

Approved: 5-7-10
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 8:20 a.m. on March 18, 2010, in Room 346-S of the Capitol.

All members were present.

Committee staff present:

Jim Wilson, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
Alan Conroy, Kansas Legislative Research Department
J.G. Scott, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Stephen Huggins, Chief of Staff, Appropriations Committee
Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on State Department of Education
- Attachment 2 State Department of Education Estimates FY 2008-09 and FY 2009-2010
- Attachment 3 FY 2010 and FY 2011 Comparison Expenditures
- Attachment 4 FY 2009-FY 2011 Children's Initiatives Fund, Economic Development Initiative Fund and State Water Fund
- Attachment 5 FY 2010 and FY 2011 Budget Adjustments - House Republican Proposal
- Attachment 6 FY 2011 House Appropriations Committee Recommendations

Representative McLeland, Chair, House Education Budget Committee, presented the FY 2011 State Department of Education Budget Committee Report, (Attachment 1). The Budget Committee concurs with the Governor's recommendation with the following adjustments and observations: delete \$85.9 million from State General Fund (SGF) to replace federal stimulus funds in Supplemental State Aid; delete \$85.9 million from SGF to replace federal stimulus funds from General State Aid; delete \$32.8 million for SGF to increase the Base State Aid Per pupil by \$50; and recommend passage of Substitute for HB 2739.

Representative McLeland made a motion to approve the FY 2011 State Department of Education Budget Committee Report. The motion was seconded by Representative Merrick.

Discussion followed by committee members. Representation McLeland stated that this budget represents six bills that have been combined.

Theresa Kiernan, Assistant Revisor, Office of The Revisor of Statutes, responded to questions from committee members. She stated that out of the six bills, only the equity budget did not have a hearing, she added. Ms. Keirnan stated that the Governor's recommendation grand-fathered in all districts Local Option Budget (LOB) at the same amount as last year - less the amount they will provide through school district foundation levy. This would be an amendment to HB 2739, she added.

Discussion continued by committee members. Concern was expressed regarding proposed tax increases as a result of budget reductions for K-12 education, and it was noted that this report was not available at the time this budget was reviewed. Representative Williams requested a spreadsheet by district, and the impact of Item 1 and Item 2. Chairman Yoder stated that this budget report reflects reductions for additional spending or to replace the loss of federal stimulus dollars. He noted that the current SGF level per school district will remain the same for FY 2011, and it would be at the discretion of each school district to determine whether taxes

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Minutes of the House Appropriations Committee at 8:20 a.m. on March 18, 2010, in Room 346-S of the Capitol.

would be increased. A committee member noted that over the past ten years there has been a 41.5% increase in all funds, with the exception of FY 2002 and FY 2003 when a 5.3% decrease was experienced with the recession, and a 1.8% increase was experienced in FY 2010. This information was calculated on base aid per pupil, and when enrollment increases less money is spent per child, Representative Feuerborn noted.

Theresa Kiernan, responded to questions from committee members. She stated that the Base State Aid Per Pupil (BSAPP) would be \$4,450, according to **HB 2739**, if appropriated. Ms. Keirnan noted that current appropriations for BSAPP is \$4,012. She stated that there are 39 school district funds and the subcommittee recommendation was to eliminate selected funds that do not have a tax levy, federal, or state law requirements. This list will be provided in the bill and remaining funds would be consolidated in to the school district's general fund, she noted.

Representative McLeland responded to questions from committee members. He stated that **HB 2739** was written to allow school districts more flexibility and control at a local level. This bill represents a 3% reduction in the BSAPP and the SGF remains at the FY 2010 level, Representative McLeland noted. Concern was expressed regarding the budget impact and increased mill levies on smaller school districts.

Chairman Yoder referred to the distribution of information from the State Department of Education, which contains revenue, expenditures and enrollment data, as requested by committee members, (Attachment 2).

Representative McLeland responded to questions from committee members. Concern was expressed that there is a disproportionate percentage from the student enrollment and the percent of money that was intended to go into the classroom. Representative McLeland noted that the stimulus dollars were a one time funding source and this budget did not replace those dollars with State General Funds. Representative Feuerborn stated that this budget recommendation reflects a reduction to BSAPP of \$3,881.

Ms. Kiernan responded to questions from committee members. She stated that the language in **HB 2739** has not been finalized or printed. Committee members expressed concern that the conceptional language has not been made available for review by committee members and there is uncertainty that this bill will pass. Chairman Yoder stated that the report would require that **HB 2739** be passed as a trailer bill as part of the Education Budget Committee's actions. Ms. Kiernan explained the concept of a foundation budget as defined in **HB 2739**, which would allow school districts to levy a tax to fund 10% of the base funding, and would permanently change the school finance formula. Funds from Local Activities Budget (LAB) could not be used in funding programs required by state law, and the LAB is not equalized, she noted. Chairman Yoder stated that equitable funding to schools does not require every student in the state to receive the same amount of funding. The Kansas Supreme Court, state statutes and the Kansas Constitution allow the state to make suitable provisions for financing education for every student, but do not require equal financing for every student. He noted that under the current formula, the state provides more money for opportunities for some districts than other districts. Concern was expressed by committee members regarding the constitutionality of this bill as it relates to equalization and the need for further work to be done on this proposal.

Representative McLeland renewed the motion. Motion carried.

Committee members requested that the minutes reflect their vote in opposition of the motion were: Representative Gatewood.

HB 2705 - Appropriations for FY2011 and FY2012 for capital improvements for various state agencies
HB 2706 - Appropriations for FY 2010 through FY 2015 for various state agencies

J.G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department, presented an overview of the comparison of FY 2010 - FY 2011 recommended expenditures; Governor's Recommendation and House Committee Recommendation; and summary of the House Committee Action, (Attachment 3). The House Committee Recommendation for FY 2011 is \$211.2 million less than the Governor's recommendation in State General Fund and an increase of \$10.1 million in all funds, which includes the elimination of 63.4 positions. Based on consensus revenue estimates the ending balance as a percentage of expenditures for FY 2011 would be -2.9%, he stated. Mr. Scott reviewed the adjustments for the Children's Initiative Fund, Economic

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 8:20 a.m. on March 18, 2010, in Room 346-S of the Capitol.

Development Initiatives Fund, and the State Water Plan Fund, (Attachment 4). He added that all of the special revenue funds reflect a zero ending balance for FY 2011.

Alan Conroy, Director, Kansas Legislative Research Department, reviewed the FY 2010 and FY 2011 budget adjustments amendment proposed by the House Republicans, (Attachment 5). He reviewed a series of amendments for the committee's consideration, which did not include the Education Budget Committee recommendations that were just presented. The amendment adjustments included: revenue adjustments; expenditure adjustments; federal funding adjustments; additional savings; and budget restorations or enhancements.

Representative Whitham made a motion to adopt **HB 2705** and **HB 2706** as amended. The motion was seconded by Representative Merrick.

Representative Whitham responded to questions from committee members. He stated that the Governor's allotments in July, November and recent allotments have been made in the Department of Transportation. These allotment will reduce spending for maintenance and contractual needs in FY 2011, Representative Whitham noted. Concern was expressed that this may prevent future projects, and that the amendment would be cutting dollars that have already been contractually obligated. Chairman Yoder stated that when the committee is working bills, hearings will not be held involving conferees. He encouraged committee members to meet independently with respective agencies and then the additional information would be brought back to the committee for reporting or discussion purposes. Representative Whitham stated that the committee would not submit a resolution to Congress regarding the receipt of \$222.3 million for the state, as was suggested by a committee member.

Chairman Yoder requested the distribution of the FY 2011 House Appropriations Committee Recommendations, excluding tax increase, (Attachment 6).

Discussion followed by committee members regarding the KPERS unfunded liability. Representative Whitham stated there were no concerns on the ability to make payments, but that the issue is when will the state begin increasing employers' contributions to make up the unfunded liability. The 5% pay suspension for FY 2011 would effect all state employees and could be achieved by closing state government at 3:00 p.m. on Fridays. The exception to this proposal would include Highway Patrol troopers, correctional officers, direct care workers in care facilities and power plant operators. Mr. Conroy discussed these exceptions and reviewed the definition of selected state hospital direct care workers. Chairman Yoder noted that this list may not be all inclusive. Mr. Conroy reviewed the use of monumental surcharges and the transfer to State General Funds. Representative Whitham stated that the projected savings from the first-year smoking ban was based on the presentation on the Kansas Clean Indoor Air Act; with smoking related illnesses on a decline, insurance premiums are expected to be lower. Concern was expressed that the budget was based on numerous assumptions, and the need to bring this to the full House floor for further debate and adjustments was suggested. It was noted that this is only one option as to what the budget would look like within the fiscal realities of FY 2011 and has no impact on the projected shortfall of \$300 million in FY 2012. Further discussion was held regarding the 5% salary reduction. Mr. Conroy noted that the Board of Regents was excluded from the list and would not be effected by the proposed salary reductions.

Representative Whitham renewed the motion. Motion carried.

Chairman Yoder stated that the Kansas Legislative Research Department will be making technical adjustments, unless there are objections from committee members. There were no objections.

Hearing closed on **HB 2706** and **HB 2706**

Representative Whitham made a motion to move **HB 2705** and **HB 2706** into **SB 73**. The motion was seconded by Representative Merrick. Motion carried.

Representative Merrick made a motion to approve House Substitute for **SB 73** favorable for passage. The motion was seconded by Representative Mast.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 8:20 a.m. on March 18, 2010, in Room 346-S of the Capitol.

A committee member stated that this motion would now reflect a decrease in educational funding.

Representative Merrick renewed the motion. Motion carried.

The meeting was adjourned at 10:20 a.m.



Kevin Yoder, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/18/10

NAME	REPRESENTING
Diane Gjerstad	USD 259
Bob Vancrum	USD 229
Mark Tallman	KASB
Debra Prideaux	FHSU
Dick Wentz	KDWP
Mary Jane Stankiewicz	KAEP
Nancy Bryant	SOS
Mitzi McFarlich	KABC
Cheer Simmel	WFA Kansas
Sue Peters	K-State
Emily Hugg	K-State
Asbury Dobita	Prugar, Smith + Assoc.
Andy Schlumpf	WJV
Glenn Meyer	Kansas Reporter
Matt Casey	
MaryEllen Andee	United Way
DICK CARTER	JCCC
Doug Penner	KICA
Jennifer Crow	USD 501

ROD MERRILL

KEMMER & Assoc.

APPROPRIATIONS COMMITTEE GUEST LIST

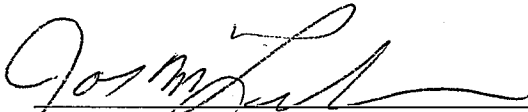
DATE: 3-18-10

NAME	REPRESENTING
<i>Jon Beach</i>	<i>KSC</i>

FY 2011

HOUSE EDUCATION BUDGET COMMITTEE

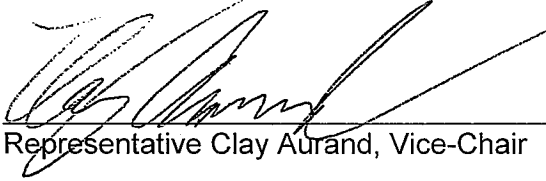
State Department of Education



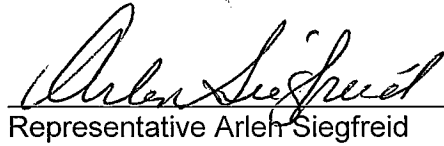
Representative Joe McLeland, Chair



Representative Brenda Landwehr



Representative Clay Aurand, Vice-Chair



Representative Arlen Siegfried

Representative Harold Lane,
Ranking Minority Member



Representative Richard Carlson

Representative Bill Feuerborn

Representative Gene Rardin

Appropriations Committee
Date 3-18-10
Attachment 1-1

Senate Subcommittee Report

Agency: Department of Education

Bill No. SB 556

Bill Sec. 69

Analyst: Cussimano

Analysis Pg. No. 499

Budget Page No. 70

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 3,309,213,914	\$ 3,026,724,647	\$ (33,410,000)
Other Funds	804,592,567	727,945,272	
Subtotal	<u>\$ 4,113,806,481</u>	<u>\$ 3,754,669,919</u>	<u>\$ (33,410,000)</u>
 TOTAL	 <u><u>\$ 4,113,806,481</u></u>	 <u><u>\$ 3,754,669,919</u></u>	 <u><u>\$ (33,410,000)</u></u>
 FTE positions	 212.50	 210.25	 0.0
Non FTE Uncl. Perm. Pos.	69.78	70.15	0.0
TOTAL	<u><u>282.28</u></u>	<u><u>280.40</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2011 operating expenditures of \$4.1 billion, an all funds increase of \$245.6 million, or 6.4 percent, above the revised FY 2010 estimate. Included in this amount are State General Fund expenditures of \$3.3 billion, an increase of \$246.1 million, or 8.0 percent, above the revised FY 2010 estimate. The request includes 212.5 FTE positions, the same as the revised FY 2010 estimate. The agency request includes enhancement requests totaling \$363.5 million, including \$363.1 million from the State General Fund. **Absent the enhancements**, the request would be \$3.7 billion, including \$2.9 billion, from the State General Fund. This is an all funds decrease of \$117.4 million, or 3.0 percent, and a State General Fund decrease of \$117.0 million, or 3.8 percent, below the FY 2010 request. The decrease is mainly due to a reappropriation of \$74.0 million for General State Aid and Supplemental General State Aid to fund payments that should have been made during FY 2009 but were delayed to FY 2010. In addition, the agency submitted a supplemental request in FY 2010 in the amount of \$53.7 million to fund the base state aid per pupil amount at \$4,218 and \$37.7 million to fully fund Supplemental General State Aid. These reductions are offset by an increase of \$49.7 million, all from the State General Fund, to cover increases in the KPERS – School employer contribution and the employer contribution for group health insurance.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$3.8 billion, including \$3.0 billion from the State General Fund. This is an all funds increase of \$4.9 million, or 0.1 percent, and a State General Fund increase of \$178.9 million, or 6.3 percent, above the FY 2010 recommendation. The recommendation is a decrease of \$359.1 million, or 8.7 percent, below the agency FY 2011 request. The Governor's recommendation includes the following adjustments:

- \$171.8 million, all from the State General Fund, to replace federal stimulus funds that were transferred to FY 2010 for Supplemental State Aid;
- \$36.2 million, all from the State General Fund, for the KPERS-School employer contribution rate increase;
- \$13.5 million, all from the State General Fund, for the KPERS health insurance increase; and
- \$32.7 million, all from the State General Fund, for General State Aid. This recommendation will result in an increase of \$50 to the Base State Aid Per Pupil which would equal a BSAPP of \$4,062 in FY 2011.

In addition, the Governor recommends deleting \$1.2 million, all from the State Safety Fund, to reduce Driver's Education funding and transferring \$3.2 million from the State Safety Fund to the State General Fund and \$48,295 from the Bus Safety Fund to the State General Fund.

Senate Subcommittee Recommendation

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

1. Delete \$32.7 million, all from the State General Fund, in General State Aid for the Governor's recommendation to increase Base State Aid Per Pupil \$50 in FY 2011.
2. Delete \$660,000, all from the State General Fund, for the discretionary grant program in FY 2011. The Committee notes that this action leaves \$10,000 in discretionary grants and further notes that this funding should be used solely for the Teacher of Year program.
3. Transfer \$660,000, all from the State General Fund, to the State Safety Fund for the Driver's Education program in FY 2011.
4. Review at Omnibus the addition of \$81,118, all from the State General Fund, for an architect position within the Department of Education. Under current law, before any construction of a school building can commence, the plans for a building must be submitted to the Kansas Board of Education for approval. The Committee notes that SB 383 would transfer the responsibilities for reviewing school construction plans from the Board of Education to the State Fire Marshal.
5. Review at Omnibus the addition of \$82,823, all from the State General Fund, for membership dues for the Council of Chief State School Officers and the National Association of State Boards of Education.
6. Review at Omnibus the addition of \$120,955, all from the State General Fund, for the state assessment program. State assessments are developed and aligned with requirements of the No Child Left Behind Act, which called for testing at more frequent intervals. Currently, the Department of Education works with WestEd Corporation and the Center for Education Testing and Evaluation at the University of Kansas on assessments.

7. Review at Omnibus funding for the Driver's Education program.
8. Review at Omnibus the Interstate Compact for Military Children. The Compact addresses transitional issues faced the children of active-duty military personnel as they transfer between school systems.
9. The Committee notes that if additional funding should become available, funding for the Driver's Education program should be given first priority and funding for the discretionary grants program should be given second priority.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee recommendation with the following notation and adjustment:

1. The Committee encourages the passage of SB 383 which would transfer the responsibilities for reviewing school construction plans from the Board of Education to the State Fire Marshal.
 2. Delete \$3.0 million, all from the Children's Initiatives Fund, to reduce program expenditures in the Parent Education and Pre-K Program by approximately 24.0 percent for FY 2011. The proportionate reduction of Children's Initiatives Fund expenditures for the Department of Education and Department of Social and Rehabilitation Services results in an overall reduction of \$12.0 million.
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House Budget Committee Report

Agency: State Department of Education

Bill No. HB 2706

Bill Sec. 69

Analyst: Cussimanio

Analysis Pg. No. 499

Budget Page No. 70

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Other Funds	804,592,567	727,945,272	0
Subtotal	<u>\$ 4,113,806,481</u>	<u>\$ 3,754,669,919</u>	<u>\$ (204,648,000)</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 4,113,806,481</u></u>	<u><u>\$ 3,754,669,919</u></u>	<u><u>\$ (204,648,000)</u></u>
FTE positions	212.50	210.25	0.0
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- \$171.8 million, all from the State General Fund, to replace federal stimulus funds that were transferred to FY 2010 for Supplemental State Aid;
- \$36.2 million, all from the State General Fund, for the KPERS-School employer contribution rate increase;
- \$13.5 million, all from the State General Fund, for the KPERS health insurance increase; and
- \$32.8 million, all from the State General Fund, for General State Aid. This recommendation will result in an increase of \$50 to the Base State Aid Per Pupil which would equal a BSAPP of \$4,062 in FY 2011.

In addition, the Governor recommends deleting \$1.2 million, all from the State Safety Fund, to reduce Driver's Education funding and transferring \$3.2 million from the State Safety Fund to the State General Fund and \$48,295 from the Bus Safety Fund to the State General Fund.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the recommendations of the Governor, with the following adjustments and observations:

1. Delete \$85.9 million, all from the State General Fund, in Supplemental State Aid recommended by the Governor for FY 2011 to replace federal stimulus funds that were used in FY 2010 for Supplemental State Aid. The \$85.9 million in funding was originally planned for expenditure in FY 2011, but the Governor, in his November 2009 State General Fund allotment, accelerated the use of the \$85.9 million in federal American Recovery and Reinvestment Act (ARRA) funding to FY 2010.
2. Delete \$85.9 million, all from the State General Fund, in General State Aid recommended by the Governor for FY 2011 to replace federal stimulus funds that were shifted from General State Aid and used in FY 2010 for Supplemental State Aid. The \$85.9 million in funding was originally planned for expenditure in FY 2011, but the Governor, in his November 2009 State General Fund allotment, accelerated the use of the \$85.9 million in federal American Recovery and Reinvestment Act (ARRA) funding to FY 2010.
3. Delete \$32.8 million, all from the State General Fund, in General State Aid for the Governor's recommendation to increase Base State Aid Per Pupil by \$50 for FY 2011.

4. The Budget Committee recommends the passage of Substitute for HB 2739, recommended by the Budget Committee at its meeting on March 17, 2010. The bill makes several adjustments to existing law. Those provisions are summarized below.
 - The bill would require each school district to impose a local tax levy to finance a school district's foundation obligation (local foundation budget.) These provisions are also included in 2010 HB 2739, which is currently referred to the House Appropriations Committee.
 - The amount of money generated by the levy would be equal to 10 percent of the product obtained by multiplying the Base State Aid per Pupil (BSAPP) by the adjusted enrollment of the districts. This levy would be equalized to the 81.2 percentile in the same manner as the current local option budget (LOB) levies are equalized. Moneys derived from the levy and state aid would be deposited in a district's general fund. The levies would be required to be imposed in the same years in which the statewide 20-mill levy is imposed.
 - State financial aid would be redefined to mean an amount equal to 90 percent of the product obtained by multiplying the BSAPP by the enrollment of a district. The state-level foundation obligation would be funded by the 20-mill levy. Under this provision, 10 percent of the general fund of a district would be financed through the district's foundation obligation.
 - The maximum local option budget that could be adopted would be 18 percent of the foundation funding of the district. Foundation funding would be the total of the state-level foundation obligation and the school district foundation obligation. Districts are guaranteed their local option budget from 2009-10.
 - The bill would change the statutory amount of the BSAPP to \$4,450 in school year 2010-2011. The current statutory amount is \$4,492 but the actual amount, following the Governor's FY 2010 State General Fund allotments, is \$4,012. The amount of the increase is equal to the aggregate amount of money districts would receive as high enrollment pupil weighting (formerly correlation weighting) under the current formula. The language would repeal the current provision concerning the high enrollment weighting (K.S.A. 72-6442b). The language also would reduce the low enrollment weighting, program weighting (for bilingual and vocational education programs), at-risk pupil weighting, medium density at-risk pupil weighting and high density at-risk pupil weighting. This is to ensure that the districts receive the same amount of moneys from these weightings if the BSAPP is funded at the new statutory amount. These provisions were initially included in 2010 HB 2607, which is currently referred to the House Education Budget Committee.
 - The bill would also authorize the Board of Education of a school district to adopt a local activities budget (LAB) and to levy a tax to fund the LAB. The bill would define a school district as a district which has adopted a local option budget equal to the state prescribed percentage. The bill would require that the resolution authorizing the initial adoption of an LAB must be approved by the qualified electors of the district. If the district chooses to increase the LAB over the percentage stated in the resolution, the increase would be subject to election. An LAB could not exceed 5 percent of the state financial aid of the district. Elections would be called and held in the manner provided by the general bond

law. Elections also could be conducted in the manner provided by the mail ballot act. The bill would authorize a district which has adopted an LAB to impose a tax levy to fund the LAB. Moneys derived from the LAB levy would be deposited in the LAB fund of the district. Moneys in the LAB fund could not be used to pay the costs of providing the areas of instruction required by law and the costs of administration, support staff, supplies, equipment or buildings related to those areas of instruction required by state law. The LAB levy would not be equalized so there would be no fiscal impact on the state. These provisions were included in 2010 HB 2647, which was recommended by the House Education Budget Committee, but not considered by the House prior to the deadline for consideration of bills in the first house.

- The bill would authorize a school district that is spending below the state average for General Fund and Supplemental General Fund per pupil to levy an ad valorem tax to generate additional funding to spend up to the state average. Revenues from this additional tax would be deposited into a district's Equity Budget Fund. This levy would not be equalized. The amount per pupil of the equity budget and the amount per pupil for the preceding school year of the combined General Fund budget and Local Option budget could not exceed the average actual amount per pupil for the preceding school year of the combined General Fund budgets and Local Option budgets of all school districts. These provisions are included in 2010 HB 2719, which is currently referred to the House Education Budget Committee.
- The bill would provide that moneys in selected school district funds could be transferred to the General Fund of each school district. The Budget Committee believes that collapsing these individual line items would provide the districts with the maximum possible flexibility to manage the budget reductions recommended by the Budget Committee for FY 2011.
- The bill would allow school districts to transfer money shifted from the District's General Fund to the Capital Outlay fund during the 2008-2009 school year from the Capital Outlay Fund to the school district's Contingency Reserve Fund during the 2009-10 school year. This provision was included in 2010 HB 2280, which passed the House and has been referred to the Senate Ways and Means Committee.

Unified School Districts -- State Totals
Estimates for School Years 2008-09 and 2009-2010
 Revised—December 14, 2009

School Year	FTE* Enroll	State Aid	Federal Aid	Local Revenue	Total Expend**
1997-1998	448,609.0	1,815,684,144	189,120,462	1,058,428,663	3,063,233,269
1998-1999	448,925.7	2,035,194,082	202,565,725	1,004,736,639	3,242,496,446
1 2000	448,610.3	2,110,484,390	220,780,350	1,071,444,132	3,402,708,872
2000-2001	446,969.9	2,152,622,486	261,038,153	1,172,918,480	3,586,579,119
2001-2002	445,376.6	2,200,529,799	310,104,678	1,269,928,113	3,780,562,590
2002-2003	444,541.4	2,277,804,680	340,728,648	1,335,185,546	3,953,718,874
2003-2004	443,301.8	2,124,578,761	376,908,121	1,592,564,728	4,094,051,610
2004-2005	441,867.6	2,362,223,172	398,667,040	1,528,524,331	4,289,414,543
2005-2006	442,555.7	2,657,971,383	382,782,642	1,648,540,541	4,689,294,566
2006-2007	444,878.7	2,888,960,769	385,393,086	1,867,723,060	5,142,076,915
2007-2008	446,874.0	3,131,495,347	377,006,174	1,937,863,161	5,446,364,682
2008-2009	447,615.1	3,287,165,278	413,624,558	1,965,942,156	5,666,731,992
+2009-2010	454,000.0	2,870,059,000	721,262,000	2,003,801,212	5,595,122,212

Amount Per Pupil

School Year	State Aid	Federal Aid	Local Revenue	Total Expend	Total % Change
1997-1998	4,047	422	2,359	6,828	4.16
1998-1999	4,533	451	2,238	7,223	5.79
1999-2000	4,704	492	2,388	7,585	5.01
2000-2001	4,816	584	2,624	8,024	5.79
2001-2002	4,941	696	2,851	8,488	5.78
2002-2003	5,124	766	3,004	8,894	4.78
2003-2004	4,793	850	3,593	9,235	3.83
2004-2005	5,346	902	3,459	9,707	5.11
2005-2006	6,006	865	3,725	10,596	9.16
2006-2007	6,494	866	4,198	11,558	9.08
2007-2008	7,008	844	4,336	12,188	5.45
2008-2009	7,344	924	4,392	12,660	3.88
+2009-2010	6,322	1,589	4,414	12,324	(2.65)

2009-2010 are estimates. Approximate \$242 million of one-time federal money for FY 2010. According to federal law, this amount will decrease slightly in FY 2011 and be eliminated in FY 2012.

*September 20th Full-Time Equivalency Enrollment (includes 4yr old at risk). Beginning with the 2005-06 school year, enrollment includes February 20 FTE enrollment for military districts based on 2005 House Bill 2059.

**Total expenditures include the following funds (less transfers): General, Supplemental General, At-Risk 4Yr Old (beginning 2005-06 and thereafter), At-Risk K-12 (beginning 2005-06 and thereafter), Adult Education, Adult Supplemental Education, Bilingual Education, Capital Outlay, Driver Training, Extraordinary School Program, Food Service, Professional Development, Parent Education Program, Summer School, Special Education, Vocational Education, Area Vocational School, Special Liability Expense, School Retirement, School Retirement, KPERs Social Retirement Contribution (beginning 2004-05 and thereafter), Contingency Reserve, Textbook and Student Material Revolving, Bond and Interest #1, Bond and Interest #2, No-Fund Warrant, Special Assessment, Temporary Note, Cooperative Special Education, unbudgeted federal funds, and Gifts and Grants, which were collected beginning with 2002-03.

Local revenue is computed by determining the total expenditures minus state and federal aid. It is not unusual for a district to accumulate monies in its capital outlay fund for large projects and spend the money in one year. During that year, expenditures will be higher than usual and may drop the following year. Also, in those districts where the voters have approved for a bond issue, the expenditures would be higher in the year that the district begins making bond payments.

Appropriations Committee

Date 3-18-10

Attachment 2

- Effective July 1, 2002, USD #280-Morland and USD #281-Hill City consolidated into USD #281 – Hill City.
- Effective July 1, 2003, USD #317-Herndon and USD #318-Atwood consolidated into USD #105 – Rawlins Co.
- Effective July 1, 2004, USD #302-Ransom and USD #304-Bazine consolidated into USD #106 – Western Plains.
- Effective July 1, 2005, USD #301-NesTrelaGo dissolved with most of their students going to USD #106 – Western Plains.
- Effective July 1, 2006, USD #104-White Rock and USD #278-Mankato consolidated into USD #107 – Rock Hills.
- Effective July 1, 2006, USD #221-North Central and USD #222-Washington consolidated into USD #108 – Washington Co. Schs.
- Effective July 1, 2006, USD #427-Belleville and USD #455-Cuba consolidated into USD #109 – Republic Co.
- Effective July 1, 2006, USD #295-Prairie Heights dissolved with most of their students going to USD #412 – Hoxie.
- Effective July 1, 2008, USD #238-West Smith County and USD #324-Eastern Heights consolidated into USD #110 – Thunder Ridge.

**COMPARISON OF FY 2010-FY 2011 RECOMMENDED EXPENDITURES
GOVERNOR'S RECOMMENDATION AND HOUSE COMMITTEE RECOMMENDATION
(Reflects House Committee Action through March 17, 2010*)**

FY 2010:

	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
Governor's Recommendation	\$ 5,451,061,567	\$ 14,497,242,211	41,586.6
House Adjustments	\$ (123,314)	\$ 48,635	0.0
House Committee Recommendation (includes amount approved in 2010 House Substitute for HB 2222 and any additional Committee adjustments)	5,450,938,253	14,497,290,846	41,586.6
<i>Difference From Governor's Recommendation</i>	<u>\$ (123,314)</u>	<u>\$ 48,635</u>	<u>0.0</u>

FY 2011:

	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
Governor's Recommendation	\$ 5,831,057,833	\$ 13,726,120,370	41,518.6
House Committee Recommendation	5,619,960,084	13,736,206,500	41,455.2
<i>Difference From Governor's Recommendation</i>	<u>\$ (211,097,749)</u>	<u>\$ 10,086,130</u>	<u>(63.4)</u>
Two-Year Change from Governor's Recommendation	\$ (211,221,063)	\$ 10,134,765	

*Also reflects House Budget Committee recommendations on the Department of Education budget.

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
AS RECOMMENDED BY HOUSE COMMITTEE
In Millions
(Reflects House Committee Action on all Appropriation Bills)**

	<u>Actual FY 2009</u>	<u>House Comm. Rec. FY 2010</u>	<u>House Comm. Rec. FY 2011</u>
Beginning Balance	\$ 526.6	\$ 49.7	\$ 0.6
Receipts (November 2009 Consensus)	5,587.4	5,300.7	5,178.5
Governor's Recommended Receipt Adjustments	0.0	101.1	652.2
Less Revenue Increases Requiring Legislation	0.0	0.0	(377.6)
House Comm. Recommended Receipt Adjustments	0.0	0.0	3.0
Adjusted Receipts	<u>5,587.4</u>	<u>5,401.8</u>	<u>5,456.1</u>
Total Available	\$ 6,114.0	\$ 5,451.5	\$ 5,456.7
Less Expenditures	<u>6,064.4</u>	<u>5,450.9</u>	<u>5,620.0</u>
Ending Balance*	<u>\$ 49.7</u>	<u>\$ 0.6</u>	<u>\$ (163.3)</u>
Ending Balance as a Percentage of Expenditures	0.8%	0.0%	-2.9%

* Receipts reflect the November Consensus Revenue Estimate. However, actual receipts through February were \$88.8 million below the estimate. Taking the lower than estimated receipt collections into account the ending balance in FY 2011 would be a negative \$291.0 million or a negative 5.1 percent.

Appropriations Committee Date <u>3-18-10</u> Attachment <u>3-1</u>
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**State General Fund Revenue Adjustments
As Recommended by the House Committee
(Reflects House Committee Action through March 17, 2010)**

FY 2010:

None

FY 2011:

Board of Regents

Lapse un-budgeted balance in SW Kansas Access Fund to SGF \$ 225,000

Children's Initiatives Fund

Transfer to State General Fund 2,000,000

Economic Development Initiatives Fund

Increase the transfer to the State General Fund 725,000

Total FY 2011 \$ 2,950,000

House Appropriations Bill
 (Reflects House Committee Adjustments for FY 2010, FY 2011, FY 2012, FY 2013, FY 2014, and FY 2015)

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
FY 2010				
<u>Department of Credit Unions</u>				
1. Add \$14,800, all from special revenue funds, to purchase one vehicle in FY 2010.	0	14,800	14,800	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$14,800</i>	<i>\$14,800</i>	<i>0.0</i>
<u>Attorney General</u>				
1. Delete \$20,000, all from the Sexually Violent Predator Expense Fund, in FY 2010. In addition, delete the transfer of \$20,000 from the Crime Victims Assistance Fund to the Sexually Violent Predator Expense Fund, which was recommended by the Governor to provide funding for the expenditure.	0	(20,000)	(20,000)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$20,000)</i>	<i>(\$20,000)</i>	<i>0.0</i>
<u>Adjutant General</u>				
1. Add \$459,357, all from the National Guard Museum Assistance Fund, in FY 2010 for the 35th Infantry Division museum expansion. In addition, add language transferring \$459,357 from the State General Fund to the National Guard Museum Assistance Fund in FY 2010. Funding is based on 2008 Senate Substitute for House Bill 2923, Section 6, which provides that an amount equal to 30.0 percent of net profits from the Veteran's Benefit instant scratch-off tickets from July 1, 2008, to June 30, 2010, to fund the 35th Infantry Division Museum and Museum Education Center. The additional \$459,357 would allow for the completion of the expansion project.	0	459,357	459,357	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$459,357</i>	<i>\$459,357</i>	<i>0.0</i>
<u>Department of Wildlife and Parks</u>				
1. Add language that requires the agency to open the west gate entrance at Tuttle Creek State Park on or before May 1, 2010, and to fund the opening and to maintain the entrance within the agency's existing budget, with the flexibility to decide which of the agency's funds should fund the project.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
TOTAL: FY 2010	\$0	\$454,157	\$454,157	0.0
FY 2011				
<u>State Bank Commissioner</u>				
1. Add \$381,553, all from special revenue funds, for additional salaries and wages for the Examination and Consumer and Mortgage Lending departments in order to maintain operations for FY 2011. The 2009 Legislature reduced the expenditure authority for FY 2011 below the amount approved for FY 2010 by \$267,536.	0	381,553	381,553	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$381,553</i>	<i>\$381,553</i>	<i>0.0</i>
<u>Board of Cosmetology</u>				
1. Add \$15,000, all from the agency's fee fund, to purchase one replacement vehicle for FY 2011.	0	15,000	15,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$15,000</i>	<i>\$15,000</i>	<i>0.0</i>
<u>Department of Credit Unions</u>				
1. Add \$15,200, all from special revenue funds, to purchase one vehicle for FY 2011.	0	15,200	15,200	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$15,200</i>	<i>\$15,200</i>	<i>0.0</i>
<u>Governmental Ethics Commission</u>				
1. Delete \$40,521, all from the State General Fund, and increase expenditures from the agency's fee fund by \$40,521 for FY 2011.	(40,521)	40,521	0	0.0
<i>Agency Subtotal</i>	<i>(\$40,521)</i>	<i>\$40,521</i>	<i>\$0</i>	<i>0.0</i>
<u>Legislature</u>				
1. Delete \$125,000, all from the State General Fund, for FY 2011 to continue limiting legislator postage (franking) privileges to 50.0 percent, and cap leadership postage (franking) privileges at \$2,500 annually. This would continue the limitation approved in the current year in HB 2222 (recission bill).	(125,000)	0	(125,000)	0.0
<i>Agency Subtotal</i>	<i>(\$125,000)</i>	<i>\$0</i>	<i>(\$125,000)</i>	<i>0.0</i>

Agency	State General Fund	All Other Funds	All Funds	
<u>Attorney General</u>				
1. Add \$150,000, all from the Crime Victims Assistance Fund, for grants to domestic violence prevention programs and Children's Advocacy Centers for FY 2011.	0	150,000	150,000	0.0
2. Delete \$20,000, all from the Sexually Violent Predator Expense Fund, for FY 2011. In addition, delete the transfer of \$20,000 from the Crime Victims Assistance Fund to the Sexually Violent Predator Expense Fund, which was recommended by the Governor to provide funding for the expenditure.	0	(20,000)	(20,000)	0.0

Agency Subtotal	\$0	\$130,000	\$130,000	0.0
<u>Health Care Stabilization Fund Board</u>				
1. Add 1.0 FTE position to respond to Kansas Open Records requests and fund from existing resources for FY 2011.	0	0	0	1.0

Agency Subtotal	\$0	\$0	\$0	1.0
<u>Judicial Branch</u>				
1. Delete \$2.3 million, all from the State General Fund, to reduce judicial operations for FY 2011.	(2,269,000)	0	(2,269,000)	0.0
2. Delete \$199,499, all from the State General Fund, for the construction of offices for the 14th Court of Appeals Judge and staff for FY 2011.	(199,499)	0	(199,499)	0.0

Agency Subtotal	(\$2,468,499)	\$0	(\$2,468,499)	0.0
<u>Department of Administration</u>				
1. Delete \$150,000, all from the State General Fund, to eliminate funding for a Gubernatorial Transition Team for FY 2011.	(150,000)	0	(150,000)	0.0

Agency Subtotal	(\$150,000)	\$0	(\$150,000)	0.0
<u>Department of Commerce</u>				
1. Delete \$800,000, all from the Kansas Economic Opportunity Initiatives Fund (KEOIF), for FY 2011 and transfer \$725,000 to the State General Fund and appropriate \$75,000 to the Dairy Fee Fund in the Department of Agriculture.	0	(800,000)	(800,000)	0.0
2. Add language preventing the Department of Commerce from expending any funds to respond to any request for proposal (RFP) through the America's Job Link Alliance (AJLA) for FY 2011.	0	0	0	0.0

Agency Subtotal	\$0	(\$800,000)	(\$800,000)	0.0
<u>Commission on Veterans Affairs</u>				
1. Add \$648,584, all from the State General Fund, for FY 2011 in order to maintain the FY 2011 State General Fund appropriation at the same level as FY 2010.	648,584	0	648,584	0.0

Agency Subtotal	\$648,584	\$0	\$648,584	0.0
<u>Dept. of Health and Environment - Health</u>				
1. Delete \$15,000, all from the State General Fund, from the Youth Mentoring program and add the same amount to the Women's Right to Know program for FY 2011. This funding would allow for the production and distribution of printed materials for the program.	0	0	0	0.0
2. Delete \$87,478, all from the State General Fund, from the Youth Mentoring program and add the same amount to the Infant and Toddlers program for FY 2011. The Governor's recommendation eliminated the State General Fund match amount for the program and this would restore funding to partially fund the maintenance of effort amount required to access available federal funds.	0	0	0	0.0
3. Add language directing the agency to expend \$199,113, all from the State General Fund, for the Pregnancy Maintenance Initiative for FY 2011. The funding is to come from existing resources.	0	0	0	0.0
4. Add language for FY 2011 which prohibits the Secretary of Health and Environment from adopting rules and regulations for the Residential Childhood Lead Poisoning Prevention Act that are more stringent than those of the federal Environmental Protection Agency (EPA). This language is also contained in 2010 HB 2695.	0	0	0	0.0

Agency Subtotal	\$0	\$0	\$0	0.0
<u>Dept. of Health and Environment - Environment</u>				
1. Delete 18.0 FTE positions for FY 2011. The agency currently has 39.0 vacant FTE positions in the Environment Function of the agency.	0	0	0	(18.0)

<i>Agency</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>1</i>
2. Add language for FY 2011 to require that fines collected by the agency for environmental violations which normally are deposited into the agency's fee funds be deposited instead into the Interstate Water Litigation account of the State General Fund. Due to specific restrictions on the use of certain funds, this language would not apply to the Air Quality Fee Fund or the Mined Land Reclamation Fee Fund. This is to begin restoring the funding for water litigation activities that was accidentally deleted at the end of FY 2007.	0	0	0	
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(18.0)</i>
<u>Health Policy Authority</u>				
1. Delete \$8.3 million, all from the State General Fund, and add the same amount from federal funds to capture savings associated with the enhanced federal match rate to state "clawback" payments for the Medicare Modernization Act of 2003 for FY 2011.	(8,270,000)	8,270,000	0	0.0
2. Add \$2.0 million, including \$800,000 from the State General Fund, to restore savings associated with the Governor's recommended implementation of a preferred drug formulary for mental health medications and do not implement a preferred drug formulary for FY 2011.	800,000	1,200,000	2,000,000	0.0
3. Delete \$2.1 million, including \$800,000 from the State General Fund, for salaries and wages savings for FY 2011.	(800,000)	(1,305,263)	(2,105,263)	0.0
4. Add language prohibiting the agency from implementing a preferred drug formulary for MediKan mental health prescriptions for FY 2011.	0	0	0	0.0
5. Add language for FY 2011 directing the agency to conduct an impact study regarding requiring insurance companies to reimburse clinical marriage and family therapists, counselors and psychotherapists, and study if proactive mental health treatment results in decreased mental and physical treatment costs. The results of the study are to be reported on the first day of the 2011 Legislative Session.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>(\$8,270,000)</i>	<i>\$8,164,737</i>	<i>(\$105,263)</i>	<i>0.0</i>
<u>Social and Rehabilitation Services</u>				
1. Delete \$2.7 million, including \$1.6 million from the State General Fund, for administrative reductions for FY 2011.	(1,550,000)	(1,114,564)	(2,664,564)	0.0
2. Delete \$852,286, including \$565,057 from the State General Fund, in other grants and services for FY 2011.	(565,057)	(287,229)	(852,286)	0.0
3. Delete \$3.3 million, all from the State General Fund, to eliminate all remaining grant funding for Community Developmental Disabilities Organizations for FY 2011.	(3,325,000)	0	(3,325,000)	0.0
4. Delete \$5.0 million, all from the Children's Initiatives Fund, from the Early Childhood Block Grant and expend the Children's Initiatives Fund moneys for the Foster Care program. In addition, reduce State General Fund expenditures by the same amount in the Foster Care program for FY 2011.	(5,000,000)	0	(5,000,000)	0.0
5. Delete \$2.0 million, all from the Children's Initiatives Fund, for the Early Head Start Program, and transfer the same amount to the State General Fund for FY 2011.	0	(2,000,000)	(2,000,000)	0.0
<i>Agency Subtotal</i>	<i>(\$10,440,057)</i>	<i>(\$3,401,793)</i>	<i>(\$13,841,850)</i>	<i>0.0</i>
<u>Kansas Neurological Institute</u>				
1. Delete 30.2 FTE positions for FY 2011. The positions are currently vacant.	0	0	0	(30.2)
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(30.2)</i>
<u>Parsons State Hospital</u>				
1. Delete 17.2 FTE positions for FY 2011. The positions are currently vacant.	0	0	0	(17.2)
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>(17.2)</i>
<u>Kansas Guardianship Program</u>				
1. Add \$34,632, all from the State General Fund, to maintain stipends paid for out of pocket expenses to volunteer guardians and conservators at \$30 per month for FY 2011, which is the same amount as in FY 2010. The Governor's FY 2011 recommendation would reduce the monthly stipend to \$28.	34,632	0	34,632	0.0
<i>Agency Subtotal</i>	<i>\$34,632</i>	<i>\$0</i>	<i>\$34,632</i>	<i>0.0</i>

<i>Age</i>	<i>m</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
<u>Boards</u>	<u>Regents</u>				
1.	Delete \$10.0 million, all from the State General Fund, to reduce the Governor's budget recommendation for the postsecondary education system to the FY 2006 level for FY 2011.	(10,000,000)	0	(10,000,000)	0.0
2.	Lapse \$220,669, from unobligated balances in the Southwest Kansas Access State General Fund account of the Board of Regents for FY 2011, and add the same amount to Fort Hays State University for the Kansas Academy of Mathematics and Science (KAMS).	0	0	0	0.0
3.	Lapse \$4,331, from unobligated balances in the Southwest Kansas Access State General Fund account of the Board of Regents for FY 2011, and add the same amount to fund the agency's enhancement request for Midwest Higher Education Compact (MHEC) dues increases.	4,331	0	4,331	0.0
4.	Split the Postsecondary Aid for Vocational Education Fund (\$31.0 million) into the Other Institutions Technical Education Aid Fund (\$12.2 million) and the Technical College Technical Education Aid Fund (\$18.8 million) for FY 2011 to allow for better tracking of expenditures.	0	0	0	0.0
5.	Delete language for FY 2011 guaranteeing that no institution receiving Postsecondary Aid for Vocational Education should receive less funding for FY 2011 than it did in FY 2010.	0	0	0	0.0
<i>Agency Subtotal</i>		<i>(\$9,995,669)</i>	<i>\$0</i>	<i>(\$9,995,669)</i>	<i>0.0</i>
<u>Fort Hays State University</u>					
1.	Add \$220,669, all from the State General Fund, to fund a second class for the Kansas Academy of Mathematics and Science (KAMS) for FY 2011.	220,669	0	220,669	0.0
<i>Agency Subtotal</i>		<i>\$220,669</i>	<i>\$0</i>	<i>\$220,669</i>	<i>0.0</i>
<u>Wichita State University</u>					
1.	Add language for FY 2011 limiting expenditures from the Aviation Infrastructure - Economic Development Initiatives Fund account at Wichita State University to training equipment. The language also requires the creation of a Technical Training Board, similar to the Aviation Research Board that advises the National Institute for Aviation Research (NIAR). The new Board would advise the university on expenditure of funds from the Aviation Infrastructure - Economic Development Initiatives Fund account. In addition, the language would require a report from the Technical Training Board to the 2011 Legislature detailing expenditures from the fund.	0	0	0	0.0
2.	Add reappropriation language to the Aviation Infrastructure - Economic Development Initiatives Fund account, which funds the National Center for Aviation Training (NCAT), for FY 2011.	0	0	0	0.0
<i>Agency Subtotal</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Education</u>					
1.	Delete \$85.9 million, all from the State General Fund, in General State Aid recommended by the Governor for FY 2011 to replace federal stimulus funds that were moved from General State Aid and used in FY 2010 for Supplemental State Aid. The \$85.9 million in funding was originally planned for expenditure in FY 2011, but the Governor, in his November 2009 State General Fund allotment, accelerated the use of the \$85.9 million in federal American Recovery and Reinvestment Act (ARRA) funding to FY 2010.	(85,949,000)	0	(85,949,000)	0.0
2.	Delete \$85.9 million, all from the State General Fund, in Supplemental State Aid recommended by the Governor for FY 2011 to replace federal stimulus funds that were used in FY 2010 for Supplemental State Aid. The \$85.9 million in funding was originally planned for expenditure in FY 2011, but the Governor, in his November 2009 State General Fund allotment, accelerated the use of the \$85.9 million in federal American Recovery and Reinvestment Act (ARRA) funding to FY 2010.	(85,949,000)	0	(85,949,000)	0.0
3.	Delete \$32.75 million, all from the State General Fund, in General State Aid to delete the Governor's recommendation to increase the Base State Aid Per Pupil (BSAPP) \$50 for FY 2011.	(32,750,000)	0	(32,750,000)	0.0
<i>Agency Subtotal</i>		<i>(\$204,648,000)</i>	<i>\$0</i>	<i>(\$204,648,000)</i>	<i>0.0</i>
<u>Kansas Arts Commission</u>					
1.	Delete \$65,110, all from the State General Fund, for FY 2011 to reduce the Governor's recommended FY 2011 operating budget to the Governor's FY 2010 level, excluding debt service.	(65,110)	0	(65,110)	0.0

Agency	State General Fund	All Other Funds	All Funds	
<hr/>				
<i>Agency Subtotal</i>	<i>(\$65,110)</i>	<i>\$0</i>	<i>(\$65,110)</i>	<i>0.0</i>
<hr/>				
<u>School for the Blind</u>				
1. Delete \$76,519, all from the State General Fund, for FY 2011 to reduce the Governor's recommended FY 2011 operating budget to the Governor's FY 2010 level, excluding debt service.	(76,519)	0	(76,519)	0.0
<hr/>				
<i>Agency Subtotal</i>	<i>(\$76,519)</i>	<i>\$0</i>	<i>(\$76,519)</i>	<i>0.0</i>
<hr/>				
<u>School for the Deaf</u>				
1. Delete \$95,261, all from the State General Fund, for FY 2011 to reduce the Governor's recommended FY 2011 operating budget to the Governor's FY 2010 level, excluding debt service.	(95,261)	0	(95,261)	0.0
<hr/>				
<i>Agency Subtotal</i>	<i>(\$95,261)</i>	<i>\$0</i>	<i>(\$95,261)</i>	<i>0.0</i>
<hr/>				
<u>Adjutant General</u>				
1. Add \$247.0 million, including \$24.8 million from the State General Fund, for FY 2011 disaster assistance payments. This addition would provide a total of \$298.0 million, including \$30.0 million from the State General Fund, for FY 2011 disaster assistance obligations.	24,787,015	222,179,661	246,966,676	0.0
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<i>Agency Subtotal</i>	<i>\$24,787,015</i>	<i>\$222,179,661</i>	<i>\$246,966,676</i>	<i>0.0</i>
<hr/>				
<u>Sentencing Commission</u>				
1. Delete 1.0 vacant non-FTE unclassified permanent position for FY 2011.	0	0	0	0.0
<hr/>				
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<hr/>				
<u>Department of Agriculture</u>				
1. Add \$75,000 from the Economic Development Initiatives Fund (EDIF) to the Dairy Fee Fund and increase expenditures by the same amount in the Dairy Inspection program for FY 2011 to fund operating expenditures in the program.	0	75,000	75,000	0.0
2. Add language that directs the agency to make every effort to ensure services performed in the Dairy Inspection program will not be compromised by budget reductions that are recommended for FY 2011.	0	0	0	0.0
3. Add language that directs the agency to make every effort to ensure services performed in the Grain Warehouse Inspection program will not be compromised by budget reductions that are recommended for FY 2011.	0	0	0	0.0
<hr/>				
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$75,000</i>	<i>\$75,000</i>	<i>0.0</i>
<hr/>				
<u>State Conservation Commission</u>				
1. Add language that would allow the agency to spend State Water Plan Funds in the Water Resources Cost-Share program for contractual technical expertise and/or on non-salary agency administration expenditures for FY 2011.	0	0	0	0.0
2. Add reappropriation language to the Conservation Reserve Enhancement Program (CREP) account of the State Water Plan Fund for FY 2011.	0	0	0	0.0
<hr/>				
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<hr/>				
<u>Kansas Water Office</u>				
1. Change the expenditure limitation for the State Conservation Storage Water Supply Fund from \$0 to no limit for FY 2011.	0	0	0	0.0
2. Add language that would prohibit the agency from using funding from the State Conservation Storage Water Supply Fund to purchase water storage in Milford, Perry, Big Hill, or Hillsdale reservoirs for FY 2011.	0	0	0	0.0
<hr/>				
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<hr/>				
<u>Department of Wildlife and Parks</u>				
1. Add \$84,000, all from special revenue funds, and 1.0 FTE position, for a Natural Resource Officer position for FY 2011.	0	84,000	84,000	1.0
2. Increase the expenditure limitation on the agency's Parks Fee Fund by \$1.0 million for FY 2011.	0	1,000,000	1,000,000	0.0
3. Delete \$414,013, all from the State General Fund, for FY 2011 to reduce the Governor's recommended FY 2011 State General Fund operating budget to the Governor's FY 2010 level, excluding debt service.	(414,013)	0	(414,013)	0.0
<hr/>				
<i>Agency Subtotal</i>	<i>(\$414,013)</i>	<i>\$1,084,000</i>	<i>\$669,987</i>	<i>1.0</i>

Agency	Item	State General Fund	All Other Funds	All Funds	
<u>Kansas Department of Transportation</u>					
1.	Delete \$6.7 million, all from the State Highway Fund, to reduce heavy equipment purchases for FY 2011.	0	(6,700,000)	(6,700,000)	0.0
<i>Agency Subtotal</i>		\$0	(\$6,700,000)	(\$6,700,000)	0.0
<u>Children's Initiatives Fund</u>					
1.	Transfer \$2.0 million from the Children's Initiatives Fund to the State General Fund for FY 2011.	0	0	0	0.0
<i>Agency Subtotal</i>		\$0	\$0	\$0	0.0
<u>Economic Development Initiatives Fund</u>					
1.	Increase the transfer from the Economic Development Initiatives Fund (EDIF) to the State General Fund by \$725,000, from \$3,018,605 to \$3,743,605 for FY 2011.	0	0	0	0.0
2.	Reduce the transfer from the Economic Development Initiatives Fund (EDIF) to the Kansas Economic Opportunity Initiatives Fund (KEOIF) by \$800,000, from \$2,050,000 to \$1,250,000 for FY 2011.	0	0	0	0.0
<i>Agency Subtotal</i>		\$0	\$0	\$0	0.0
TOTAL: FY 2011		(\$211,097,749)	\$221,183,879	\$10,086,130	(63.4)
FY 2012					
<u>Attorney General</u>					
1.	Add language increasing the cap on annual transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund by \$200,000, from \$100,000 to \$300,000 for FY 2012.	0	0	0	0.0
<i>Agency Subtotal</i>		\$0	\$0	\$0	0.0
<u>Kansas Department of Transportation</u>					
1.	Transfer \$30.9 million from the State General Fund to the State Highway Fund for FY 2012. Of the amount borrowed by the 2002 and 2003 Legislatures, \$61.8 million is still outstanding, and the transfer will repay half of that amount, with the remaining recommended transfer to occur in FY 2013.	0	0	0	0.0
<i>Agency Subtotal</i>		\$0	\$0	\$0	0.0
TOTAL: FY 2012		\$0	\$0	\$0	0.0
FY 2013					
<u>Attorney General</u>					
1.	Add language increasing the cap on annual transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund by \$200,000, from \$100,000 to \$300,000 for FY 2013.	0	0	0	0.0
<i>Agency Subtotal</i>		\$0	\$0	\$0	0.0
<u>Kansas Department of Transportation</u>					
1.	Transfer \$30.9 million from the State General Fund to the State Highway Fund for FY 2013. This transfer will repay the remaining amount borrowed by the 2002 and 2003 Legislatures.	0	0	0	0.0
<i>Agency Subtotal</i>		\$0	\$0	\$0	0.0
TOTAL: FY 2013		\$0	\$0	\$0	0.0
FY 2014					
<u>Attorney General</u>					
1.	Add language increasing the cap on annual transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund by \$200,000, from \$100,000 to \$300,000 in FY 2014.	0	0	0	0.0
<i>Agency Subtotal</i>		\$0	\$0	\$0	0.0
TOTAL: FY 2014		\$0	\$0	\$0	0.0
FY 2015					

<i>Ag</i>	<i>Am</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	
<u>Att.</u>	<u>General</u>				
1.	Add language increasing the cap on annual transfers from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund by \$200,000, from \$100,000 to \$300,000 for FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>		<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
TOTAL: FY 2015		\$0	\$0	\$0	0.0

**Items for Omnibus Consideration
(Referred by the House)**

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
FY 2010				
<u>Board of Regents</u>				
Require a report from KAN-ED to the 2010 House Education Budget Committee during Omnibus regarding the costs and potential cost savings of distance education for both K-12 and postsecondary education.	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0
FY 2011				
<u>Behavioral Sciences Regulatory Board</u>				
Review at Omnibus the addition of \$36,000, all from the Behavioral Sciences Regulatory Board Fee Fund, for computer workstations, laptops, and a server that will be replaced as part of the agency's three-year information technology plan for FY 2011.	0	36,000	36,000	0.0
Review at Omnibus the addition of \$5,682, all from the Behavioral Sciences Regulatory Board Fee Fund, to fund undermarket salary adjustments that were included in the FY 2010 budget, but not in the agency's budget request or the Governor's recommendation for FY 2011.	0	5,682	5,682	0.0
<u>Board of Healing Arts</u>				
Review at Omnibus the addition of \$118,528, all from the Healing Arts Fee Fund, for moving expenses and prorated rent for FY 2011. The agency stated its current lease will expire in January 2011 and the current landlord did not submit a bid. The agency stated that the Division of Facilities Management estimated total costs for the agency at \$118,528. Moving costs are estimated at \$83,250, calculated at the rate of \$1,850 per FTE position and the agency has 45.0 FTE positions. The remaining \$35,278 represents additional rent for the remainder of FY 2011 (from February to June 2011) due to increased costs for the new space.	0	118,528	118,528	0.0
<u>Health Care Stabilization Fund Board</u>				
Review at Omnibus the issue of reimbursements to the Health Care Stabilization Fund for FY 2011 to determine if funds are available in the State General Fund in the amount of \$2.5 million to once again begin paying these claims.	2,500,000	0	2,500,000	0.0
<u>Department of Administration</u>				
Review at Omnibus a report prepared by the agency regarding the cost of the new Financial Management System. The House Committee requests that the report includes an update on the progress of the implementation of the system, the costs of the system, a list of agencies that will not use the system and the reasons the agencies cited for not using the system, and the cost savings should the agency use the system, for FY 2011.	0	0	0	0.0
<u>Department of Revenue</u>				
Review at Omnibus all fee funds in the agency and how those funds are allocated for FY 2011.	0	0	0	0.0
Review at Omnibus all software upgrade programs including but not limited to the upgrades funded throughout the Division of Vehicles Modernization Fund and the VIPS/CAMA Fund for FY 2011.	0	0	0	0.0

Agency Item	State General Fund	All Other Funds	All Funds	Funds
<u>Department of Labor</u>				
Review at Omnibus the amount of funds borrowed from the Federal Unemployment Insurance Trust Fund in CY 2010 for payment of unemployment claims in Kansas and further review the amount of interest projected to be paid on the loans of those funds and measures recommended by the Department of Labor to pay the interest.	0	0	0	0.0
<u>Commission on Veterans Affairs</u>				
Review at Omnibus the status of the Medicare and Medicaid certification process at the Soldiers' Home and Veterans' Home and consider the appropriation of additional funds dependent upon whether Medicare and Medicaid monies have been received by the agency.	0	0	0	0.0
<u>Dept. of Health and Environment - Health</u>				
Review at Omnibus the addition of \$577,310, all from the State General Fund, to provide matching funds for federal bioterrorism funding for FY 2011.	577,310	0	577,310	0.0
Review at Omnibus the funding for the Infant and Toddler program and consider the addition of \$40,605, all from the State General Fund, to provide the remaining funding necessary for the agency to meet its maintenance of effort requirements for federal funding for FY 2011.	40,605	0	40,605	0.0
Review at Omnibus the issue of funding for the Senator Stan Clark Pregnancy Maintenance Initiative for FY 2011. The House Committee has recommended the agency provide \$199,113, all from the State General Fund, for FY 2011 from existing resources to fund the initiative.	0	0	0	0.0
Review at Omnibus the language which prohibits the Secretary of Health and Environment from adopting rules and regulations for the Residential Childhood Lead Poisoning Prevention Act that are more stringent than those of the federal Environmental Protection Agency (EPA) during FY 2011. This language also is contained in 2010 HB 2695, and should that bill be enacted, the language would be unnecessary.	0	0	0	0.0
Review at Omnibus the recommendation to add \$15,000, all from the State General Fund, for the Women's Right to Know program for FY 2011.	0	0	0	0.0
Review at Omnibus the restoration of \$102,478, all from the State General Fund, for the Youth Mentoring program for FY 2011.	102,478	0	102,478	0.0
Review at Omnibus the restoration of \$55,346, all from the State General Fund, for the Immunization program for FY 2011.	55,346	0	55,346	0.0
<u>Department on Aging</u>				
Review at Omnibus the agency's enhancement request for \$1,095,000, including \$382,900 from the State General Fund, to add a telehealth service to the HCBS/FE waiver program for FY 2011. The agency has funded a telehealth pilot study, and the Kansas University Medical Center is evaluating the study results. Results of the three-year study will be available by the end of FY 2010. The request would fund 500 telehealth units a year at approximately \$6 per day.	382,900	712,100	1,095,000	0.0
Review at Omnibus the FY 2011 funding for the Nutrition Program, Home and Community Based Services/Frail Elderly Program, and the Senior Care Act, should the federal government extend the enhanced federal match for the second half of FY 2011.	0	0	0	0.0
<u>Health Policy Authority</u>				
Review at Omnibus the agency's report regarding the potential for savings for FY 2011 from reduction or elimination of non-mandatory Medicaid spending for all Medicaid services.	0	0	0	0.0
Review at Omnibus the entire FY 2011 budget for this agency, including reductions recommended by the Governor, and all reductions approved in the Mega Appropriations Bill.	0	0	0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
Review at Omnibus what actions the agency has taken or is planning to take for FY 2011 to aggressively pursue fraud and abuse in the Medicaid program. In addition, review a report by the agency regarding the areas identified by the federal government during federal health insurance reform debate which were most likely to have fraud and abuse and result in Medicaid savings.	0	0	0	0.0

Social and Rehabilitation Services

Review at Omnibus all FY 2011 reductions in mental health and developmental disability aid and grants.	0	0	0	0.0
Review at Omnibus all reductions recommended by the Governor and all reductions approved in the Mega Appropriations Bill for FY 2011, including the impact the reductions will have on the agency and individuals served by the agency.	0	0	0	0.0
Review at Omnibus the addition of \$1.1 million, all from the State General Fund, to restore funding to the Centers for Independent Living for FY 2011.	1,100,000	0	1,100,000	0.0
Review at Omnibus the balance of the Temporary Assistance for Needy Families Fund and FY 2011 expenditures from this funding source.	0	0	0	0.0
Review at Omnibus the child support collections system and consider the possibility of requesting an Interim study of the entire child support system.	0	0	0	0.0
Review at Omnibus the eligibility requirements for the Home and Community Based Services Waivers and the effects, including any savings for FY 2011, from changing eligibility requirements.	0	0	0	0.0
Review at Omnibus the status of all Home and Community Based Services waivers, including funding levels and waiting lists for services for FY 2011.	0	0	0	0.0
Review at Omnibus the Supplemental Nutrition Assistance Program (SNAP), including FY 2011 funding and the number of individuals requesting assistance.	0	0	0	0.0

Kansas Guardianship Program

Review at Omnibus the addition of \$34,632, all from the State General Fund, that was added by the House Committee for FY 2011 and examine where cuts have been made in other agencies to offset this increase.	34,632	0	34,632	0.0
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School for the Blind

Review at Omnibus the addition of \$118,442, all from the State General Fund, for FY 2011 to comply with the statutory requirement that ties teacher salaries at the School for the Blind to the teacher salaries at U.S.D. 233, the Olathe school district, for the previous year.	118,442	0	118,442	0.0
Review at Omnibus the cost savings of consolidating certain administrative and support positions for FY 2011.	0	0	0	0.0

School for the Deaf

Review at Omnibus the addition of \$183,255, all from the State General Fund, for FY 2011 to comply with the statutory requirement that ties teacher salaries at the School for the Deaf to the teacher salaries at U.S.D. 233, the Olathe school district, for the previous year.	183,255	0	183,255	0.0
Review at Omnibus the cost savings of consolidating certain administrative and support positions for FY 2011.	0	0	0	0.0

Department of Corrections

Review at Omnibus the addition of \$1.1 million, all from the State General Fund, for the Community Corrections grants for FY 2011, which were reduced during the 2009 Legislative session to achieve budget savings.	1,050,000	0	1,050,000	0.0
Review at Omnibus the addition of \$3.0 million, all from the State General Fund, for the replacement of the Offender Management Information System and Total Offender Activity and Document System (OMIS/TOADS) for FY 2011.	3,000,000	0	3,000,000	0.0

<i>Age . . . item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
Review at Omnibus the addition of \$531,859, all from the State General Fund, and 32.0 FTE positions, to reopen the Stockton Correctional Facility (SCF) for FY 2011. The Department of Corrections suspended operations at the SCF in FY 2009 to achieve budget savings.	531,859	0	531,859	32.0

Juvenile Justice Authority

Review at Omnibus the Governor's recommendation of eliminating the Incentive Grant program, and consider the restoration of \$506,292, all from State General Fund, for incentive grant funding for FY 2011 to hold the amount even with FY 2010 incentive grant funding.	506,292	0	506,292	0.0
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Emergency Medical Services Board

Review at Omnibus the addition of \$50,000, all from the EMS Operating Fund, to the Education Incentive Grant Program for FY 2011, if bills (SB 322 and HB 2387) affecting the fire insurance premiums are not enacted into law.	0	50,000	50,000	0.0
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Department of Agriculture

Review at Omnibus the addition of \$100,000, all from the State General Fund, for the Division of Water Resources to fund interstate water management and other water appropriation activities for FY 2011.	100,000	0	100,000	0.0
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Review at Omnibus the addition of \$20,000, all from the State General Fund, for the Agricultural Statistics program to fund two livestock market reports for FY 2011.	20,000	0	20,000	0.0
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Review at Omnibus the addition of \$55,000, all from the State General Fund, for the Administrative Services and Support program to fund a vacant 1.0 FTE administrator position within the Specialty Crop Grant Management subprogram for FY 2011.	55,000	0	55,000	0.0
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Review at Omnibus the addition of \$6,250, all from the State General Fund, for the agency's membership in the Missouri River Association of State and Tribes (MoRAST) for FY 2011.	6,250	0	6,250	0.0
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Animal Health Department

Review at Omnibus the funding the agency receives for feral swine eradication and any potential legislation to aid the agency in combating their infestation for FY 2011.	0	0	0	0.0
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Kansas State Fair Board

Review at Omnibus the progress of House Bill 2658 and Senate Bill 364, which would allow the agency to pursue workers compensation coverage through the private market, rather than paying for coverage through the state, and also review the agency's workers compensation coverage costs for FY 2011.	0	0	0	0.0
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State Water Plan Fund

Review at Omnibus the transfer of \$4,651,755 from the State General Fund to the State Water Plan Fund for FY 2011. In addition, review increasing State Water Plan Fund expenditures proportionally by \$4,651,755 for the Department of Agriculture, Kansas Department of Health and Environment, State Conservation Commission, Kansas Water Office, Department of Wildlife and Parks, and the University of Kansas Geological Survey for FY 2011.	0	4,651,755	4,651,755	0.0
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TOTAL	\$10,364,369	\$5,574,065	\$15,938,434	32.0
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GRAND TOTAL	\$10,364,369	\$5,574,065	\$15,938,434	32.0
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Children's Initiatives Fund

FY 2009 - FY 2011

House Committee Adjustments

	Actual FY 2009	Gov. Rec. FY 2010	Gov. Rec. FY 2011	House Adjustments FY 2011
Department of Health and Environment				
Healthy Start/Home Visitor	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Infants and Toddlers Program (Tiny K)	5,700,000	5,700,000	5,700,000	-
Smoking Cessation/Prevention Program	1,000,000	1,000,000	1,000,000	-
Grants	1,000,000	1,000,000	1,000,000	-
PKU/Hemophilia	208,000	-	-	-
Newborn Hearing Aid Loaner Program	49,852	50,000	50,000	-
SIDS Network Grant	75,000	75,000	75,000	-
Newborn Screening	2,204,932	2,224,106	2,219,766	-
Subtotal - KDHE	<u>\$ 9,487,234</u>	<u>\$ 9,299,106</u>	<u>\$ 9,294,766</u>	<u>\$ -</u>
Juvenile Justice Authority				
Juvenile Prevention Program Grants	\$ 4,976,821	\$ 4,740,406	\$ 3,785,814	\$ -
Juvenile Graduated Sanctions Grants	4,023,179	4,259,594	5,214,186	-
Subtotal - JJA	<u>\$ 9,000,000</u>	<u>\$ 9,000,000</u>	<u>\$ 9,000,000</u>	<u>\$ -</u>
Department of Social and Rehabilitation Services				
Children's Cabinet Accountability Fund	\$ 588,197	\$ 545,407	\$ 541,802	\$ -
Children's Mental Health Initiative	3,800,000	3,800,000	3,800,000	-
Family Centered System of Care	5,000,000	5,000,000	5,000,000	-
Child Care Services	1,400,000	1,400,000	1,400,000	-
Community Services - Child Welfare	3,136,934	-	-	-
Smart Start Kansas - Children's Cabinet	8,437,225	8,448,244	8,443,161	-
Family Preservation	3,313,066	3,241,062	3,241,062	-
Early Childhood Block Grants	11,088,937	11,059,475	11,049,830	(5,000,000) a
Early Childhood Block Grants - Autism	-	50,000	50,000	-
Early Head Start	3,452,779	3,452,779	3,452,779	(2,000,000) b
Child Care Quality Initiative	500,000	500,000	500,000	-
Foster Care	-	-	-	5,000,000 a
Subtotal - SRS	<u>\$40,667,188</u>	<u>\$ 37,496,937</u>	<u>\$ 37,478,634</u>	<u>\$ (2,000,000)</u>
Kansas Health Policy Authority				
HealthWave	\$ 2,000,000	\$ -	\$ -	\$ -
Medical Assistance	3,000,000	-	-	-
Immunization Outreach	500,000	-	-	-
Subtotal - KHPA	<u>\$ 5,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Department of Education				
Reading and Vision Research	\$ 100,000	\$ -	\$ -	\$ -
Four Year Old at Risk/General State Aid	100,000	-	-	-
Parents as Teachers	7,521,357	7,539,500	7,539,500	-
Pre-K Pilot	5,000,000	5,000,000	5,000,000	-
Subtotal - Dept. of Ed.	<u>\$12,721,357</u>	<u>\$ 12,539,500</u>	<u>\$ 12,539,500</u>	<u>\$ -</u>
University of Kansas Medical Center				
Tele-Kid Health Care Link	\$ 394	\$ -	\$ -	\$ -
TOTAL	<u>\$77,376,173</u>	<u>\$ 68,335,573</u>	<u>\$ 68,312,900</u>	<u>\$ (2,000,000)</u>

	Actual FY 2009	Gov. Rec. FY 2010	Gov. Rec. FY 2011	House Adjustments FY 2011
Beginning Balance	\$12,747,981	\$ 165,984	\$ -	\$ -
Plus: Other Income**	354,705	-	-	-
State General Fund Transfer	-	-	-	-
Children's Initiatives Reserve Fund	-	-	-	-
Transfer In***	-	1,283,705	1,194,152	1,194,152
KEY Fund Transfer In	64,458,892	66,885,884	67,118,748	67,118,748
Total Available	<u>\$77,561,578</u>	<u>\$ 68,335,573</u>	<u>\$ 68,312,900</u>	<u>\$ 68,312,900</u>
Less: Expenditures	77,376,173	68,335,573	68,312,900	66,312,900
Transfer Out to KEY Fund	-	-	-	-
Transfer Out to Children's Initiatives	-	-	-	-
Transfer Out to State General Fund	19,421	-	-	2,000,000 b
ENDING BALANCE	<u>\$ 165,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

** Other income includes released encumbrances, recoveries and reimbursements.

*** The 2006 Legislature established the Children's Initiatives Reserve Fund (CIRF) and transferred any unencumbered balance in the Children's Initiatives Fund (CIF) on June 30, 2007 to the CIRF. On July 1, 2007, 25 percent of the balance in the CIRF was transferred to the CIF. The transfer which was scheduled to occur on July 1, 2008, of one third of the remaining balance of the CIRF, was inadvertently omitted. On July 1, 2009, 50 percent of the remaining balance of the CIRF was transferred to the CIF. On July 1, 2010, all remaining funds in the CIRF are to be transferred to the CIF.

**** The Governor's recommendation for FY 2010 transfers funding of \$14.3 million from the Kansas Endowment for Youth (KEY) Fund to the State General Fund. In addition, the Governor's FY 2010 recommendation transfers \$232,492 from the Kansas Endowment for Youth Fund to the Attorney General. The Governor's recommendation for FY 2011 recommends a transfer from the KEY fund to the Attorney General of \$475,985.

a) The House Committee recommends decreasing expenditures for the Early Childhood Block Grant by \$5.0 million, and instead expending the \$5.0 million on the Foster Care program for FY 2011. The Committee further recommends State General Fund expenditures for the Foster Care program be reduced by \$5.0 million for FY 2011.

b) The House Committee recommends decreasing expenditures for Early Head Start by \$2.0 million for FY 2011 and transferring the funds to the State General Fund.

**ECONOMIC DEVELOPMENT INITIATIVES FUND
FY 2009 - 2011**

Agency/Program	Actual FY 2009	Gov. Rec. FY 2010	Gov. Rec. FY 2011	House Adjustments FY 2011
Department of Commerce				
Operating Grant	\$ 14,782,929	\$ 13,513,065	\$ 13,033,871	\$ -
Older Kansans Employment Program	298,036	297,170	294,651	-
Rural Opportunity Program	1,975,363	1,918,581	1,752,035	-
Parsons Ammunition Facility Road Reconstruction Grant	750,000 a	-	-	-
Senior Community Services Employment Program	-	3,941	9,141	-
Kansas Commission on Disability Concerns	-	196,341	192,292	-
Strong Military Bases Program	-	323,210	307,050	-
Subtotal - Commerce	<u>\$ 17,806,323</u>	<u>\$ 16,252,308</u>	<u>\$ 15,594,040</u>	<u>\$ -</u>
Kansas Technology Enterprise Corporation				
Operations	\$ 1,725,918	\$ 1,301,064	\$ 1,191,500	\$ -
University & Strategic Research	4,198,724	3,496,864	2,416,000	-
Product Development Financing	643,319	525,000	-	-
Commercialization	2,571,493	1,888,943	1,382,500	-
Mid-America Manuf. Tech. Center (MAMTC)	1,362,149	545,000	1,000,000	-
Subtotal - KTEC	<u>\$ 10,501,603</u>	<u>\$ 7,756,871</u>	<u>\$ 5,990,000</u>	<u>\$ -</u>
Kansas, Inc.				
Operations	\$ 394,882	\$ 355,162	\$ 346,904	\$ -
Board of Regents & Universities				
Vocational Education Capital Outlay	\$ 2,398,275	\$ 2,565,000	\$ 2,565,000	\$ -
Technology Innovation & Internship	232,140	180,500	180,500	-
KSU - ESARP	275,294	298,668	298,668	-
WSU - Aviation Classroom & Training Equipment	-	2,500,000	5,000,000	-
WSU - Aviation Research	6,968,653	4,994,337	5,000,000	-
Subtotal - Regents & Universities	<u>\$ 9,874,362</u>	<u>\$ 10,538,505</u>	<u>\$ 13,044,168</u>	<u>\$ -</u>
Department of Agriculture				
Dairy Inspection Program	\$ -	\$ -	\$ -	\$ 75,000
State Fair				
Ticket Marketing & Premiums	\$ 65,541	\$ -	\$ -	\$ -
Subtotal - State Fair	<u>\$ 65,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	\$ 38,642,716	\$ 34,902,846	\$ 34,975,112	\$ 75,000
Transfers to Other Funds				
Kansas Economic Opportunity Initiatives Fund	\$ 1,250,000	\$ 2,050,000	\$ 2,050,000	(800,000)
KS Qualified Biodiesel Fuel Producer Incentive Fund	374,000	200,000	200,000	-
State Water Plan Fund	2,846,126	2,000,000	2,000,000	-
Public Use General Aviation Airport Development Fund	-	1,000,000	1,000,000	-
KPERS Death and Disability Moratorium	-	50,534	-	-
Health Insurance Moratorium	-	214,058	-	-
State Housing Trust Fund	-	2,000,000	-	-
State General Fund	-	5,800,000	3,018,605	725,000
Subtotal - Transfers	<u>\$ 4,470,126</u>	<u>\$ 13,314,592</u>	<u>\$ 8,268,605</u>	<u>\$ (75,000)</u>
TOTAL TRANSFERS AND EXPENDITURES	\$ 43,112,842	\$ 48,217,438	\$ 43,243,717	\$ -
EDIF Resource Estimate				
Beginning Balance	\$ 4,980,302	\$ 6,696,286	\$ 11,717	-
Gaming Revenues	40,782,869	40,782,869	42,432,000	-
Other Income*	4,045,957	750,000	800,000	-
Total Available	<u>\$ 49,809,128</u>	<u>\$ 48,229,155</u>	<u>\$ 43,243,717</u>	<u>\$ -</u>
Less: Expenditures and Transfers	43,112,842	48,217,438	43,243,717	-
ENDING BALANCE	\$ 6,696,286	\$ 11,717	\$ -	\$ -

* Other income includes interest, transfers, reimbursements and released encumbrances

a Pursuant to 2008 Senate Sub. for HB 2946 the Dept. of Commerce was reimbursed through the EDIF; this reimbursement is reflected in Other Income.

State Water Plan Fund

Agency/Program Expenditures	FY 2009 Actual Expenditures	FY 2010 Governor's Rec.	FY 2011 Governor's Rec.	FY 2011 House Adjustments
KDHE				
Contamination Remediation	\$ 850,831	\$ 447,951	\$ 753,870	\$ -
TMDL Initiatives	217,416	194,959	166,821	-
Local Environmental Protection Program	1,502,848	1,066,942	980,000	-
Non-Point Source Program	300,792	305,876	246,072	-
Water Restoration and Protection Strategy	590,087	431,312	548,696	-
Treecce Superfund	-	-	350,000	-
TOTAL	\$ 3,461,974	\$ 2,447,040	\$ 3,045,459	\$ -
Department of Agriculture				
Interstate Issues	\$ 451,518	\$ 332,875	\$ 459,816	\$ -
Water Use	60,000	60,000	46,200	-
Subbasin Water Resources Management	639,273	641,771	490,032	-
TOTAL	\$ 1,150,791	\$ 1,034,646	\$ 996,048	\$ -
State Conservation Commission				
Water Resources Cost-Share	\$ 3,435,957	\$ 2,435,803	\$ 2,142,151	\$ -
Non-Point Source Pollution	3,082,483	2,562,787	2,278,435	-
Water Transition Assistance	2,161,479	100,000	600,984	-
Aid to Conservation Districts	2,253,788	2,266,962	2,113,796	-
Conservation Reserve Enhancement Program	116,123	1,113,584	-	-
Watershed Dam Construction	927,153	726,697	691,975	-
Water Quality Buffer Initiative	267,047	312,163	196,770	-
Riparian and Wetland Program	236,515	187,366	165,144	-
Multipurpose Small Lakes	1,123,176	-	-	-
Water Supply Restoration Program	998,466	-	656,298	-
TOTAL	\$ 14,602,187	\$ 9,705,362	\$ 8,845,553	\$ -
Kansas Water Office				
Assessment and Evaluation	\$ 740,604	\$ 508,002	\$ 490,000	\$ -
GIS Database Development	250,000	177,500	175,000	-
MOU - Storage Operations and Maintenance	296,841	274,500	248,500	-
Technical Assistance to Water Users	490,761	585,849	437,443	-
Water Resource Education	53,449	47,000	38,500	-
Weather Modification	240,000	156,200	168,000	-
Weather Stations	80,000	50,000	49,000	-
Neosho River Basin Issues	65,134	860,080	-	-
Wichita Aquifer Storage and Recovery Project	1,000,000	300,000	563,531	-
TOTAL	\$ 3,216,789	\$ 2,959,131	\$ 2,169,974	\$ -
Department of Wildlife and Parks				
Stream Monitoring	\$ 32,000	\$ 28,800	\$ 28,800	\$ -
University of Kansas				
Geological Survey	\$ 32,000	\$ 28,800	\$ 28,800	\$ -
TOTAL FUNDING	\$ 22,495,741	\$ 16,203,779	\$ 15,114,634	\$ -
Revenues				
Beginning Balance	\$ 2,846,479	\$ 1,205,720	\$ 34,397	\$ -
Adjustments/Receipts				
Released Encumbrances	\$ 1,212,360	\$ 421,700	\$ -	\$ -
State General Fund Transfer	2,000,000	-	1,348,245	-
EDIF Transfer	2,846,126	2,000,000	2,000,000	-
<i>Kansas v. Colorado</i> Suspense Fund	525,729	-	-	-
Fee Revenues	14,590,767	12,898,756	12,118,170	-
Transfer to the KCC - Abandoned Oi/Gas Wells	(320,000)	(288,000)	(374,865)	-
Expenditures	\$ (22,495,741)	\$ (16,203,779)	\$ (15,114,634)	\$ -
ENDING BALANCE	\$ 1,205,720	\$ 34,397	\$ 11,313	\$ -

State Water Plan Fund

History and Purpose

The **State Water Plan Fund** is a statutory fund (K.S.A. 82a-951) that was created by the 1989 Legislature for the purpose of implementing the State Water Plan (K.S.A. 82a-903). The fund is subject to appropriation by the Legislature and may be used for the establishment and implementation of water-related projects or programs and related technical assistance. Funding from the State Water Plan Fund may not be used to replace FTE positions or for recreational projects that do not meet the goals or objectives of the State Water Plan.

Revenue for the State Water Plan Fund is generated by water protection fees levied on public, industrial, and stock water users, fees on fertilizer and pesticide registration, and fines and penalties levied by the Kansas Department of Health and Environment (KDHE). Sand royalty receipts, fees paid by public water suppliers, and annual transfers of \$6.0 million from the State General Fund and \$2.0 million from the Economic Development Initiatives Fund (EDIF) also contribute to the revenue of the fund.

Revenue

Revenue for the State Water Plan Fund is generated by the following sources:

- **Municipal Water Fees:** \$0.03 per 1,000 gallons;
- **Industrial Water Fees:** \$0.03 per 1,000 gallons;
- **Stock Water Fees:** \$0.03 per 1,000 gallons;
- **Pesticide Registration Fees:** \$100 per pesticide registered;
- **Fertilizer Registration Fees:** \$1.40 per ton inspected;
- **Sand Royalty Receipts:** \$0.15 per ton;
- **Clean Drinking Water Fee Fund:** \$0.03 per 1,000 gallons;
- **Pollution Fines and Penalties:** levied by the Kansas Department of Health and Environment (KDHE); the amount of revenue provided by pollution fines and penalties depends on the particular incident;
- **Water Litigation Proceeds Suspense Fund Transfer:** this transfer includes funds received from the State of Colorado as the result of litigation between Kansas and Colorado regarding the Arkansas River Compact. Approximately \$1.1 million was received by the Kansas Water Office in FY 2006 and placed in the Water Litigation Proceeds Suspense Fund at that time;
- **State General Fund Transfer:** K.S.A. 82a-953(a) provides for the annual transfer of \$6.0 million from the State General Fund to the State Water Plan Fund; and
- **Economic Development Initiatives Fund (EDIF) Transfer:** K.S.A. 79-4804(g) provides for the annual transfer of \$2.0 million from the EDIF to the State Water Plan Fund.

FY 2010 and FY 2011 Budget Adjustments House Republican Proposal

- \$ (6.3) House Appropriations Committee action through March 15, 2010.
- \$ 76.7 Concur with Governor's requested action of March 5, 2010 to address FY 2010 shortfall - (TANF; KPERS Death and Disability; Assume Seat Belt Law Enactment; Highway Fund Transfer)

Revenue Adjustments:

- 22.0 Tax Amnesty - Provide an opportunity for taxpayers to settle with the Department of Revenue on any outstanding obligations.
- 50.0 Transfer Only \$225 Million from State Sales Tax to State Highway Fund - This action would transfer \$50 million to the State General Fund.
- 3.5 Managed Care Organizations - Payment of a 1.0 percent privilege fee by all managed care organizations in the State. A portion of the revenue is derived from the revocation of a waiver by the Commissioner of Insurance to require managed care organizations participating in the Medicaid program to submit payment. Legislation would also be required to remove tiers in current state law based on years of state operation.
- 2.5 Require one-half of the loan to the Racing and Gaming Agency be repaid to the State General Fund.
- \$ 78.0 Subtotal - Revenue Adjustments

Expenditure Adjustments:

- (32.8) Delete Governor's increase for Base State Aid Per Pupil \$50 increase.
- (21.1) Make a 5.0 percent pay suspension for all state employees including statewide elected officials, justices and judges, legislators, classified and unclassified employees. The reduction could be achieved by closing state government at 3:00 p.m. on Friday's. The reduction would not apply to Highway Patrol troopers, correctional officers, selected state hospital direct care workers, and power plant operators. The pay suspension would sunset at the end of FY 2011.
- (8.5) Delete Governor's recommended state employee undermarket pay increase.
- (171.9) Maintain Current Year State General Fund support of K-12 education. This action does not replace the loss of federal economic stimulus funds.
- (37.9) Freeze KPERS employer contributions at the FY 2010 level in FY 2011.
- (24.8) Delay adding 2011 disaster assistance payments in the Adjutant General's budget until further review at Omnibus.
- (19.8) Hiring freeze in all Executive Branch agencies, excluding Regents institutions, Judicial Branch and Legislative Branch. Exceptions could only be authorized by the Governor (or Secretary of Administration) for Executive Branch employees, Chief Justice for Judicial Branch employees, and Speaker or President for Legislative Branch employees. Also delete all vacant positions.
- (15.9) One percent State General Fund across-the-board reduction, EXCLUDING K-12, higher education, corrections, and human services caseloads.
- (11.0) Create surcharge on Department of Administration Monumental Surcharge and off-budget expenditures.
- (6.4) Require state agencies to self-fund the state employee longevity bonus payments.
- (4.8) Maintain Department of Revenue - Administration Program at FY 2010 level.
- (4.0) KPERS Death and Disability reduction of approximately 25 percent.
- (1.4) Utility savings from early closure of state government on Friday's at 3:00 p.m.
- (0.3) Reduce other assistance (grant payments to individuals and organizations) by the Kansas Arts Commission.

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- (0.3) Maintain Public Broadcasting at FY 2010 level.
- (0.4) Delay NCSL and CSG annual dues payments until further review at Omnibus.

\$ (361.3) Subtotal - Expenditure Adjustments

Federal Funding Adjustments:

- 131.0 Assume that Congress will approve a six-month extension of the higher Medicaid match rate (70/30).
 - 40.0 Third party Medicare/Medicaid liability recoveries.
 - 27.6 Provide for Medicaid nursing home provider assessment capture in FY 2011.
 - 15.4 Reduce Medikan by 50 percent; increase SCHIP premiums; and limit name brand prescriptions to four.
 - 8.3 Federal claw-back relief on Medicaid - provides the higher match rate (70/30).
- \$ 222.3 Subtotal - Federal Funding Adjustments

Additional Savings

- (0.9) First-year smoking ban savings. The savings will be realized as outlined by the Department of Health and Environment and the Kansas Health Policy Authority.
 - (0.8) Financial Management System - State General Fund deleted - shift funding to other sources.
 - (0.1) Stop advertising by the Securities Commissioner; State Treasurer; Insurance Commissioner; and Attorney General.
 - (0.5) Ban on out-of-state travel unless specific authorization is granted for such travel by the Governor (or Secretary of Administration) for Executive Branch employees, Chief Justice for Judicial Branch employees or the Speaker or President for Legislative Branch employees.
 - (0.3) Capture of all state employee travel rewards (hotel points, frequent flyer miles, etc.) by the Department of Administration.
 - (0.2) Ban on overtime unless specific authorization of the Governor (or Secretary of Administration) for Executive Branch employees, Chief Justice for Judicial Branch employees, and Speaker or President for Legislative Branch employees.
 - (0.1) Salary reduction of 5.0 percent in the current year for all staff of the Governor's Office.
- \$ (2.8) Subtotal- Additional Savings

Budget Restorations or Enhancements:

- 11.0 Restore 25 percent of the local government slider.
 - 0.8 Restore Judicial Branch funding in the current year to prevent furloughs of non-judicial employees.
 - Leave the Corrections enhancement as recommended by the Governor - \$4.7 million.
 - 0.5 Add for additional KBI DNA Laboratory Services enhancement above the amount recommended by the Governor.
 - 6.9 Restore \$3.3 million for Developmentally Disabled Waiver and \$3.6 million for the Physically Disabled Waiver. For the Physically Disabled Waiver for every 2 individuals that come off the waiver, one individual is able to go on the waiver. The funding for Developmentally Disabled Waiver will permit any individual in crisis to be placed on the waiver.
 - 5.0 Restore specific funding for Regents to help meet required debt service.
 - 0.6 Restore funding for the KUMC Cancer Center to \$5.0 million.
 - 0.7 Restore specific funding for Aging nutrition programs to FY 2009 actual level.
 - 0.5 Begin preparations for the re-opening of Stockton Correctional Facility if Sentencing Commission indicate that prisons will be at 99 percent of capacity within two years. The funds can be released only if the Secretary of Corrections certifies to the Secretary of Administration that the additional beds are needed to prevent release of prisoners.
 - 0.5 Restore funding for 76 substance abuse therapeutic community beds in Ellsworth and Topeka.
- \$ 26.5 Budget Restoration or Enhancements

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Summary:

\$ 6.3	House Appropriations Committee action through March 15, 2010.
76.7	Governor's Recommended Current Year Adjustments as of March 5, 2010
78.0	Revenue Adjustments
361.3	Expenditure Adjustments
222.3	Federal Funding Adjustments
2.8	Additional Savings
(26.5)	Budget Restorations or Enhancements
<u>\$ 720.9</u>	GRAND TOTAL Adjustments (revenue and expenditures)

FY 2011 House Appropriations Committee Recommendations, EXCLUDING Tax Increases
House Appropriations Committee Tentative Recommendations as of March 17, 2010
Including House Education Budget Committee Recommendations and House Republican Proposal
STATUS OF THE STATE GENERAL FUND
FY 2010-FY 2012
(In Millions)

	House Appropriations Tentative FY 2010	House Appropriations Tentative FY 2011	Estimated FY 2012
Beginning Balance	\$ 49.7	\$ (11.5)	\$ 302.1
Receipts (November, 2009 Consensus Revenue Estimate)	5,300.7	5,178.5	5,705.1 *
Governor's Allotments (Revenue Adjustments) and Sen. Sub. for HB 2222	101.1	-	-
Governor's Other Revenue Adjustments (adjust transfers; continue KDOT transfer, etc.)	-	274.6	-
NO Governor's Recommended Sales/Use Tax Increase - 5.3% to 6.3%	-	-	-
NO Governor's Recommended Cigarette and Tobacco Product Tax Increase**	-	-	-
House Republican Proposal Revenue Adjustments/Tentative House Committee	28.0	108.6	-
Adjustment for Actual State General Fund Receipts Through February, 2010	(88.8)	(88.8)	(88.8)
Total Available Revenue	\$ 5,390.7	\$ 5,461.4	\$ 5,918.4
Expenditures ***	6,144.3	6,088.9	6,210.3
Federal Economic Stimulus Legislation	(530.7)	(257.9)	-
Subtotal - Expenditures	5,613.5	5,831.0	6,210.3
Less Governor's Allotments and Net Other Adjustments	(162.6)	-	-
House Appropriations Committee Tentative Adjustments	-	(211.0)	-
House Republican Proposal	(48.7)	(460.7)	-
Expenditures Adjusted for a Zero Ending Balance	5,402.2	5,159.3	(291.9)
Total Adjusted Expenditures	5,402.2	5,159.3	5,918.4
Ending Balance	\$ (11.5)	\$ 302.1	\$ -
Ending Balance as a Percentage of Expenditures	-0.2%	5.9%	0.0%
Adjusted Receipts in Excess of Unadjusted Expenditures	\$ (60.2)	\$ (158.6)	\$ (291.9)

*) Assumes 4.0 percent growth in tax receipts.

***) Excludes Governor's recommended cigarette tax increase from \$0.79 to \$1.34 per pack; tobacco product tax increase from 10 percent to 40 percent.

****) FY 2012 expenditures include replacing federal economic stimulus funds; KPERS employer contribution increase; human services caseloads; special education increase and state employee undermarket salary adjustment.

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