percent of Expenditures	31.4%	24.8%	24.8%	37.2%	37.2%	33.7%	33.7%
Month Highest Ending Balance	June	August	August	June	June	August	August
	\$ 181,252	\$ 183,292	\$ 183,292	\$ 230,036	\$ 230,036	\$ 233,804	\$ 233,804
Month Lowest Ending Balance	February	March	March	February	February	February	February
	\$ 32,899	\$ 94,440	\$ 94,440	\$ 131,074	\$ 131,074	\$ 155,211	\$ 155,211

The Governor concurs with the agency regarding fee fund cash flow in FY 2011, FY 2012, and FY 2013.

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Measure	PERFORMANCE MEASURES				
	Gov. Rec. FY 2010	Actual FY 2010	Gov. Rec. FY 2011	Gov. Rec. FY 2012	Gov. Rec. FY 2013
Number of new licenses:					
Licensed clinical psychologists	n/a	6	5	6	4
Professional counselors	112	96	64	96	69
Marriage and family therapists	97	70	53	70	54
Licensed social workers	678	134	285	184	285
Number of complaints received	130	--	--	--	--

KANSAS STATE BOARD OF HEALING ARTS

Expenditure	Actual FY 2010	Agency Est. FY 2011	Governor Rec. FY 2011	Agency Req. FY 2012	Governor Rec. FY 2012	Agency Req. FY 2013	Governor Rec. FY 2013
Operating Expenditures:							
Special Revenue Fund	\$ 3,864,050	\$ 4,044,314	\$ 4,044,314	\$ 4,131,924	\$ 4,131,924	\$ 4,371,859	\$ 4,171,859
Percent Change	6.6 %	4.7 %	4.7 %	2.2 %	2.2 %	5.8 %	1.0 %
FTE Positions	45.0	45.0	45.0	45.0	43.0	46.0	43.0
Non FTE Perm. Uncl. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	45.0	45.0	45.0	45.0	43.0	46.0	43.0

AGENCY OVERVIEW

The Kansas State Board of Healing Arts, created in 1957, licenses and regulates medical, osteopathic, and chiropractic doctors. Additionally, the agency issues temporary permits, postgraduate training permits, special permits, institutional licenses, temporary education licenses, visiting professor licenses, and visiting clinical professor licenses under the Healing Arts Act.

In addition, the Board administers statutes for the examination and licensure of podiatrists under the Podiatry Act and enforces the provisions of the Kansas Physical Therapy Act by registering physical therapists and certifying physical therapist assistants. Physicians' assistants, occupational therapists, occupational therapy assistants, respiratory therapists, athletic trainers, and naturopathic doctors are also registered by the Board. On July 1, 2005, the Board began licensing radiologic technologists. Effective July 1, 2011, the Board will license, rather than register, naturopathic doctors.

The Board has established five programs to carry out the agency's mission of public protection: Licensing and Renewal, Investigation and Disciplinary, Enforcement and Litigation, Impaired Provider Programs, and Information and Education. The Board is composed of 15 members: five doctors of medicine, three doctors of osteopathy, three doctors of chiropractic medicine, one licensed podiatrist, and three members of the general public. Each Board member is appointed for a four-year term by the Governor.

To assist the Board, the agency has formed numerous review committees and councils. The review committees are the: podiatry, osteopathic, M.D. #1, M.D. #2, M.D. #3, chiropractic, and naturopathic formulary advisory review committees. The councils are the: athletic trainers, occupational therapist, respiratory care, naturopathic, physical therapy, radiologic technology, and physician assistant councils.

MAJOR ISSUES FROM PRIOR YEARS

The **2002 Legislature** enacted the Naturopathic Doctor Registration Act, which called for the Board to register and regulate naturopathic doctors starting on January 1, 2003. The 2002 Legislature also enacted the Patient's Contact Lens Prescription Release Act. Beginning January 1, 2003, the Board began registering persons and entities, not otherwise licensed by the Board or the Board of Examiners in Optometry, who mail contact lenses to patients in Kansas using a contact lens prescription the person or entity did not prescribe.

The **2003 Legislature** passed 2003 SB 225, which changed physical therapy credentialing from registration to licensure and expanded the definition of physical therapy. The bill also required professional liability insurance for physical therapists and added licensed chiropractors and therapeutic licensed optometrists to those who may refer patients to physical therapy.

The **2004 Legislature** passed several measures relating to the Board of Healing Arts, including an amendment of the Healing Arts Act allowing for issuance of an institutional license for a person to practice medicine, osteopathic medicine, or chiropractic care in the employment of the Departments of Social and Rehabilitation Services or Corrections, provided certain qualifications were met.

In addition, legislation passed in **2004** gave certain licensed physicians' assistants and registered nurse practitioners the ability to approve physical therapy and provide prior consultation and approval. The Radiologic Technologists Practice Act was also amended, requiring persons who wish to conduct radiologic technology procedures on humans be licensed by the Board. Legislation passed in 2004 also changed the credentialing of athletic trainers from registration to licensure.

The **2005 Legislature** passed 2005 SB 183, which amended the "federally active" license type. The bill stated who may be issued such a license and defined regulations surrounding the use and restrictions placed on a federally active license. Also, 2005 SB 254 clarified the circumstances under which a person licensed in another state who does not hold a Kansas license may order professional services to be performed in Kansas without being in violation of Kansas law. Other amendments clarified the existing exemption relating to persons licensed in other states who are consulting with Kansas licensed practitioners of the healing arts, not limited to those residing in border states.

The **2005 Legislature** also passed 2005 HB 2330, which amended the Radiologic Technologists Practice Act to delay the licensure requirements of the Act from July 1 to October 1, 2005. The bill then made conforming amendments in statutory dates for other activities related to Radiologic Technologist licensure. Finally, the bill established a number of certification requirements and titles for licensed radiologic technologists with specialized training.

Also, 2005 SB 225 included the transfer of \$750,000 from the Healing Arts Fee Fund to the State General Fund.

The **2006 Legislature** passed 2006 Senate Sub. for HB 2649, which created the Pain Patient's Quality of Care Act and amended Healing Arts Act statutes concerning assisted suicide. The bill changed language relating to prescribing, dispensing, administering, or distributing a prescription drug or substance to make such a practice unprofessional conduct when done in an

improper or inappropriate manner or for other than a valid medical purpose. It also required the Board to adopt guidelines for the use of controlled substances for pain treatment. In addition, on request of another enforcement or regulatory agency or a healing arts licensee, the bill authorized the Board to render a written advisory opinion indicating whether the licensee prescribed, dispensed, administered, or distributed controlled substances for the treatment of pain in accordance with Board guidelines.

Additionally, 2006 HB 2968 included language that allowed the Board to meet budgeted expenditures by using a temporary loan from the State General Fund, with the approval of the Director of the Budget after consultation with the Director of Legislative Research, if the Board experienced cash flow problems in FY 2007.

The **2007 Legislature** passed 2007 HB 2695, which allowed the Board to issue an athletic trainer license to an applicant without an examination under certain conditions. It also allowed for a temporary license to an athletic trainer who meets all licensure requirements except examination. The bill lengthened the notification period the Board must provide to licensees regarding expiration of their licenses from 30 days to 60 days. Finally, it eliminated the requirements for 800 hours of clinical experience prior to licensure and deleted a licensing exemption provided for individuals who held a valid registration as an athletic trainer as of June 30, 2004.

Other measures passed by the **2007 Legislature** include:

- 2007 HB 2368. This bill substantially increased the Board's expenditure limitation for FY 2008 and FY 2009 from the authorized FY 2007 amounts and increased the FTE limitation to 39.0 from 32.0.
- 2007 HB 2451. This legislation amended the Kansas Consumer Protection Act to disallow a private cause of action against a health care provider for injuries alleged from medical practice. This affects ten of the professions regulated by the Board.
- 2007 SB 284. Taking effect July 1, 2008, this bill allowed the Board to waive the examination and education requirements if a radiologic technologist applicant had a current valid certificate by the American Registry of Radiologic Technologists, Nuclear Medicine Technology Certification Board, or other recognized national voluntary credentialing bodies, if the Board finds the certificate was issued based on an examination meeting its standards.
- 2007 SB 351. This bill required the Board, after July 1, 2009, to utilize the Office of Administrative Hearings to conduct hearings under the Kansas Administrative Procedures Act (KAPA).
- 2007 SB 62. This legislation eliminated the requirement that the diagnosis for which an amphetamine or sympathomimetic amine was prescribed be included on the prescription order in the practitioner's "own handwriting."
- 2007 House Sub. for SB 82. This bill allowed for the practice of the healing arts by a general school under certain circumstances.

- 2007 SB 63. This legislation deleted the exception that some PRN prescriptions could be refilled after one year, thus prohibiting any prescriptions from being refilled one year after issuance.
- 2007 House Sub. for SB 11. This legislation changed the scope of practice for physical therapists by enabling them to evaluate and treat a patient for a maximum of 30 consecutive days without a referral from a person licensed to practice medicine or surgery or other specified provider, under the following criteria:
 - The patient had previously been referred to a physical therapist by a person authorized to do so.
 - The patient's prior referral was made within one year of the date the physical therapist began treatment.
 - The physical therapy provided without a referral is for the same condition indicated on the original referral.
 - The physical therapist provided, to a physician or other practitioner identified by the patient, a copy of the therapist's evaluation of the patient within five business days of the start of treatment.
 - Treatment by a physical therapist for more than 30 consecutive days required approval by a person authorized to approve treatment.
- 2007 House Sub. for SB 11 also allowed physical therapists to provide the following without a referral:
 - Education and instruction related to workplace injury prevention, but not treatment.
 - Fitness, health promotion, and education to members of the public, but not treatment.
 - Physical therapy services to special education students who need physical therapy services to fulfill the provisions of an individualized education plan or an individualized family service plan.

The **2008 Legislature** passed 2008 House Sub. for SB 491, which created a prescription monitoring program for controlled substances and a methamphetamine precursor scheduling task force to study the possibility and practicality of making methamphetamine precursors schedule III or IV drugs. The task force included one member appointed by the Board of Healing Arts.

Additionally, 2008 Senate Sub. for HB 2207 authorized the Board to suspend or limit the registration of any person dispensing contact lenses through the mail to Kansas residents if the Board determined there was cause to believe continuation of such dispensation would constitute an imminent danger to public health and safety.

Also during the **2008 Legislature**, 2008 HB 288 was passed, which changed the process of selecting a medical malpractice screening panel and also increased compensation for members of the panel.

The mega bill of the **2008** session, 2008 HB 2620, included several provisions affecting the Board of Healing Arts:

- Authorization of non-disciplinary resolution through either a written agreement for a professional development plan, written recommendations to a licensee, or the issuance of a letter of concern if the Board determines certain factors are met.
- Authorization of fingerprinting and criminal background checks as part of an original application for or reinstatement of a license in connection with an investigation.

- Requirement that the Board adopt a formal list of graduated sanctions for violations of the Healing Arts Act, which may be used as a reference in imposing sanctions.
- Requirement that the Board provide six different items in the physician profiles it publishes online prior to July 1, 2010.
- Addition of the ability to place probationary conditions on a license.
- Addition of the ability for the Board to take disciplinary action or enter into a non-disciplinary resolution when a licensee has engaged in a single act that, "if continued, would reasonably be expected to constitute an inability to practice the healing arts with reasonable skills and safety to patients or unprofessional conduct."

The **2009 Legislature** took the following actions:

- Transferred \$53,080, all from the Healing Arts Fee Fund, to the State General Fund in FY 2009. The amount represented a reduction of 21.5 percent from the Governor's FY 2009 budget recommendation.
- Transferred \$55,289, all from the Healing Arts Fee Fund, to the State General Fund in FY 2010. The amount represented a reduction of 21.5 percent from the Governor's FY 2010 budget recommendation.
- Deleted \$105,333, all from the Healing Arts Fee Fund, to hold the agency budget for FY 2011 at the level recommended by the Legislature for FY 2010.
- Authorized the conversion of 6.0 unclassified, temporary positions to 6.0 permanent FTEs. These positions were three attorneys, a legal assistant, a public information officer, and a legislative analyst, all hired for the purpose of reviewing complaints, clearing cases, responding to Board actions in a timely manner, and improving the transparency of the Board.

The **2009 Legislature** also passed 2009 HB 2010, which created the Medical Records Maintenance Trust Fund and provided funding for the Board of Healing Arts for the storage, maintenance, and transfer of abandoned medical records. The Fund received an allocation set by the Board that may be no greater than \$10 of each fee for the issuance or renewal of a license. If the balance of the Medical Records Maintenance Trust Fund fell below \$100,000, the Board should certify an amount, no greater than \$10 of each fee, to be deposited in the Fund. The bill also gave the Board power to order a licensee to reimburse the Board for expenses incurred for the storage, maintenance, and transfer of medical records when a licensee failed to provide for the safekeeping of medical records once the licensee became inactive.

The **2010 Legislature** took the following actions:

- Added \$1,000, all from the Healing Arts Fee Fund, for FY 2011 to register distributors of contact lenses not licensed to practice optometry, medicine, or surgery in the state, as authorized by 2010 Senate Bill 489.

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- Added \$22,000, all from the Healing Arts Fee Fund, for FY 2011 to change the regulatory status of naturopathic doctors and to create new licensure categories for physical therapists as authorized by 2010 House Substitute for Senate Bill 83.

Additionally, the **2010 Legislature** passed 2010 House Sub. for SB 83, which created the Naturopathic Doctors Licensure Act and amended the Physical Therapy Practice Act. The bill changed naturopathic doctors' credentialing from registration to licensure, effective July 1, 2011. In addition, it authorized naturopaths to form professional corporations and provided clarifying language that licensure does not require health insurance to provide covered services. Regarding the licensure of physical therapists, the bill created two new licensure categories: 'exempt' and 'federally active.'

The legislation also amended the "inactive license" category by requiring the Board to establish continuing education requirements for licensees who have been inactive for less than two years and want to again regularly practice physical therapy within Kansas. For licensees whose license has been inactive for longer than two years, the Board will be allowed to determine whether the inactive licensee is required to complete additional testing, training or education.

The **2010 Legislature** also passed 2010 SB 500, which allowed the use of the word "doctor" or the letters "M.D.," "D.O.," or "D.C." by an unlicensed medical doctor, doctor of osteopathic medicine, or doctor of chiropractic medicine if the individual has earned a professional degree from an accredited healing arts school or college and does not use such word or initials in a way that would mislead the public, patients, or other health care providers to think the individual is engaged in the practice of healing arts or is licensed to practice healing arts in this state. In addition, the bill applied to any pending proceeding before the Board of Healing Arts, as well as to any proceeding commenced on or after the effective date of the bill.

BUDGET SUMMARY AND KEY POINTS

FY 2011 – Current Year. The agency estimates a revised FY 2011 budget of \$4,044,314, all from special revenue funds, which is the same amount approved by the 2010 Legislature. This is an increase of \$180,264, or 4.6 percent, above the FY 2010 actual. The increase is due to salary and wage costs, as well as moving expenses. The 2010 Legislature added \$118,528, all from the Healing Arts Feed Fund, for FY 2011 for moving expenses and prorated rent; the agency did not have the option to renew its lease. The request includes 45.0 FTE. The agency is fully fee funded; no State General Funds are included in the revised FY 2011 estimate.

The Governor concurs with the agency revised estimate.

FY 2012 – Budget Year. The agency requests an FY 2012 budget of \$4,131,924, all from special revenue funds, which is an increase of \$87,610, or 2.2 percent, above the revised FY 2011 estimate. The request includes 45.0 FTE. The increase is primarily due to capital outlay for new licensure software. No State General Funds are requested.

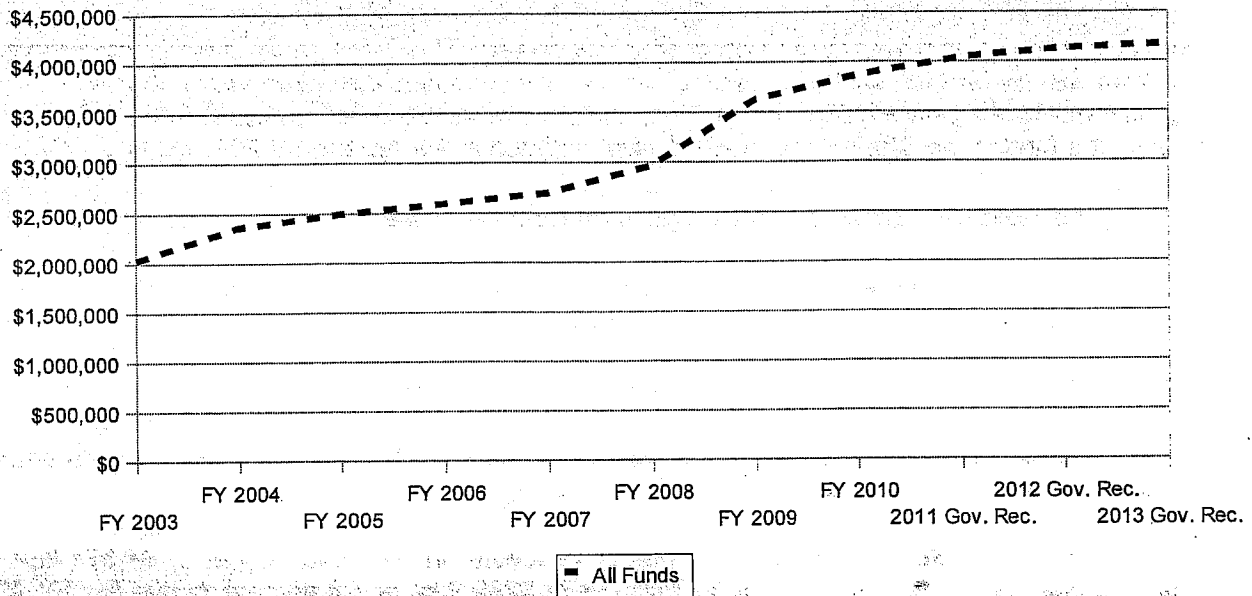
The Governor concurs with the agency request. The Governor also recommends a reduction of 2.0 FTE for a total of 43.0 FTE in FY 2012.

FY 2013 – Budget Year. The agency requests an FY 2013 budget of \$4,371,859, all from special revenue funds, which is an increase of \$239,935, or 5.8 percent, above the FY 2012 request. The request includes 46.0 FTE. This includes an enhancement of \$200,000 for 1.0 FTE, a medical director. Absent the enhancement, the request would be \$4,171,859, all from special revenue funds, or an increase of \$39,935, or 1.0 percent. The increase absent the enhancement is due to capital outlay for new licensure software and expenditures related to health insurance and other benefits. No State General Funds are requested.

The Governor recommends an FY 2013 budget of \$4,171,859, which is a decrease of \$200,000, or 4.6 percent, below the agency request. This amount is the same as the agency request absent the enhancement request. The Governor does not recommend the \$200,000 enhancement, nor the additional 1.0 FTE for the medical director position. For FY 2013, the Governor recommends 43.0 FTE.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2003-FY 2013



OPERATING EXPENDITURES FY 2003-FY 2013

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
FY 2003	\$ 0	--	\$ 2,028,695	2.4%	29.0
FY 2004	0	--	2,357,253	16.2	29.0
FY 2005	0	--	2,489,603	5.6	30.0
FY 2006	0	--	2,589,358	4.0	32.0
FY 2007	0	--	2,695,642	4.1	39.0
FY 2008	0	--	2,967,121	10.1	39.0
FY 2009	0	--	3,624,887	22.2	39.0
FY 2010	0	--	3,864,050	6.6	45.0
2011 Gov. Rec.	0	--	4,044,314	4.7	45.0
2012 Gov. Rec.	0	--	4,131,924	2.2	43.0
2013 Gov. Rec.	0	--	4,171,859	1.0	43.0
Eleven-Year Change Dollars/Percent	\$ 0	--	\$ 2,143,164	105.6%	14.0

BUDGET OVERVIEW

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A. FY 2011- Current Year

CHANGE FROM APPROVED BUDGET					
	Approved 2010 Legislature	Agency Estimate FY 2011	Agency Change from Approved	Governor Rec. FY 2011	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Fund	4,044,314	4,044,314	0	4,044,314	0
TOTAL	<u>\$ 4,044,314</u>	<u>\$ 4,044,314</u>	<u>\$ 0</u>	<u>\$ 4,044,314</u>	<u>\$ 0</u>
FTE Positions	45.0	45.0	0.0	45.0	0.0

The agency estimates a revised FY 2011 budget of \$4,044,314, all from special revenue funds, which is the same amount approved by the 2010 Legislature. This is an increase of \$180,264, or 4.6 percent, above the FY 2010 actual. The increase is due to salary and wage costs, as well as moving expenses. The 2010 Legislature added \$118,528, all from the Healing Arts Feed Fund, for FY 2011 for moving expenses and prorated rent; the agency did not have the option to renew its lease. The agency is fully fee funded; no State General Funds are included in the revised FY 2011 estimate.

The Governor concurs with the agency revised estimate.

Summary of Operating Budget FY 2010 - FY 2013

Board of Healing Arts

By Major Object of Expenditure:

Salaries and Wages	\$ 2,507,314
Contractual Services	1,152,179
Commodities	125,555
Capital Outlay	79,002
TOTAL	\$ 3,864,050

Financing:

Healing Arts Fee Funds	\$ 3,864,050
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Agency Request

	Actual FY 2010	FY 2011 Estimate	FY 2012 Request	Dollar Change From FY 11	Percent Change from FY 11	FY 2013 Request	Dollar Change from FY 12	Percent Change from FY 12
Salaries and Wages	\$ 2,507,314	\$ 2,809,255	\$ 2,817,500	\$ 8,245	0.3 %	\$ 3,105,344	\$ 287,844	10.2 %
Contractual Services	1,152,179	1,134,259	1,060,532	(73,727)	(6.5)	1,076,160	15,628	1.5
Commodities	125,555	52,300	78,892	26,592	50.8	60,355	(18,537)	(23.5)
Capital Outlay	79,002	48,500	175,000	126,500	260.8	130,000	(45,000)	(25.7)
TOTAL	\$ 3,864,050	\$ 4,044,314	\$ 4,131,924	\$ 87,610	2.2 %	\$ 4,371,859	\$ 239,935	5.8 %
Financing:								
Healing Arts Fee Funds	\$ 3,864,050	\$ 4,044,314	\$ 4,131,924	\$ 87,610	2.2 %	\$ 4,371,859	\$ 239,935	5.8 %

Governor's Recommendation

By Major Object of Expenditure:

Salaries and Wages	\$ 2,507,314
Contractual Services	1,152,179
Commodities	125,555
Capital Outlay	79,002
TOTAL	\$ 3,864,050

Financing:

Healing Arts Fee Funds	\$ 3,864,050
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	Actual FY 2010	FY 2011 Gov. Rec.	FY 2012 Gov. Rec.	Dollar Change from FY 11	Percent Change from FY 11	FY 2013 Gov. Rec.	Dollar Change From FY 12	Percent Change from FY 12
Salaries and Wages	\$ 2,507,314	\$ 2,809,255	\$ 2,817,500	\$ 8,245	0.3 %	\$ 2,905,344	\$ 87,844	3.1 %
Contractual Services	1,152,179	1,134,259	1,060,532	(73,727)	(6.5)	1,076,160	15,628	1.5
Commodities	125,555	52,300	78,892	26,592	50.8	60,355	(18,537)	(23.5)
Capital Outlay	79,002	48,500	175,000	126,500	260.8	130,000	(45,000)	(25.7)
TOTAL	\$ 3,864,050	\$ 4,044,314	\$ 4,131,924	\$ 87,610	2.2 %	\$ 4,171,859	\$ 39,935	1.0 %
Financing:								
Healing Arts Fee Funds	\$ 3,864,050	\$ 4,044,314	\$ 4,131,924	\$ 87,610	2.2 %	\$ 4,171,859	\$ 39,935	1.0

Draft

B. FY 2012 – Budget Year

FY 2012 OPERATING BUDGET SUMMARY				
	Agency Request		Governor's Recommendation	
				Difference
Total Request/Recommendation	\$	4,131,924	\$	4,131,924
FTE Positions		45.0		43.0
				(2.0)
Change from FY 2011:				
<i>Dollar Change:</i>				
All Other Funds	\$	87,610	\$	87,610
<i>Percent Change:</i>				
All Other Funds		2.2 %		2.2 %
Change in FTE Positions		0.0		(2.0)

The **agency** requests an FY 2012 budget of \$4,131,924, all from special revenue funds, which is an increase of \$87,610, or 2.2 percent, above the revised FY 2011 estimate. The increase is primarily due to capital outlay for new licensure software. No State General Funds are requested.

- **Salaries and Wages.** The Board requests \$2,817,500, all from special revenue funds, for salaries and wages for FY 2012, which is an increase of \$8,245, or 0.3 percent, above the revised FY 2011 estimate. The increase is due to health insurance and KPERS retirement contributions and has been largely offset by reductions in classified temporary employment costs.
- **Contractual Services.** The agency requests \$1,060,532, all from special revenue funds, for contractual services for FY 2012. This is a decrease of \$73,727, or 6.5 percent, below the revised FY 2011 estimate. The decrease is due primarily to moving expenses, which were greatly reduced following the completion of the Board's move to new office space in January 2011.
- **Commodities.** The Board requests \$78,892, all from special revenue funds, for commodities for FY 2012, which is an increase of \$26,592, or 50.8 percent, above the revised FY 2011 estimate. The increase is due to data processing supplies consisting of software upgrades.
- **Capital Outlay.** The agency is requesting \$175,000, all from special revenue funds, for capital outlay for FY 2012, which is an increase of \$126,500, or 260.8 percent, above the revised FY 2011 estimate. According to the agency, \$75,000 will be used to replace 35 obsolete PCs, one application server, and one SQL server. The remaining \$100,000 would be used to pay half the purchase cost of new licensure software. The agency states that current licensure software has become unreliable.

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The **Governor** concurs with the agency request. The Governor also recommends a reduction of 2.0 FTE for a total of 43.0 FTE in FY 2012.

Enhancements Detail

The **Board of Healing Arts** requests no enhancements for FY 2012.

The **Governor** does not recommend any enhanced funding.

Reduced Resources

The **Board** was not required to submit a reduced resources budget for FY 2012.

The **Governor** does not recommend a reduced resources budget.

C. FY 2013 – Budget Year

FY 2013 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 4,371,859	\$ 4,171,859	\$ (200,000)
FTE Positions	46.0	43.0	(3.0)
Change from FY 2012:			
Dollar Change:			
All Other Funds	\$ 239,935	\$ 39,935	
Percent Change:			
All Other Funds	5.8 %	1.0 %	
Change in FTE Positions	1.0	0.0	

The **agency** requests an FY 2013 budget of \$4,371,859, all from special revenue funds, which is an increase of \$239,935, or 5.8 percent, above the FY 2012 request. This includes an enhancement of \$200,000 for an additional FTE, a medical director. **Absent the enhancement**, the request would be \$4,171,859, all from special revenue funds, an increase of \$39,935, or 1.0 percent, above the FY 2012 request. The increase absent the enhancement is due to capital outlay for new licensure software and expenses related to health insurance and other benefits. No State General Funds are requested.

- **Salaries and Wages.** The Board requests \$3,105,344, all from special revenue funds, for salaries and wages for FY 2013, which is an increase of \$287,844, or 10.2 percent, above the FY 2012 request. **Absent the enhancement** of \$200,000 for the medical director

position, the increase would be \$87,844, or 3.1 percent, above the FY 2012 request. The increase absent the enhancement is due to health insurance and KPERS retirement contributions expenditures.

- **Contractual Services.** The agency requests \$1,076,160, all from special revenue funds, for contractual services for FY 2013. This is an increase of \$15,628, or 1.5 percent, above the FY 2012 request. The increase is due to computer software maintenance and building rental.
- **Commodities.** The Board requests \$60,355, all from special revenue funds, for commodities for FY 2013, which is a decrease of \$18,537, or 23.5 percent, below the FY 2012 request. The decrease is due to reductions in data processing supplies.
- **Capital Outlay.** The agency requests \$130,000, all from special revenue funds, for capital outlay for FY 2013, which is an decrease of \$45,000, or 25.7 percent, below the FY 2012 request. According to the agency, \$30,000 will be used to replace 25 obsolete PCs, and the remaining \$100,000 will be used to pay the second half of the purchase cost of new licensure software. The first half will have been purchased in FY 2012.

The **Governor** recommends an FY 2013 budget of \$4,171, 859, which is a decrease of \$200,000, or 4.6 percent, below the agency request. This amount is the same as the agency request absent the enhancement request. The Governor does not recommend the \$200,000 enhancement, nor the additional 1.0 FTE for the medical director position. For FY 2013, the Governor recommends 43.0 FTE.

FY 2013 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
1.0 FTE Medical Director	\$ 0	\$ 200,000	1.0	\$ 0	\$ 0	0.0

Enhancements Detail

The **Board** requests an enhancement of \$200,000, all from special revenue funds, to add 1.0 FTE for FY 2013. The additional FTE would be a Medical Director to provide medical expertise on case reviews. According to the agency, the Medical Director would allow Board staff to utilize an expert full-time as opposed to relying on Board members who would then be disqualified from participating in any resulting adjudication.

The **Governor** does not recommend the enhancement.

Reduced Resources

The **Board** was not required to submit a reduced resources budget for FY 2013.

The **Governor** does not recommend a reduced resources budget.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. The Governor's FY 2012 recommendation does not include a base salary adjustment for state employees.

Classified Employee Pay Plan. During the 2007 interim, the State Employee Compensation Oversight Commission was charged with the development of a new pay plan for classified employees for the Governor, Chief Justice of the Supreme Court and 2008 Legislature to consider. The Commission endorsed the recommendation of the Hay Group that five separate pay plans be created for state employees in the classified service, with different opportunities for pay increases to acknowledge the different types of work performed. The five pay plans recommended include: a management pay plan for those involved in managerial functions (increases based on performance); a professional individual contributor for employees requiring knowledge of principles and theories of a professional discipline that is normally obtained through a college curriculum (increases within broad bands to reflect different levels of work and performance against established standards); a protective service pay plan for uniformed officers and all other positions that meet the definition of police or law enforcement officer (increases based on achievement of milestone and certification events as well as time on the job and performance); a basic vocational pay plan for employees that perform routine, structured, work where performance can be measured on a pass/fail basis (increases based on the traditional step movement approach, based on time on the job); and a general classified pay plan for those employees who do not fall within the parameters of the other four plans (the pay ranges will have steps below the market rate and an open range above the market rate).

The time frame to fully implement the recommended plan was five years. Under the plan, the classified employees were divided into three groups to first address those with the greatest salary disparity to the market rate. The 2008 Legislature appropriated \$8.5 million from the State General Fund for FY 2009, the first year of the program. The 2008 Legislature also appropriated \$8.5 million from the State General Fund for each year from FY 2010 through FY 2013 to the State Finance Council. The Governor does not recommend continued funding for the plan, and recommends that the \$8.5 million which had been previously appropriated for both FY 2012 and FY 2013 be lapsed.

Longevity Bonus Payments. For FY 2012, the Governor recommends the continuation of the current "temporary" longevity bonus payment program. The recommendation provides for a bonus of \$50 per year of service, with a 10-year minimum (\$500) and a 25-year maximum (\$1,250). The current statutory provisions of the longevity bonus payment are \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2012 payments is \$12.6 million, including \$5.3 million from the State General Fund. **For this agency,** longevity payments total \$11,600, all from special revenue funds.

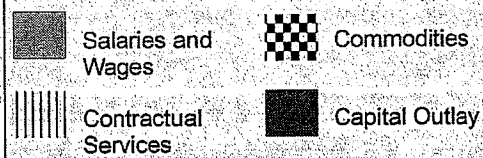
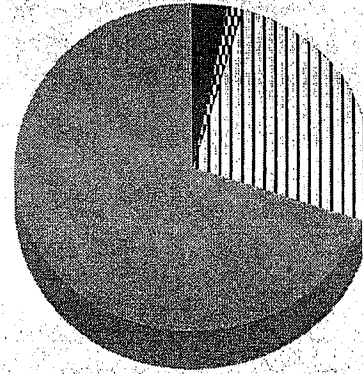
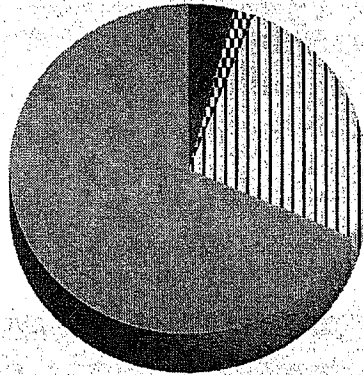
Kansas Public Employees Retirement System (KPERS) Rate Adjustments. A total of \$37.1 million, including \$32.3 million from the State General Fund, is included in the Governor's FY 2012 recommendations for KPERS adjustments. The FY 2012 rate for KPERS regular and school members will increase by 0.6 percent, from 8.17 percent to 8.77 percent, when compared to FY 2011. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERS fund.

Expenditures by Major Object

Governor's Recommendation

FY 2012

FY 2013



Expenditures by Object	Gov. Rec. FY 2012	Percent of Total	Gov. Rec. FY 2013	Percent of Total
Salaries and Wages	\$ 2,817,500	68.2%	\$ 2,905,344	69.6%
Contractual Services	1,060,532	25.7	1,076,160	25.8
Commodities	78,892	1.9	60,355	1.4
Capital Outlay	175,000	4.2	130,000	3.1
TOTAL	\$ 4,131,924	100.0%	\$ 4,171,859	100.0%

Board of Healing Arts Fee Fund

The Board of Healing Arts is financed by special revenue funds, derived mainly from licensing and registration fees. Maximum fees are established in statute, and the actual rates are set by Board-issued regulation within the statutory limitation. The fees vary based on the type of license or registration sought.

The Board is able to process license and registration applications online; however, the licensee or registrant also has the option of submitting a paper renewal. Fees are slightly reduced for online renewals. The Board's regulations also establish fees for late renewals or reinstatement of a revoked license.

Resource Estimate	Actual FY 2010	Agency Estimate FY 2011	Gov. Rec. FY 2011	Agency Request FY 2012	Gov. Rec. FY 2012	Agency Request FY 2013	Gov. Rec. FY 2013
Beginning Balance	\$ 1,886,731	\$ 2,119,731	\$ 2,119,731	\$ 2,302,508	\$ 2,302,508	\$ 2,464,764	\$ 2,464,764
Revenue	4,058,385	4,103,440	4,103,440	4,160,180	4,160,180	4,211,029	4,211,029
Net Receipts	62,315	27,625	27,625	33,000	33,000	33,000	33,000
Total Funds Available	\$ 6,007,431	\$ 6,250,796	\$ 6,250,796	\$ 6,495,688	\$ 6,495,688	6,708,793	6,708,793
Less: Expenditures	3,819,203	3,943,314	3,943,314	4,030,924	4,030,924	4,270,859	4,070,859
Transfers Out	68,497	4,974	4,974	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 2,119,731</u>	<u>\$ 2,302,508</u>	<u>\$ 2,302,508</u>	<u>\$ 2,464,764</u>	<u>\$ 2,464,764</u>	<u>\$ 2,437,934</u>	<u>\$ 2,637,934</u>
Ending Balance as Percent of Expenditures	55.5%	58.4%	58.4%	61.1%	61.1%	57.1%	64.8%
Month Highest Ending Balance	June \$ 2,301,026	June \$ 2,384,777	June \$ 2,384,777	June \$ 2,443,033	June \$ 2,443,033	June \$ 2,512,203	June \$ 2,512,203
Month Lowest Ending Balance	April \$ 435,308	April \$ 650,199	April \$ 650,199	April \$ 686,620	April \$ 686,620	April \$ 732,846	April \$ 732,846

For FY 2011, the Governor concurs with the agency revised estimate.

For FY 2012, the Governor concurs with the agency request.

For FY 2013, the Governor concurs with the agency regarding transfers out. The Governor recommends a reduction in expenditures totaling \$200,000, all from the Healing Arts Fee Fund.

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PERFORMANCE MEASURES					
Investigation and disciplinary program case statistics	Gov. Rec. FY 2010	Actual FY 2010	Gov. Rec. FY 2011	Gov. Rec. FY 2012	Gov. Rec. FY 2013
Open cases forwarded	610	490	650	650	650
New cases opened	660	772	775	775	775
Total cases closed	650	748	750	750	750

STATE LIBRARY

DRAFT

Expenditure	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Operating Expenditures:					
State General Fund	\$ 4,545,907	\$ 4,363,021	\$ 4,363,021	\$ 5,258,150	\$ 4,174,511
Other Funds	1,663,556	2,085,375	2,085,375	1,899,222	1,899,222
TOTAL	\$ 6,209,463	\$ 6,448,396	\$ 6,448,396	\$ 7,157,372	\$ 6,073,733
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 6,209,463	\$ 6,448,396	\$ 6,448,396	\$ 7,157,372	\$ 6,073,733

Percentage Change:

Operating Expenditures:

State General Fund	(13.6)%	(4.0)%	(4.0)%	20.5%	(4.3)%
All Funds	(14.3)	3.8	3.8	11.0	(5.8)
FTE Positions	20.0	25.0	25.0	25.0	24.0
Non-FTE Perm. Uncl. Pos.	1.8	5.6	5.6	5.6	4.6
TOTAL	21.8	30.6	30.6	30.6	28.6

AGENCY OVERVIEW

The State Library has served the state since 1855 and has existed in its present form since 1963 with the passage of the State Library Act, KSA 75-2534. The State Library provides and promotes library and information services to legislators, state government officials, and all Kansans. The State Library conducts programs to promote literacy and reading for everyone. The agency is headed by the State Librarian who is also advised by the State Library Advisory Commission.

The State Library serves as a catalyst to improve statewide library services through grants-in-aid to public libraries and seven regional systems of cooperating libraries. The State Library administers grant and aid programs, statewide library resource sharing, state and federal document depository service, and the Kansas Center for the Book. The State Library also runs the State Data Center which works with the U.S. Census Bureau and other agencies to improve

State Library

House Education Budget Committee

Date: 2-7-11

Attachment #: 6

the quality, accuracy, and completeness of census data estimates. From FY 2007 to FY 2009, the State Library administered Homework Kansas, an online tutoring program for K-12 students.

The State Library operates two divisions that provide and support library services:

State Library of Kansas Services: This division provides reference and information services to the legislature and state government; provides administrative support, personnel, financial, and accounting services for the State Library; provides consulting services to improve and strengthen library services throughout the state; administers state and federal aid for libraries; facilitates access to statewide online library resources; supports statewide interlibrary loan and interlibrary cooperation and communication and administers the library's web presence.

Kansas Talking Book Service: This division provides a range of services to Kansas residents who cannot read conventional printed materials due to visual or physical impairments.

MAJOR ISSUES FROM PRIOR YEARS

The **2007 Legislature** added \$76,500, from the State General Fund, for the promotion of the Talking Books Service throughout the state in FY 2008. Additionally, the Legislature added \$29,000 from the State General Fund in FY 2008 for a subscription to Newsline, provided by the National Federation of the Blind, which allows the visually or physically impaired to call in and have newspapers read to them.

The **2008 Legislature** added \$29,000, all from the State General Fund, to continue the Newsline subscription in FY 2009.

The **2009 Legislature** added a proviso in 2009 Senate Substitute for HB 2737 that directed the State Library to stop any planned statewide courier program and that no expenditures from either the State General Fund or other funds will be spent on the courier program. Through budget reductions, the Homework Kansas online tutoring program was suspended indefinitely.

The **2010 Legislature** deleted \$110,150, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent for FY 2011.

BUDGET SUMMARY AND KEY POINTS

FY 2011 – Current Year. The agency requests revised FY 2011 expenditures of \$6,448,396, including \$4,363,021 from the State General Fund. This is a special revenue fund increase of \$174,716, or 2.8 percent, above the amount approved by the 2010 Legislature. The increase is attributable to an increase in database access fees, scientific supplies, and a Gates Grant. The agency's revised FY 2011 estimate includes \$172,221 in a Gates Grant, which is to be used in planning for the use of broadband across the state. The request would fund 25.0 FTE positions, the same as the approved amount.

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

FY 2012 – Budget Year. The agency requests, FY 2012 expenditures of \$7,157,372, which is an increase of \$708,976, or 11.0 percent, above the revised FY 2011 estimate. This amount includes \$5,258,150 from the State General Fund, which is an increase of \$895,129, or 20.5 percent, above the revised FY 2011 State General Fund estimate. The increase is almost entirely due to the agency's FY 2012 enhancement requests of \$863,928, all from the State General Fund, to be used for grants.

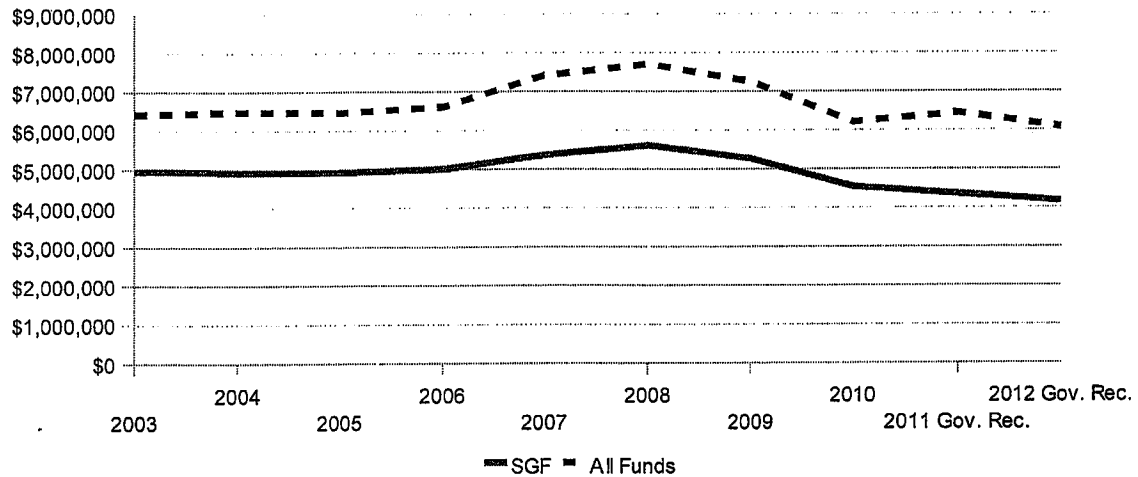
Absent the enhancement, expenditures would total \$6,293,444, which is a decrease of \$154,952, or 2.4 percent, below the FY 2011 revised estimate. State General Fund expenditures would total \$4,394,222, which is an increase of \$31,201, or 0.7 percent, above the revised FY 2011 estimate. The request would fund 25.0 FTE positions.

The **Governor** recommends FY 2012 expenditures of \$6,073,733, a decrease of \$374,663, or 5.8 percent, below the Governor's FY 2011 recommendation. State General Fund expenditures total \$4,174,511, a decrease of \$188,510, or 4.3 percent, below the Governor's FY 2011 recommendation. The Governor does not recommend the enhancement request of \$863,928, all from the State General Fund. The Governor accepts the agency's proposed reduced resources budget of \$219,711, all from the State General Fund and also recommends reducing the authorized FTE by 1.0 position.

The Governor's FY 2012 recommendation is a decrease of \$1,083,639, or 15.1 percent, below the agency's FY 2012 request. The Governor's State General Fund recommendation is a decrease of \$1,083,639, or 20.6 percent, below the agency's State General Fund request. The difference is attributable to the Governor's acceptance of the agency's reduced resources budget, and not recommending the enhancements for FY 2012.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2003–FY 2012



OPERATING EXPENDITURES FY 2003–FY 2012

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2003	\$ 4,961,707	0.0%	\$ 6,413,546	(6.6)%	27.0
2004	4,924,294	(0.8)	6,485,979	1.1	27.0
2005	4,924,803	0.0	6,462,215	(0.4)	27.0
2006	5,014,996	1.8	6,611,576	2.3	27.0
2007	5,364,540	7.0	7,412,117	12.1	27.0
2008	5,609,286	4.6	7,705,914	4.0	26.0
2009	5,264,183	(6.2)	7,248,872	(5.9)	25.0
2010	4,545,907	(13.6)	6,209,463	(14.3)	25.0
2011 Gov. Rec.	4,363,021	(4.0)	6,448,396	3.8	25.0
2012 Gov. Rec.	4,174,511	(4.3)	6,073,733	(5.8)	24.0
Ten-Year Change Dollars/Percent	\$ (787,196)	(15.9)%	(339,813)	(5.3)%	(3.0)

Summary of Operating Budget FY 2010-FY 2012

State Library

		Agency Request					Governor's Recommendation				
		Actual FY 2010	Estimate FY 2011	Request FY 2012	Dollar Change from FY 11	Percent Change From FY 11	Rec. FY 2011	Rec. FY 2012	Dollar Change from FY 11	Percent Change from FY 11	
By Program:											
Administration	\$	5,410,362	\$ 5,608,242	\$ 6,317,132	\$ 708,890	12.6%	\$ 5,608,242	\$ 5,318,063	\$ (290,179)	(5.2)%	
Services to Blind and Handicapped		799,101	840,154	840,240	86	0.0	840,154	755,670	(84,484)	(10.1)	
		0	0	0	0	--	0	0	0	--	
TOTAL	\$	6,209,463	\$ 6,448,396	\$ 7,157,372	\$ 708,976	11.0%	\$ 6,448,396	\$ 6,073,733	\$ (374,663)	(5.8)%	
By Major Object of Expenditure:											
Salaries and Wages	\$	1,535,371	\$ 1,650,059	\$ 1,745,286	\$ 95,227	5.8%	\$ 1,650,059	\$ 1,745,286	\$ 95,227	5.8%	
Contractual Services		1,164,423	1,749,759	1,627,175	(122,584)	(7.0)	1,749,759	1,585,125	(164,634)	(9.4)	
Commodities		78,322	226,508	105,700	(120,808)	(53.3)	226,508	105,700	(120,808)	(53.3)	
Capital Outlay		0	0	0	0	--	0	0	0	--	
Subtotal - Operations	\$	2,778,116	\$ 3,626,326	\$ 3,478,161	\$ (148,165)	(4.1)%	\$ 3,626,326	\$ 3,436,111	\$ (190,215)	(5.2)%	
Aid to Local Units		2,944,229	2,815,095	3,672,236	857,141	30.4	2,815,095	2,630,647	(184,448)	(6.6)	
Other Assistance		487,118	6,975	6,975	0	0.0	6,975	6,975	0	0.0	
TOTAL	\$	6,209,463	\$ 6,448,396	\$ 7,157,372	\$ 708,976	11.0%	\$ 6,448,396	\$ 6,073,733	\$ (374,663)	(5.8)%	
Financing:											
State General Fund	\$	4,545,907	\$ 4,363,021	\$ 5,258,150	\$ 895,129	20.5%	\$ 4,363,021	\$ 4,174,511	\$ (188,510)	(4.3)%	
All Other Funds		1,663,556	2,085,375	1,899,222	(186,153)	(8.9)	2,085,375	1,899,222	(186,153)	(8.9)	
TOTAL	\$	6,209,463	\$ 6,448,396	\$ 7,157,372	\$ 708,976	11.0%	\$ 6,448,396	\$ 6,073,733	\$ (374,663)	(5.8)%	

5-5

BUDGET OVERVIEW

A. FY 2011 – Current Year

The 2010 Legislature approved a State General Fund budget of \$4,363,021 for the State library in FY 2011. No adjustments have been made to that amount.

CHANGE FROM APPROVED BUDGET					
	Approved 2010 Legislature	Agency Estimate FY 2011	Agency Change from Approved	Governor Rec. FY 2011	Governor Change from Approved
State General Fund	\$ 4,363,021	\$ 4,363,021	\$ 0	\$ 4,363,021	\$ 0
All Other Funds	1,910,659	2,085,375	174,716	2,085,375	174,716
TOTAL	<u>\$ 6,273,680</u>	<u>\$ 6,448,396</u>	<u>\$ 174,716</u>	<u>\$ 6,448,396</u>	<u>\$ 174,716</u>
FTE Positions	25.0	25.0	0.0	25.0	0.0

The **agency** requests revised FY 2011 expenditures of \$6,448,396, including \$4,363,021 from the State General Fund. This is a special revenue fund increase of \$174,716, or 2.8 percent, above the amount approved by the 2010 Legislature. The increase is attributable to an increase in database access fees, scientific supplies and a Gates Grant. The agency's revised FY 2011 estimate includes \$172,221 in a Gates Grant, which is to be used in planning for the use of broadband across the state. The request would fund 25.0 FTE positions, the same as the approved amount.

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

B. FY 2012 – Budget Year

FY 2012 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 7,157,372	\$ 6,073,733	\$ (1,083,639)
FTE Positions	25.0	24.0	(1.0)
Change from FY 2011:			
<i>Dollar Change:</i>			
State General Fund	\$ 895,129	\$ (188,510)	
All Other Funds	(186,153)	(186,153)	
TOTAL	\$ 708,976	\$ (374,663)	
<i>Percent Change:</i>			
State General Fund	20.5%	(4.3)%	
All Other Funds	(8.9)	(8.9)	
TOTAL	11.0%	(5.8)%	
Change in FTE Positions	0.0	(1.0)	

The **agency** requests FY 2012 expenditures of \$7,157,372, which is an increase of \$708,976, or 11.0 percent, above the revised FY 2011 estimate. This amount includes \$5,258,150 from the State General Fund, which is an increase of \$895,129, or 20.5 percent, above the revised FY 2011 State General Fund estimate. The State General Fund increase is almost entirely due to the agency's FY 2012 enhancement request totaling \$863,928, all from the State General Fund, for grants.

Absent the enhancement request, expenditures total \$6,293,444, which is a decrease of \$154,952, or 2.4 percent, below the FY 2011 revised estimate. State General Fund expenditures total \$4,394,222, an increase of \$31,201, or 0.7 percent, above the revised FY 2011 estimate.

- **Salaries and Wages.** The **agency** requests \$1,745,286, including \$1,389,350 from the State General Fund. The request is an increase of \$95,227, or 5.8 percent, above the revised FY 2011 estimate. The amount represents funding for 25.0 FTE positions and 5.6 Non-FTE positions. The increase is attributable to additional funding for temporary staff and an increase in fringe benefit costs.
- **Contractual Services.** The **agency** requests \$1,627,175, including \$657,836 from the State General Fund. The request is a decrease of \$122,584, or 7.0 percent, below the

revised FY 2011 estimate. The decrease is mainly attributable to a decrease in travel, consulting services and professional fees.

- **Commodities.** The **agency** requests \$105,700, including \$58,737 from the State General Fund. The request is a decrease of \$120,808, or 53.3 percent below the revised FY 2011 estimate. The decrease is primarily attributable to a decrease in scientific supplies.
- **Capital Outlays.** The **agency** is not requesting any capital outlay expenditures.
- **Aid to Local Units.** The **agency** requests \$3,672,236, including an increase from the State General Fund of \$857,141, or 30.4 percent, above the FY 2011 revised estimate. The increase is primarily attributed to an enhancement request totaling \$863,928, all from the State General Fund, for Talking Books/NEWSLINE, restoring the interlibrary loan development program and additional grants in aid.
- **Other Assistance.** The agency requests \$6,975, all from the State General Fund, the same as the FY 2011 request. These funds are for the Services to the Blind and Handicapped program in grants to libraries for talking books.

The **Governor** recommends FY 2012 expenditures of \$6,073,733, a decrease of \$374,663, or 5.8 percent, below the Governor's FY 2011 recommendation. State General Fund expenditures total \$4,174,511, a decrease of \$188,510, or 4.3 percent, below the Governor's FY 2011 recommendation. The Governor does not recommend the enhancement request of \$863,928, all from the State General Fund. The Governor accepts the agency's proposed reduced resources budget of \$219,711, all from the State General Fund and also recommends reducing the authorized FTE by 1.0 position.

The Governor's FY 2012 recommendation is a decrease of \$1,083,639, all from the State General Fund, or 15.1 percent, below the agency's FY 2012 request. The Governor's State General Fund recommendation is a decrease of \$1,083,639, or 20.6 percent, below the agency's State General Fund request. The difference is attributable to the Governor's acceptance of the agency's reduced resources budget and not recommending the enhancement request for FY 2012.

FY 2012 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Grants in Aid	\$ 638,134	\$ 638,134	0.0	\$ 0	\$ 0	0.0
Restore Interlibrary Loan Development Program	151,224	151,224	0.0	0	0	0.0
Talking Books/NEWSLINE	74,570	74,570	0.0	0	0	0.0
TOTAL	<u>\$ 863,928</u>	<u>\$ 863,928</u>	<u>0.0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.0</u>

Enhancements Detail

The **agency** requests three enhancements for FY 2012, totaling \$863,928, all from the State General Fund.

- **Grants in Aid.** The **agency** requests \$638,134 to restore funding to the grants-in-aid program that is distributed to libraries in communities across the state. The request reflects the total amount reduced in FY 2009 through FY 2011.
- **Restore funding for Interlibrary Loan Development Program (ILDP).** The **agency** requests \$151,224 to restore funding to the Interlibrary Loan Development Program (ILDP). The ILDP funding supports library-to-library resource sharing activities, interlibrary lending, and the statewide Kansas library catalog. The request reflects the total amount reduced in FY 2009 and FY 2010.
- **Restore funding for the Talking Books Services and NEWSLINE.** The **agency** requests \$74,570 to restore funding to the Talking Books Service and the NEWSLINE service. The funds are distributed to the sub-regional libraries to provide the Talking Books Service to the visually or physically impaired. The request reflects the amount reduced in FY 2009 and FY 2010. The funding is also for NEWSLINE, which is a service that delivers newspaper content in both audio and digital format for blind and visually impaired residents of Kansas.

The **Governor** does not recommend any enhancements for FY 2012.

FY 2012 REDUCED RESOURCES						
Item	Agency Recommendation			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Operating Expenditures	\$ (22,050)	\$ (22,050)	0.0	\$ 0	\$ 0	0.0
Talking Books	(10,000)	(10,000)	0.0	0	0	0.0
State Aid to Local Government	(167,661)	(167,661)	0.0	0	0	0.0
Interlibrary Loan Development Grant Program (ILDLP)	(20,000)	(20,000)	0.0	0	0	0.0
TOTAL	<u>\$ (219,711)</u>	<u>\$ (219,711)</u>	<u>0.0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.0</u>

FY 2012 Reduced Resources

The **agency** has submitted a reduced resources budget of \$219,711, or 3.0 percent, from the State General Fund for FY 2012.

- **Operating Expenditures.** The **agency** would reduce \$22,050 from operating expenditures. The agency states that it has already reduced to the bare minimum all books, periodicals, law subscriptions, and materials needed to provide the citizens of Kansas the information they need.
- **Talking Books Program.** The **agency** would reduce \$10,000 from the Talking Books Service Program. The work of the subregional libraries includes personalized, local library assistance to individuals who are blind or visually impaired. The agency states that reduced funding will diminish the quality and quantity of service to these users.
- **State Grants-in-Aid to Local Programs.** The **agency** would reduce \$167,661 from grants-in-aid to local libraries. Local libraries use state aid to purchase children's books, fund story time hours, and buy library services for older adults. The agency states that with further reductions in state aid, some libraries may reduce hours, purchases, or other services.
- **Interlibrary Loan Development Program.** The **agency** would reduce \$20,000 from the Interlibrary Loan Development Program (ILDLP). The agency states that ILDP funding supports libraries in activities such as interlibrary lending, the purchase of new books, and the development of the Kansas Library Catalog.

The **Governor** accepts the agency's reduced resources budget of \$219,711, all from the State General Fund for FY 2012.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. The Governor's FY 2012 recommendation does not include a base salary adjustment for state employees.

Classified Employee Pay Plan. During the 2007 interim, the State Employee Compensation Oversight Commission was charged with the development of a new pay plan for classified employees for the Governor, Chief Justice of the Supreme Court and 2008 Legislature to consider. The Commission endorsed the recommendation of the Hay Group that five separate pay plans be created for state employees in the classified service, with different opportunities for pay increases to acknowledge the different types of work performed. The five pay plans recommended include: a management pay plan for those involved in managerial functions (increases based on performance); a professional individual contributor for employees requiring knowledge of principles and theories of a professional discipline that is normally obtained through a college curriculum (increases within broad bands to reflect different levels of work and performance against established standards); a protective service pay plan for uniformed officers and all other positions that meet the definition of police or law enforcement officer (increases based on achievement of milestone and certification events as well as time on the job and performance); a basic vocational pay plan for employees that perform routine, structured, work where performance can be measured on a pass/fail basis (increases based on the traditional step movement approach, based on time on the job); and a general classified pay plan for those employees who do not fall within the parameters of the other four plans (the pay ranges will have steps below the market rate and an open range above the market rate).

The time frame to fully implement the recommended plan was five years. Under the plan, the classified employees were divided into three groups to first address those with the greatest salary disparity to the market rate. The 2008 Legislature appropriated \$8.5 million from the State General Fund for FY 2009, the first year of the program. The 2008 Legislature also appropriated \$8.5 million from the State General Fund for each year from FY 2010 through FY 2013 to the State Finance Council. The Governor does not recommend continued funding for the plan, and recommends that the \$8.5 million which had been previously appropriated for both FY 2012 and FY 2013 be lapsed.

Longevity Bonus Payments. For FY 2012, the Governor recommends the continuation of the current "temporary" longevity bonus payment program. The recommendation provides for a bonus of \$50 per year of service, with a 10-year minimum (\$500) and a 25-year maximum (\$1,250). The current statutory provisions of the longevity bonus payment are \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2012 payments is \$12.6 million, including \$5.3 million from the State General Fund. **For this agency**, longevity payments total \$15,850, including \$12,618 from the State General Fund.

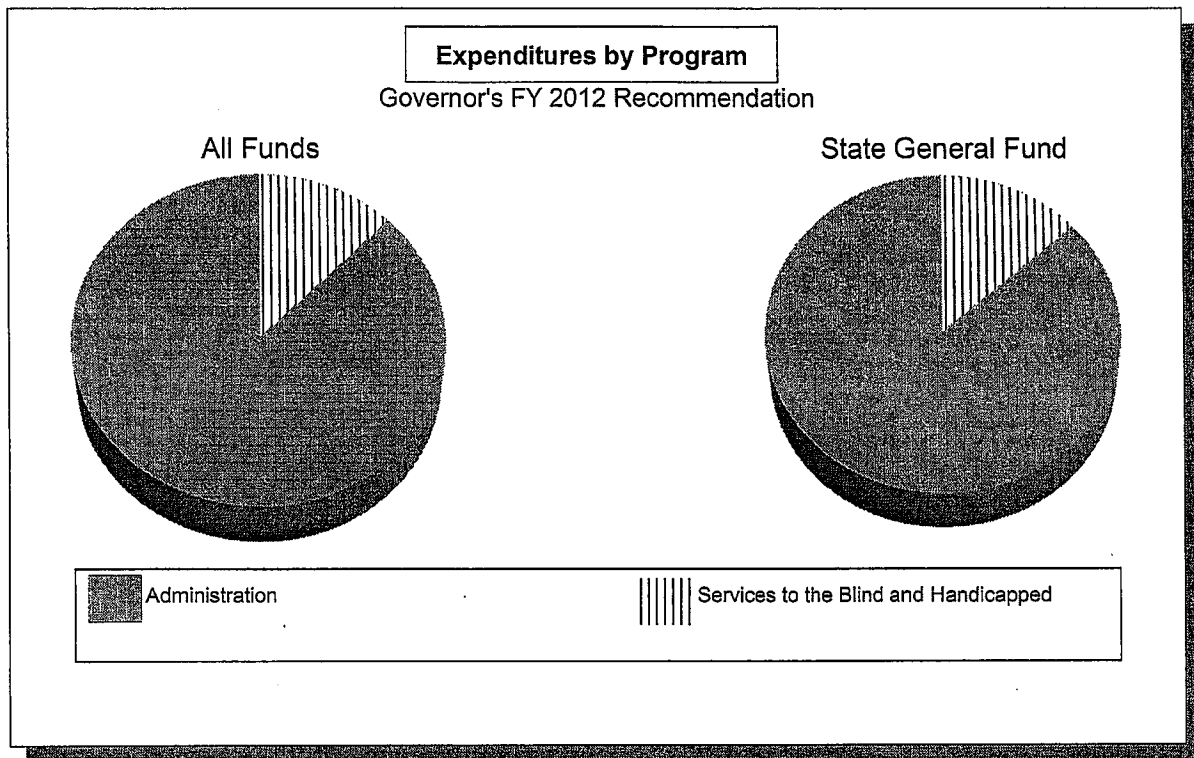
Kansas Public Employees Retirement System (KPERS) Rate Adjustments. A total of \$37.1 million, including \$32.3 million from the State General Fund, is included in the Governor's FY 2012 recommendations for KPERS adjustments. The FY 2012 rate for KPERS regular and school members will increase by 0.6 percent, from 8.17 percent to 8.77 percent, when compared to FY 2011. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERS fund.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2012	Gov. Rec. Percent of Total FY 2012
State General Fund	73.5%	68.7%
Federal Library Services and Technology Act	26.5	31.3
TOTAL	100.0%	100.0%

Note: Percentages may not add due to rounding.

PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2012	Percent of Total	Gov. Rec. SGF FY 2012	Percent of Total
Administration	\$ 5,318,063	87.6%	\$ 3,619,010	86.7%
Services to the Blind and Handicapped	755,670	12.4	555,501	13.3
TOTAL	\$ 6,073,733	100.0%	\$ 4,174,511	100.0%

FTE POSITIONS BY PROGRAM – FY 2010- FY 2012					
Program	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Administration	16.0	21.0	21.0	21.0	20.0
Services to the Blind and Handicapped	4.0	4.0	4.0	4.0	4.0
TOTAL	20.0	25.0	25.0	25.0	24.0

A. Administration

The Administration Division provides State Library of Kansas services including reference and information services to the legislature and state government; provides administration support, personnel, and financial and accounting services for the State Library; provides consultant services to improve and strengthen library services throughout the state; administers state and federal aid for libraries; facilitates access to statewide online library resources; supports statewide interlibrary loan and interlibrary cooperation and communication; and administers the library's website.

ADMINISTRATION SUMMARY OF EXPENDITURES FY 2010-FY 2012					
Item	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Expenditures:					
Salaries and Wages	\$ 1,302,095	\$ 1,361,440	\$ 1,361,440	\$ 1,416,986	\$ 1,416,986
Contractual Services	1,097,898	1,604,216	1,604,216	1,494,010	1,451,960
Commodities	73,560	220,778	220,778	99,970	99,970
Capital Outlay	0	0	0	0	0
Subtotal - Operating	\$ 2,473,553	\$ 3,186,434	\$ 3,186,434	\$ 3,010,966	\$ 2,968,916
Aid to Local Units	2,456,201	2,421,808	2,421,808	3,306,166	2,349,147
Other Assistance	480,608	0	0	0	0
TOTAL	<u>\$ 5,410,362</u>	<u>\$ 5,608,242</u>	<u>\$ 5,608,242</u>	<u>\$ 6,317,132</u>	<u>\$ 5,318,063</u>
Financing:					
State General Fund	\$ 3,949,250	\$ 3,800,954	\$ 3,800,954	\$ 4,618,079	\$ 3,619,010
All Other Funds	1,461,112	1,807,288	1,807,288	1,699,053	1,699,053
TOTAL	<u>\$ 5,410,362</u>	<u>\$ 5,608,242</u>	<u>\$ 5,608,242</u>	<u>\$ 6,317,132</u>	<u>\$ 5,318,063</u>
FTE Positions	16.0	21.0	21.0	21.0	20.0
Non-FTE Uncl. Perm. Pos.	1.0	4.8	4.8	4.8	3.8
TOTAL	<u>17.0</u>	<u>25.8</u>	<u>25.8</u>	<u>25.8</u>	<u>23.8</u>

The agency requests FY 2012 expenditures of \$6,317,132 for the State Library of Kansas services, including \$4,618,079 from the State General Fund. This is an all funds increase of \$708,890, or 12.6 percent, above the revised FY 2011 estimate and a State General Fund increase of \$817,125, or 21.5 percent, above the revised FY 2011 estimate. The increase is attributed to the enhancement requests for Grants in Aid and restoring the Interlibrary Loan Development Program.

- **Salaries and Wages.** The agency request includes \$1,416,986 in salaries and wages for FY 2012. This is an increase of \$55,546, or 4.1 percent, above the revised FY 2011

estimate. The increase is attributable to increases in costs of healthcare and other fringe benefits.

- **Contractual Services.** The agency request includes \$1,494,010 in contractual services for FY 2012. This is a decrease of \$110,206, or 6.9 percent, below the revised FY 2011 estimate. The decrease is attributable to decreases in building space rental and travel costs. The request does include an enhancement of \$10,000 for a subscription to the NEWSLINE program.
- **Commodities.** The agency request includes \$99,970 in commodities for FY 2012. This is a decrease of \$120,808, or 54.7 percent, below the revised FY 2011 estimate. The decrease is attributable to decreases in food and scientific supplies.
- **Aid to Local Units.** The agency request includes \$3,306,166 in Aid to Local Units for FY 2012. This is an increase of \$884,358, or 36.5 percent, above the revised FY 2011 estimate. The increase is attributable to an enhancement for grants and the interlibrary loan development program.

The **Governor** recommends FY 2012 expenditures of \$5,318,063, including \$3,619,010 from the State General Fund. This is a decrease of \$999,069, or 15.8 percent, below the agency's request, all from the State General Fund. It is a State General Fund decrease of 21.6 percent, below the agency's request. The decrease is attributable to the Governor accepting the reduced resources and not recommending an enhancement request for this program. The Governor also recommends reducing the authorized FTE by 1.0 position.

B. Services To the Blind and Handicapped

The State Library provides services to the blind and handicapped through the Talking Books Service program, located on the Emporia State University campus. These services promote and provide a diversity of reading materials for visually impaired citizens of Kansas. This includes materials in Braille and recorded formats that can be requested and delivered to the patron's home.

SERVICES TO THE BLIND AND HANDICAPPED SUMMARY OF EXPENDITURES FY 2010-FY 2012					
Item	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Expenditures:					
Salaries and Wages	\$ 233,276	\$ 288,619	\$ 288,619	\$ 328,300	\$ 328,300
Contractual Services	66,525	145,543	145,543	133,165	133,165
Commodities	4,762	5,730	5,730	5,730	5,730
Capital Outlay	0	0	0	0	0
Subtotal - Operating	\$ 304,563	\$ 439,892	\$ 439,892	\$ 467,195	\$ 467,195
Aid to Local Units	488,028	393,287	393,287	366,070	281,500
Other Assistance	6,510	6,975	6,975	6,975	6,975
TOTAL	<u>\$ 799,101</u>	<u>\$ 840,154</u>	<u>\$ 840,154</u>	<u>\$ 840,240</u>	<u>\$ 755,670</u>
Financing:					
State General Fund	\$ 596,657	\$ 562,067	\$ 562,067	\$ 640,071	\$ 555,501
All Other Funds	202,444	278,087	278,087	200,169	200,169
TOTAL	<u>\$ 799,101</u>	<u>\$ 840,154</u>	<u>\$ 840,154</u>	<u>\$ 840,240</u>	<u>\$ 755,670</u>
FTE Positions	4.0	4.0	4.0	4.0	4.0
Non-FTE Uncl. Perm. Pos.	0.8	0.8	0.8	0.8	0.8
TOTAL	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>

The agency requests FY 2012 expenditures of \$840,240 for Services to the Blind and Handicapped, including \$640,071 from the State General Fund. This is an all funds increase of \$86, or 0.1 percent, above the revised FY 2011 estimate and a State General Fund increase of \$78,004, or 13.9 percent, above the revised FY 2011 estimate. The increase in State General Funds is attributed to the decrease in federal funds available. The agency request includes \$328,300 in salaries and wages for FY 2012. This is an increase of \$39,681, or 13.7 percent, above the revised FY 2011 estimate. The increase is attributable to an increase in unclassified, temporary positions. This request includes the enhancement of \$74,570, all from State General Funds, for the Talking Books Service program.

The **Governor** recommends FY 2012 expenditures of \$755,670 for services to the blind and handicapped, including \$555,501 from the State General Fund. The amount is a decrease of

\$84,570, or 10.1 percent, below the agency's FY 2012 request, all from the State General Fund. The decrease is attributable to the Governor accepting the reduced resource for the Talking Books Service program and not recommending an enhancement request for this program.

PERFORMANCE MEASURES				
Measure	Gov. Rec. for FY 2010	Actual FY 2010	Gov. Rec. FY 2011	Gov. Rec. FY 2012
Number of children participating in summer reading programs	70,000	75,338	82,000	84,000
Number of libraries participating in summer reading programs	300	321	327	327
Number of users of Talking Books Services	6,000	5,900	6,000	6,100