

BUDGET ANALYSIS

FISCAL YEAR 2018

Submitted to the 2017 Kansas Legislature



Volume I

*Governor's Budget Report
Agriculture and Natural Resources
Public Safety
Transportation*

Kansas Legislative Research Department
January 2017

BUDGET ANALYSIS

Fiscal Year 2018

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*Governor's Budget Report
Agriculture and Natural Resources
Public Safety
Transportation*

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FOREWORD

The *Fiscal Year 2018 Budget Analysis* is provided to assist the Legislature in the review of agency budget requests and the Governor's budget recommendations for Fiscal Years 2017 and 2018.

Function of Government:

VOLUME I

<i>Governor's Budget Report</i>	1
<i>Agriculture And Natural Resources</i>	35
<i>Public Safety</i>	217
<i>Transportation</i>	559

VOLUME II

<i>General Government</i>	617
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VOLUME III

<i>Education</i>	1765
<i>Human Services</i>	2231

This report contains the individual analyses of state agency budgets (including the agency budget requests and the Governor's recommendations). The Legislative Research Department's analysis pertains to the Governor's recommendations as originally reported in Volumes 1 and 2 of the Governor's Budget Report as submitted to the Legislature.

This document groups agencies by the function of government in which each agency is classified. There are six functions of government into which agencies are grouped, with similar agencies grouped that share similar basic purposes.

Volume I of this publication contains the Overview of the FY 2018 Governor's Budget Report and agencies in Agriculture and Natural Resources, Public Safety, and Transportation.

Volume II of this publication contains agencies in General Government.

Volume III of this publication contains agencies in Education and Human Services.

LEGISLATIVE FISCAL ANALYST ASSIGNMENTS—FY 2018

Abstracters' Board of Examiners **NEIKIRK, KATELIN** (785) 296-4181
Adjutant General's Department **KLAASSEN, AARON** (785) 296-4396
Attorney General **WU, STEVEN** (785) 296-4447

Behavioral Sciences Regulatory Board **DECKARD, AMY** (785) 296-4429
Board of Accountancy **PATEL, AMIT** (785) 296-3183
Board of Barbering **PATEL, AMIT** (785) 296-3183
Board of Cosmetology **PATEL, AMIT** (785) 296-3183
Board of Examiners in Optometry **HESS, JOHN** (785) 296-7882
Board of Indigents' Defense Services **WU, STEVEN** (785) 296-4447
Board of Mortuary Arts **PATEL, AMIT** (785) 296-3183
Board of Nursing **FYE, DAVID** (785) 296-4405
Board of Pharmacy **HESS, JOHN** (785) 296-7882
Board of Regents **MORROW, SHIRLEY** (785) 296-3542
Board of Technical Professions **NEIKIRK, KATELIN** (785) 296-4181
Board of Veterinary Examiners **SKOGLUND, MARK** (785) 296-4407

Citizens' Utility Ratepayer Board **SKOGLUND, MARK** (785) 296-4407

Department for Children and Families **DECKARD, AMY** (785) 296-4429
Department of Administration **DEAR, DYLAN** (785) 296-0665
Department of Agriculture **SKOGLUND, MARK** (785) 296-4407
Department of Corrections **SAVOY, MARK** (785) 296-4443
Department of Credit Unions **MARIANI, BOBBI** (785) 296-3184
Department of Education **WENGER, SHARON** (785) 296-4439
Department of Wildlife, Parks and Tourism **SKOGLUND, MARK** (785) 296-4407

Emergency Medical Services Board **KLAASSEN, AARON** (785) 296-4396
Emporia State University **MORROW, SHIRLEY** (785) 296-3542
Fort Hays State University **MORROW, SHIRLEY** (785) 296-3542
Governmental Ethics Commission **NEIKIRK, KATELIN** (785) 296-4181
Health Care Stabilization Fund Board of Governors **OUELLETTE, JENNIFER** (785) 296-6684
Judicial Branch **WU, STEVEN** (785) 296-4447

Judicial Council **WU, STEVEN** (785) 296-4447

Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments **OUELLETTE, JENNIFER** (785) 296-6684
Kansas Bureau of Investigation **WU, STEVEN** (785) 296-4447
Kansas Commission on Peace Officers' Standards and Training **KLAASSEN, AARON** (785) 296-4396
Kansas Commission on Veterans' Affairs Office **FYE, DAVID** (785) 296-4405
Kansas Corporation Commission **SKOGLUND, MARK** (785) 296-4407
Kansas Dental Board **OUELLETTE, JENNIFER** (785) 296-6684
Kansas Department for Aging and Disability Services **FYE, DAVID** (785) 296-4405
Kansas Department of Commerce **MARIANI, BOBBI** (785) 296-3184
Kansas Department of Health and Environment **OUELLETTE, JENNIFER** (785) 296-6684
Kansas Department of Labor **PATEL, AMIT** (785) 296-3183
Kansas Department of Revenue **DAPP, MARK** (785) 296-4409
Kansas Department of Transportation **KLAASSEN, AARON** (785) 296-4396
Kansas Guardianship Program **HESS, JOHN** (785) 296-7882
Kansas Highway Patrol **KLAASSEN, AARON** (785) 296-4396
Kansas Human Rights Commission **PATEL, AMIT** (785) 296-3183
Kansas Insurance Department **PATEL, AMIT** (785) 296-3183
Kansas Lottery **DAPP, MARK** (785) 296-4409
Kansas Neurological Institute **FYE, DAVID** (785) 296-4405
Kansas Public Employees Retirement System **DAPP, MARK** (785) 296-4409
Kansas Racing and Gaming Commission **DAPP, MARK** (785) 296-4409
Kansas Sentencing Commission **SAVOY, MARK** (785) 296-4443
Kansas State Board of Healing Arts **HESS, JOHN** (785) 296-7882
Kansas State Fair **SKOGLUND, MARK** (785) 296-4407
Kansas State School for the Blind **WENGER, SHARON** (785) 296-4439
Kansas State School for the Deaf **WENGER, SHARON** (785) 296-4439
Kansas State University **MORROW, SHIRLEY** (785) 296-3542
Kansas State University Veterinary Medical Center **MORROW, SHIRLEY** (785) 296-3542
Kansas State University – Extension Systems and Agricultural Research Programs **MORROW, SHIRLEY** (785) 296-3542

Kansas Water Office **SKOGLUND, MARK** (785) 296-4407

Larned State Hospital **FYE, DAVID** (785) 296-4405
Legislative Coordinating Council **SCOTT, J.G.** (785) 296-4397
Legislative Division of Post Audit **SCOTT, J.G.** (785) 296-4397
Legislative Research Department **SCOTT, J.G.** (785) 296-4397
Legislature **SCOTT, J.G.** (785) 296-4397

Office of Administrative Hearings **PATEL, AMIT** (785) 296-3183
Office of Information and Technology Services **DEAR, DYLAN** (785) 296-0665
Office of the Governor **DAPP, MARK** (785) 296-4409
Office of the Revisor of Statutes **SCOTT, J.G.** (785) 296-4397
Office of the Securities Commissioner **MARIANI, BOBBI** (785) 296-3184
Office of the State Bank Commissioner **MARIANI, BOBBI** (785) 296-3184
Office of the State Treasurer **DEAR, DYLAN** (785) 296-0665
Osawatomie State Hospital **FYE, DAVID** (785) 296-4405

Parsons State Hospital and Training Center **FYE, DAVID** (785) 296-4405
Pittsburg State University **MORROW, SHIRLEY** (785) 296-3542
Pooled Money Investment Board **DEAR, DYLAN** (785) 296-0665
Postsecondary Education Systemwide **MORROW, SHIRLEY** (785) 296-3542

Real Estate Appraisal Board **NEIKIRK, KATELIN** (785) 296-4181
Real Estate Commission **NEIKIRK, KATELIN** (785) 296-4181

Secretary of State **MARIANI, BOBBI** (785) 296-3184
State Board of Tax Appeals **DAPP, MARK** (785) 296-4409
State Fire Marshal **KLAASSEN, AARON** (785) 296-4396
State Historical Society **WENGER, SHARON** (785) 296-4439
State Library **WENGER, SHARON** (785) 296-4439

University of Kansas **MORROW, SHIRLEY** (785) 296-3542
University of Kansas Medical Center **MORROW, SHIRLEY** (785) 296-3542

Wichita State University **MORROW, SHIRLEY** (785) 296-3542

TABLE OF CONTENTS

AGENCY	Vol.	Pg.	AGENCY	Vol.	Pg.
Abstracters' Board of Examiners.....	II	1375	Fort Hays State University.....	III	1971
Accountancy Board of	II	1391	Governmental Ethics Commission.....	II	1521
Adjutant General's Department	I	315	Governor, Office of the.....	II	689
Administration, Department of	II	973	Guardianship Program, Kansas.....	III	2686
Administrative Hearings, Office of	II	1357	Healing Arts, Kansas State Board of.....	II	1542
Aging and Disability Services, Kansas Department for	III	2350	Health Care Stabilization Board of Governors.....	II	1334
Agriculture, Department of	I	37	Health and Environment, Department of.....	III	2233
Attorney General	II	835	Hearing Instruments, Kansas Board of Examiners in Fitting and Dispensing of	II	1564
Bank Commissioner, Office of the State	II	1408	Highway Patrol, Kansas.....	I	483
Barbering, Board of	II	1434	Historical Society, Kansas State.....	III	2180
Behavioral Sciences Regulatory Board.....	II	1450	Human Rights Commission, Kansas.....	II	1310
Blind, Kansas State School for the.....	III	1803	Hutchinson Correctional Facility.....	I	285
Children and Families, Department for.....	III	2296	Indigents' Defense Services, Board of.....	II	937
Citizens' Utility Ratepayer Board.....	II	1292	Information Technology Services, Office of.....	II	1037
Commerce, Kansas Department of.....	II	1143	Insurance Department, Kansas.....	II	782
Corporation Commission, Kansas	II	1258	Judicial Branch.....	II	891
Corrections, Department of.....	I	219	Judicial Council.....	II	922
Cosmetology, Board of.....	II	1468	Kansas Bureau of Investigation.....	I	370
Credit Unions, Department of.....	II	1490	Kansas Juvenile Correctional Complex.....	I	295
Deaf, Kansas State School for the	III	1831	Kansas Neurological Institute.....	III	2415
Dental Board, Kansas.....	II	1505	Kansas Public Employees Retirement System.....	II	1078
Education, Department of.....	III	1767	Kansas State University.....	III	1997
El Dorado Correctional Facility.....	I	287	Kansas State University Extension Systems and Agricultural Research Programs.....	III	2026
Ellsworth Correctional Facility.....	I	298	Kansas State University Veterinary Medical Center.....	III	2047
Emergency Medical Services Board.....	I	436	Labor, Kansas Department of.....	III	2640
Emporia State University.....	III	1944	Lansing Correctional Facility.....	I	283
Fair, Kansas State.....	I	189			
Fire Marshal, State.....	I	460			

AGENCY	Vol.	Pg.
Larned Correctional Mental Health Facility.....	I	303
Larned Juvenile Correctional Facility.....	I	306
Larned State Hospital.....	III	2497
Legislative Coordinating Council.....	II	619
Legislative Division of Post Audit.....	II	674
Legislative Research Department.....	II	647
Legislature.....	II	633
Library, Kansas State.....	III	2211
Lottery, Kansas.....	II	1197
Mortuary Arts, Board of.....	II	1580
Norton Correctional Facility.....	I	290
Nursing, Board of.....	II	1597
Optometry, Board of Examiners in.....	II	1616
Osawatomie State Hospital.....	III	2546
Parsons State Hospital and Training Center.....	III	2456
Peace Officers Standards and Training, Kansas Commission on.....	I	417
Pharmacy, Board of.....	II	1634
Pittsburg State University.....	III	2071
Pooled Money Investment Board.....	II	766
Postsecondary Education Systemwide.....	III	1858
Racing and Gaming Commission, Kansas.....	II	1235

AGENCY	Vol.	Pg.
Real Estate Appraisal, Board of.....	II	1653
Real Estate Commission.....	II	1672
Regents, Board of.....	III	1900
Revenue, Kansas Department of.....	II	1104
Revisor of Statutes, Office of.....	II	661
Secretary of State.....	II	714
Securities Commissioner, Office of the.....	II	1693
Sentencing Commission, Kansas.....	I	535
Tax Appeals, State Board of.....	II	1728
Technical Professions, Board of	II	1711
Topeka Correctional Facility.....	I	292
Transportation, Department of	I	561
Treasurer, Office of the State.....	II	742
University of Kansas.....	III	2098
University of Kansas Medical Center.....	III	2126
Veterans' Affairs Office, Kansas Commission on.....	III	2587
Veterinary Examiners, Board of.....	II	1748
Water Office, Kansas.....	I	107
Wichita State University.....	III	2153
Wildlife, Parks and Tourism, Department of.....	I	136
Winfield Correctional Facility.....	I	301

OVERVIEW OF THE FISCAL YEAR 2018 GOVERNOR'S BUDGET REPORT

In this Budget Overview, various summaries of state expenditures and the plan for their financing are reviewed. The summary data were obtained from the FY 2017 Governor's Budget Report. The Legislative Research Department utilizes the classification of expenditures by function of government and by major purpose of expenditure to coincide with the Division of the Budget and the Division of Accounts and Reports. The Department has made some changes in the classification of

expenditures in order to be consistent with its prior reports to the Legislature.

The summary data in this overview compare actual expenditures for FY 2016, the Governor's revised estimate for FY 2017, and the Governor's recommendation for FY 2018 and FY 2019.

SUMMARY OF CHANGES TO ESTIMATED FY 2017 EXPENDITURES

The Governor's revised FY 2017 recommendation totals \$15.9 billion from all funds, including \$6,253.0 million from the State General Fund. This is a State General Fund decrease of \$17.4 million, or 0.3 percent, below the amount approved by the 2016 Legislature, after adjustments.

The consensus revenue estimating process was completed on November 10, 2016, subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$349.9 million State General Fund shortfall for FY 2017. To address the shortfall, the Governor proposes to:

- Permanently delay a \$75.0 million payment to K-12 Education by one fiscal year;
- Freeze state contributions to KPERS at FY 2016 levels of about \$300.0 million annually (three

quarters of a year). Savings are estimated at \$85.9 million in FY 2017;

- Fund the human services consensus caseload estimates adding \$147.0 million, including \$1.9 million from the State General Fund in FY 2017;
- Increase transfers from various agencies to the State General Fund by \$6.8 million; and
- Reduce the Extraordinary Needs Fund by \$13.0 million (as required since the sale of the Kansas Bioscience Authority (KBA) did not exceed \$25.0 million).

Other major adjustments in the Governor's Budget Report for FY 2017 include:

- Selling a \$362.0 million long-term investment portfolio operated by the Kansas Public Employees Retirement System and transferring \$45.0 million in capital gains earned to the State General Fund. The remaining \$317.0 million would be considered an immediate loan to the

State General Fund and repaid at \$45.0 million annually over seven years starting in FY 2018;

- Reducing agency earnings by \$18.0 million to adjust for the the anticipated reduction in the value of the Kansas Bioscience Authority portfolio sale; and
- Reducing the transfer from the State Highway Fund to the State General Fund by \$15.4 million.

TOTAL STATE EXPENDITURES FOR FY 2018 AND FY 2019

Summary of Expenditures from All Funds

The Governor's recommendation for FY 2018 expenditures from all funding sources totals \$15.3 billion, a decrease of \$578.3 million, or 3.6 percent, below the FY 2017 revised estimate. For FY 2019, expenditures from all funding sources total \$15.8 billion, an increase of \$512.9 million, or 3.3 percent, above the FY 2018 recommendation.

Proposed changes include:

- Extending the KanCare contracts with the MCOs for one year, which saves \$7.0 million for FY 2018 and \$14.0 million for FY 2019;
- Increasing the HMO privilege fee from 2.00 percent to 5.77 percent in FY 2019 and increasing the hospital provider tax from 1.87 percent to 4.65 percent. By placing this additional revenue in a Kansas Department of Health and Environment (KDHE) fee fund, it saves the State General Fund a net of \$229.7 million, but also

reduces State General Fund revenue by \$67.5 million;

- Adding \$82.7 million to increase the reimbursement rate for all providers by 4.0 percent and addressing rural initiatives with the increased revenue from the HMO privilege fee and hospital provider tax;
- Requiring joint procurement for all USDs when purchasing goods and services, which is estimated to save \$7.2 million for FY 2018 and \$9.0 million for FY 2019;
- Requiring all USDs to consolidate K-12 benefit plans under one benefit plan similar to the State Employee Health Plan (SEHP), utilizing the SEHP network, staff, processes and procedures, which is estimated to save \$40.0 million for FY 2018 and \$80.0 million for FY 2019;

- Funding the human services consensus caseload estimates reducing \$120.4 million from all funds, but adding \$35.3 million from the State General Fund for FY 2018, and adding \$48.4 million, including \$160.8 million from the State General Fund, for FY 2019;
- Shifting funding of \$35.2 million from the Children’s Initiative Fund to the State General Fund based on the recommendation to securitize tobacco revenue for FY 2018 and FY 2019;
- Creating the TeachersKan scholarship program for teachers who agree to work in rural areas, funded at \$3.0 million for FY 2018 and \$6.0 million for FY 2019;
- Creating a Dental School at KUMC; funding \$800,000 for planning in FY 2018 and FY 2019;
- Freezing state contributions to KPERS at FY 2016 levels of about \$300.0 million annually (three quarters of a year). Savings are estimated at \$140.2 million in FY 2018 and \$198.3 million in FY 2019;
- Moving the Securities Commissioner’s Office into the Insurance Department and the Board of Barbering into the Board of Cosmetology; and
- Deleting the first quarter contributions for Death and Disability Insurance, reducing expenditures by \$12.6 million, including \$10.1 million from the State General Fund.

Expenditures by Major Purpose

State Operations. Actual agency operating costs for salaries and wages, contractual services, commodities, and capital outlay.

The Governor’s FY 2018 recommendation for state operations decreases by \$75.4 million, or 1.5 percent, below the revised FY 2017 estimate. The most significant reduction was for KPERS policy changes. The recommendations included a reduction in the employer contribution amounts with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a one-quarter moratorium. The estimated expenditure reduction to freeze KPERS employer contributions is \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018 and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. The Governor

also extended the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018 for a reduction of \$12.6 million, including \$10.1 million from the State General Fund.

Agencies with significant reductions included the Department of Health and Environment (KDHE) – Health (\$38.2 million); Department for Children and Families (DCF) (19.5 million); and the University of Kansas Medical Center (\$18.2 million). These were offset by increases in the Kansas Lottery (\$25.7 million) and the Judicial Branch (\$21.1 million), which was largely for salary increases.

For FY 2019, the recommendation for state operations increases by \$5.2 million, or 0.1 percent, above the FY 2018

recommendation. The largest increase was for the University of Kansas (\$14.1 million).

The most significant reduction was for Kansas Public Employees Retirement System (KPERs) policy changes. The recommendation to freeze KPERs employer contributions is a reduction of \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additional reductions included the Department of Transportation (\$9.2 million) and the Department of Health and Environment (\$5.8 million).

Aid to Local Units. Aid payments to counties, cities, school districts, and other local government entities. May be from state or federal funds.

The Governor's FY 2018 recommendation decreases aid to local units payments by \$5.5 million, or 0.1 percent, below the FY 2017 revised estimate. The largest reductions were in the Department of Transportation (\$9.3 million) and Department of Education (\$7.2 million). This is partially offset by an increase in the Department of Commerce (\$6.2 million) to pay the remaining obligations for the Kansas Bioscience Authority.

For FY 2019, the recommendation is \$5,003.8 million for aid to local units payments, a decrease of \$29.9 million, or 0.6 percent, below the FY 2018 recommendation. The largest decrease is in the State Department of Education (\$27.5 million). There also is a decrease of \$3.6 million for disaster relief funding in the Adjutant General's budget.

Other Assistance, Grants, and Benefits. Payments made to or on behalf of individuals as aid, including public assistance benefits, unemployment benefits, and tuition grants.

For FY 2018, the Governor's recommendation decreases other assistance by \$117.0 million, or 2.4 percent, below the revised FY 2017 estimate. One of the recommendations made by the A&M efficiency report, and adopted by the Legislature, was to consolidate Medicaid expenditures in one agency budget to improve operating efficiency and potentially reduce administrative costs. As a result of the consolidation, the budgeted expenditures for Kansas Department for Aging and Disability Services (KDADS) has decreased by \$1.4 billion and increased by \$1.2 billion for KDHE for FY 2018. In addition, there is a reduction of \$12.1 million in unemployment benefit payments in the budget of the Department of Labor. The decrease is attributable to a decrease in initial and continued unemployment claims.

For FY 2019, the Governor's recommendation increases other assistance by \$288.2 million, or 6.0 percent, above the FY 2018 recommendation. The largest increase was in the KDHE of \$274.6 million in medical programs. There also is a projected increase of \$2.0 million in unemployment benefit payments in the budget of the Department of Labor. The change is attributable to a projected increase in initial and continued unemployment claims.

Capital Improvements. Cash or debt service payments for projects involving new construction, remodeling and additions, rehabilitation and repair, razing, and the principal portion of debt service for a capital expense.

The Governor's FY 2016 recommendation for capital improvements are decreased by \$380.4 million, or 43.4 percent, below the revised FY 2017 level. The largest decrease is in the budget of the Department of Transportation (\$321.3 million), related to a decrease in federal funds and projected decreases in planned road construction contract lettings for FY 2018. Expenditures in the Department of Transportation budget

fluctuate in their funding request due to its best estimate at a given point in time as to projects being let, and its subsequent funding streams.

The Governor's FY 2019 recommendation for capital improvements are recommended to increase by \$249.4 million, or 50.2 percent, above the FY 2018 level. The largest increase

is in the budget of the Department of Transportation (\$272.2 million), related to an increase in planned road construction contract lettings for FY 2019. Expenditures in the Department of Transportation budget fluctuate in its funding request due to its best estimate at a given point in time as to projects being let, and its subsequent funding streams.

EXPENDITURES FROM ALL FUNDS BY MAJOR PURPOSE
(in Millions of Dollars)

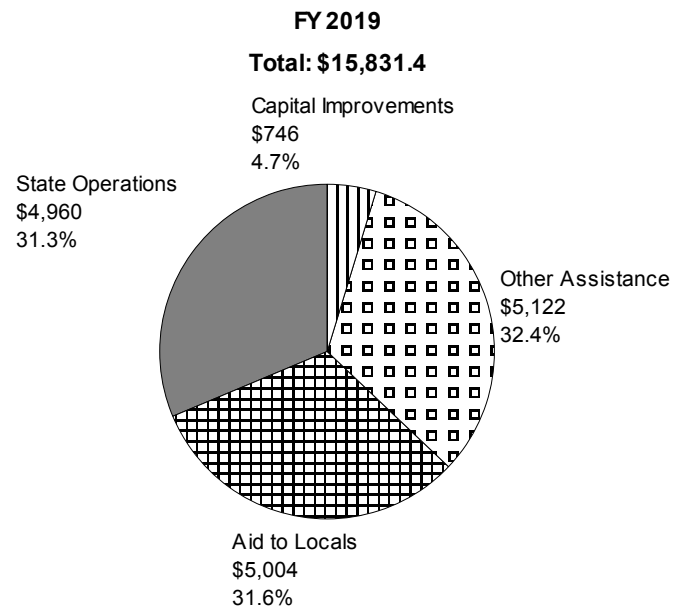
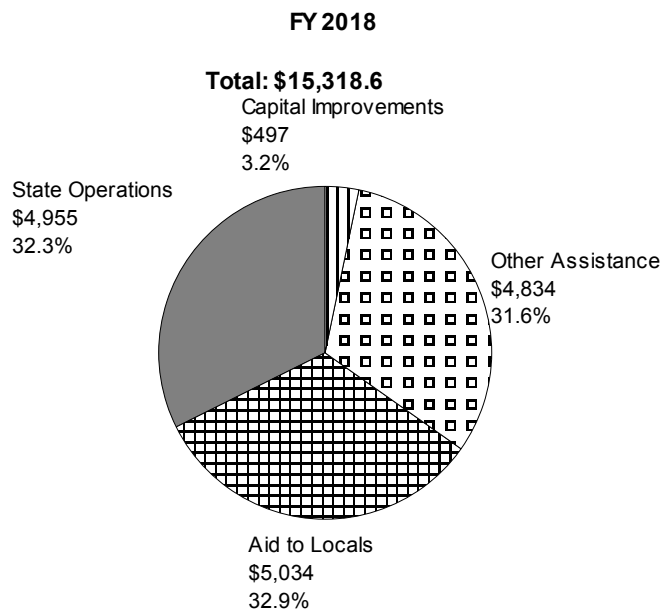
	Actual	Gov. Rec.	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2016	FY 2017	FY 2018	\$	%	FY 2019	\$	%
State Operations	\$ 4,736.2	\$ 5,030.1	\$ 4,954.7	\$ (75.4)	(1.5)%	\$ 4,959.8	\$ 5.1	0.1 %
Aid to Local Units	4,955.7	5,039.2	5,033.7	(5.5)	(0.1)	5,003.8	(29.9)	(0.6)
Other Assistance	4,818.1	4,950.6	4,833.6	(117.0)	(2.4)	5,121.8	288.2	6.0
Total Operations	\$ 14,509.9	\$ 15,019.9	\$ 14,822.0	\$ (197.9)	(1.3)%	\$ 15,085.5	\$ 263.5	1.8 %
Capital Improvements	614.3	877.0	496.6	(380.4)	(43.4)	746.0	249.4	50.2
TOTAL	\$ 15,124.3	\$ 15,896.8	\$ 15,318.6	\$ (578.2)	(3.6)%	\$ 15,831.4	\$ 512.8	3.3 %

Note: Totals may not add due to rounding.

Of the total budget recommendation for FY 2018, 32.3 percent is for state operations; 32.9 percent is for state aid to local units of government; 31.6 percent is for other assistance, grants, and benefits; and 3.2 percent is for capital improvements. For FY 2019, 31.3 percent is for state

operations; 31.6 percent is for state aid to local units of government; 32.4 percent is for other assistance, grants, and benefits; and 4.7 percent is for capital improvements. The following pie charts display the major categories of all funds expenditures in FY 2018 and FY 2019.

**EXPENDITURES FROM ALL FUNDS
BY MAJOR PURPOSE
Governor's Recommendation
(Millions of Dollars)**



Expenditures by Function of Government

The following table and pie charts summarize expenditures from all funds by function of government. Functions of government reflect the six classifications into which similar agencies are grouped that share the same basic purpose of state government. The functions include: General Government; Human Services; Education; Public Safety; Agriculture and Natural Resources; and Transportation. The

Education function is the largest component with 47.0 percent of the total expenditures.

The two largest functions of government—Education and Human Services—comprise 81.0 percent of the recommended expenditures for FY 2018 and 79.4 percent of the recommended expenditures for FY 2019.

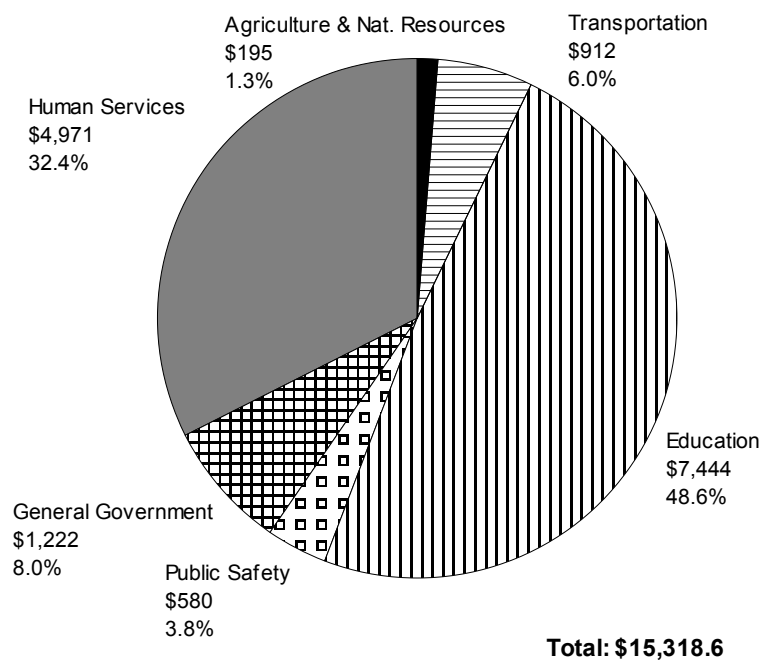
EXPENDITURES FROM ALL FUNDS BY FUNCTION OF GOVERNMENT (in Millions of Dollars)

	Actual	Gov. Rec.	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2016	FY 2017	FY 2018	\$	%	FY 2019	\$	%
General Government	\$ 1,111.4	\$ 1,163.5	\$ 1,222.4	\$ 58.9	5.1 %	\$ 1,239.9	\$ 17.5	1.4 %
Human Services	5,034.8	5,172.2	4,970.5	(201.7)	(3.9)	5,242.4	271.9	5.5
Education	7,230.0	7,536.1	7,443.6	(92.5)	(1.2)	7,413.7	(29.9)	(0.4)
Public Safety	568.3	582.7	579.5	(3.2)	(0.5)	577.6	(1.9)	(0.3)
Agriculture & Nat. Res.	184.7	198.7	195.4	(3.3)	(1.7)	196.5	1.1	0.6
Transportation	995.0	1,257.6	912.1	(345.5)	(27.5)	1,166.3	254.2	27.9
IT and A&M Savings	0.0	(13.9)	(5.0)	8.9	(64.0)	(5.0)	0.0	0.0
TOTAL	\$ 15,124.3	\$ 15,896.8	\$ 15,318.6	\$ (578.2)	(3.6)%	\$ 15,831.4	\$ 512.8	3.3 %

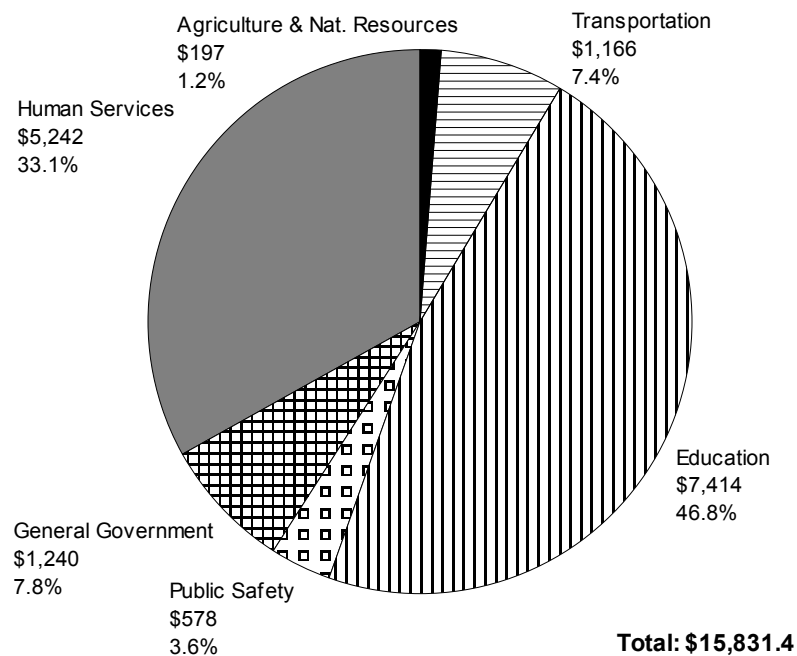
Note: Totals may not add due to rounding.

**EXPENDITURES FROM ALL FUNDS
BY FUNCTION OF GOVERNMENT
Governor's Recommendation
(Millions of Dollars)**

FY 2018



FY 2019



Summary Plan for Financing

Total state expenditures are financed by the resources contained in approximately 1,300 distinct funds. The following table summarizes total state expenditures. The table separates the plan for financing into operating purposes and capital improvements. The State General Fund operating amount shown in the table for FY 2017 is based on current resources of

the fund. The net decrease in State General Fund operating expenditures from FY 2017 to FY 2018 is \$197.9 million, or 1.3 percent, and the increase from FY 2018 to FY 2019 is \$263.4 million or 1.8 percent. The Governor's recommendations do, however, include both positive and negative adjustments for individual agencies.

SUMMARY OF THE PLAN FOR FINANCING STATE EXPENDITURES (in Millions of Dollars)

	Actual	Gov. Rec.	Gov. Rec.	Change		Gov. Rec.	Change		
	FY 2016	FY 2017	FY 2018	\$	%	FY 2019	\$	%	
Operating Expenditures:									
State General Fund	\$ 6,081.6	\$ 6,224.4	\$ 6,222.3	\$ (2.1)	(0.0)%	\$ 6,118.6	\$ (103.7)	(1.7)%	
All Other Funds	8,428.4	8,795.5	8,599.7	(195.8)	(2.2)	8,966.8	367.1	4.3	
Total Operating	\$ 14,510.0	\$ 15,019.9	\$ 14,822.0	\$ (197.9)	(1.3)%	\$ 15,085.4	\$ 263.4	1.8 %	
Capital Improvements:									
State General Fund	\$ 33.6	\$ 28.6	\$ 39.6	\$ 11.0	38.5 %	\$ 36.2	\$ (3.4)	(8.6)%	
All Other Funds	580.7	848.3	456.9	(391.4)	(46.1)	709.8	252.9	55.4	
Total Capital Impr.	\$ 614.3	\$ 876.9	\$ 496.5	\$ (380.4)	(43.4)%	\$ 746.0	\$ 249.5	50.3 %	
TOTAL EXPENDITURES	\$ 15,124.3	\$ 15,896.8	\$ 15,318.6	\$ (578.2)	(3.6)%	\$ 15,831.4	\$ 512.8	3.3 %	

Note: Totals may not add due to rounding.

The State General Fund, to which most state tax receipts are credited, is the predominant source of financing for state expenditures. The State General Fund finances 43.0 percent of estimated FY 2017 expenditures. In FY 2018, the State General Fund finances 42.0 percent of the recommended expenditures and 40.1 percent in FY 2019.

Schedule 7 in *The Governor's Budget Report (Volume 1)* summarizes actual and estimated receipts of federal funds. Estimated FY 2017 receipts are \$3.218 billion, a decrease of

\$780.7 million, or 19.5 percent, below FY 2016 actual receipts. The FY 2018 estimate of \$3.794 billion is \$575.6 million, or 15.1 percent, below FY 2017 estimated receipts. For FY 2019, the federal receipts estimate is \$4.175 billion, which represents a \$381.1 million, or 10.0 percent, increase above the FY 2018 estimate. Four agencies—the Department of Health and Environment, the Department for Children and Families, the Department of Education, and the Department of Transportation—account for 77.0 percent of FY 2018 estimated federal receipts.

Federal receipts for FY 2018 and FY 2019 are dependent on future actions of the federal government. Past

experience indicates the final outcome of those actions will not be known prior to adjournment of the 2017 Legislature.

Expenditures for State Operations

Expenditures for state operations, *i.e.*, for purposes other than local aid, other assistance, and capital improvements, comprise 32.3 percent of total recommended expenditures for FY 2018 and 31.3 percent for FY 2019. The table below divides state operations expenditures into the

following components: salaries and wages; contractual services (communications, rent, travel); commodities (food, supplies, stationery); capital outlay (equipment and furniture, not building any highway construction projects); and debt service interest payments.

SUMMARY OF EXPENDITURES FROM ALL FUNDS STATE OPERATIONS BY MAJOR COMPONENT (in Millions of Dollars)

	Actual	Gov. Rec.	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2016	FY 2017	FY 2018	\$	%	FY 2019	\$	%
Salaries and Wages	\$ 2,708.0	\$ 2,867.5	\$ 2,827.5	\$ (40.0)	(1.4)%	\$ 2,849.2	\$ 21.7	0.8 %
Contractual Services	1,499.4	1,566.3	1,548.8	(17.5)	(1.1)	1,548.1	(0.7)	(0.0)
Commodities	180.1	196.2	195.0	(1.2)	(0.6)	195.0	0.0	0.0
Capital Outlay	137.8	135.8	125.1	(10.7)	(7.9)	117.4	(7.7)	(6.2)
Debt Service Interest	204.3	231.9	223.2	(8.7)	(3.8)	213.9	(9.3)	(4.2)
TOTAL	\$ 4,729.6	\$ 4,997.7	\$ 4,919.5	\$ (78.2)	(1.6)%	\$ 4,923.6	\$ 4.1	0.1 %

Note: Totals may not add due to rounding.

Salaries and wages expenditures, including fringe benefits, comprise almost two-thirds of the recommended state operations budget for FY 2018 (57.5 percent) and represent a \$40.0 million, or 1.4 percent, decrease below the FY 2017 estimate. For FY 2018, it represents a \$21.7 million, or 0.8 percent, increase above the FY 2018 recommendation. The decrease in FY 2018 is largely due to the the 27th payroll that occurred in FY 2017 and not in FY 2018.

The Governor's budget does not include additional resources for broad base salary increases for state employees. While current budget pressure makes providing a statewide increase difficult, specific positions within state government,

such as public safety, have been authorized to provide increases approved by the Legislature.

The employer retirement contribution rate for KPERs State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERs

employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum.

In addition, The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018

contributions is \$12.6 million, including \$10.1 million from the State General Fund.

The Governor also recommends extending the amortization period on the unfunded actuarial liability (UAL) of KPERS by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

GOVERNOR'S STATE EMPLOYEE SALARY ADJUSTMENTS

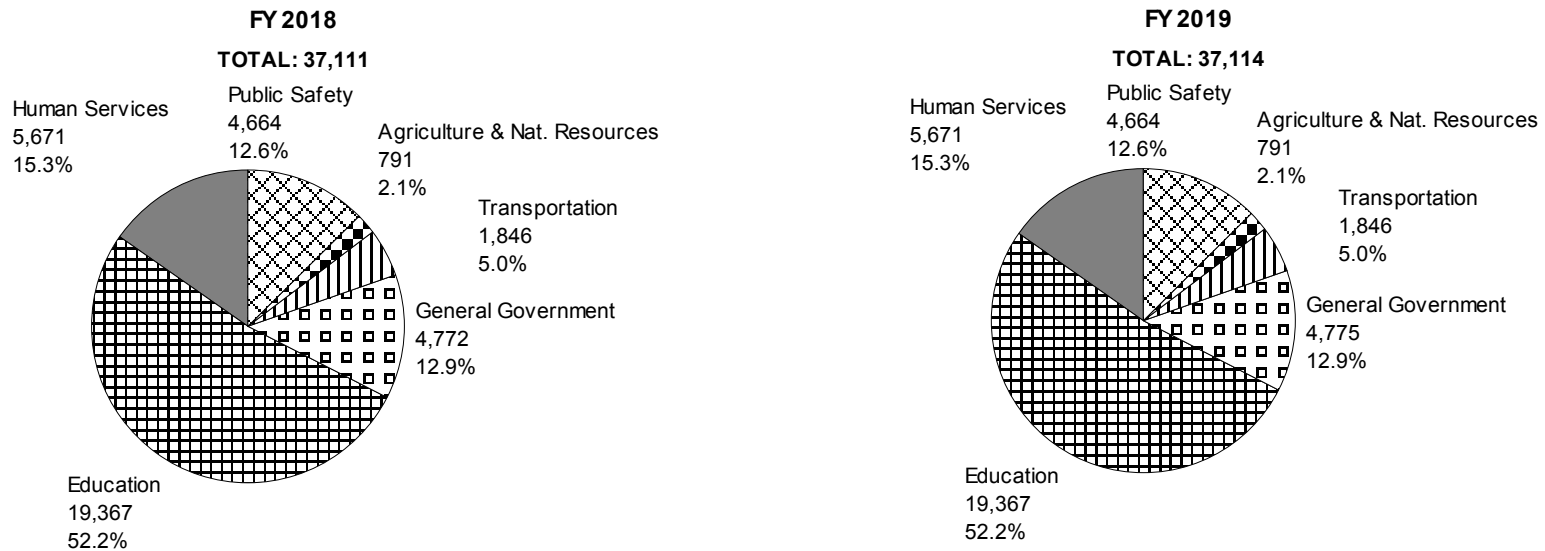
	FY 2018 In Millions	
	State General Fund	All Funds
Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments.	\$ 0.1	\$ 0.3
27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The next anticipated occurrence of a 27th pay period will be in FY 2028.	\$ (40.3)	\$ (107.2)
KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum.	\$ (140.2)	\$ (141.6)
Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019.	\$ (10.1)	\$ (12.6)
KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.	\$ 0.0	\$ 0.0

Authorized FTE Employees by Function of Government

Expenditures for salaries and wages are affected by policy recommendations that change the size of the state's workforce. For the FY 2017 approved budget, the number of authorized positions totaled 39,943.73. Of this amount, 36,423.83 were FTE positions and 3,519.90 were non-FTE

unclassified permanent positions. The Governor's revised budget for the current fiscal year now totals 40,044.4 positions, of which 37,133.2 are FTE positions and 2,911.2 are non-FTE unclassified permanent positions.

FULL-TIME EQUIVALENT (FTE) POSITIONS by Function of Government Governor's Recommendations



State Workforce Adjustments

Most of the increase to state government positions can be attributed to the Department for Children and Families. However, several other agencies had small gains in position

counts. The number of positions recommended for FY 2017 is held constant through FY 2019.

Program or Agency Components of FY 2018 and FY 2019 All Funds Budget

To this point, this memorandum has dealt primarily with measuring year-to-year changes proposed in The Governor's Budget Report. The following tables pertain to FY 2018 and FY 2019 and measures major program or agency expenditures in dollar terms and as a percent of the total budget. The budget of the Department of Education, the Board of Regents and the

Regents Institutions, the Department of Health and Environment, the Kansas Department of Transportation, and the Department for Children and Families account for 82.7 percent of the total state budget in FY 2018 and 83.3 percent in FY 2019.

GOVERNOR'S RECOMMENDED EXPENDITURES FROM ALL FUNDS, FY 2018
By Agency or Program

	<u>Amount (Thousands)</u>	<u>Percent of Total</u>	<u>Cumulative Percent</u>	<u>Percent Change from FY 2017</u>
Department of Education	\$ 4,588,236	30.0 %	30.0 %	0.2 %
Department of Health and Environment - Health	3,774,284	24.6	54.6	(48.1)
Board of Regents and Institutions	2,825,565	18.4	73.0	(24.1)
Department of Transportation	901,693	5.9	78.9	27.7
Department for Children and Families	586,238	3.8	82.7	3.5
Department of Corrections and Facilities	387,740	2.5	85.3	(0.1)
Kansas Lottery	383,538	2.5	87.8	(7.7)
Aging and Disability Services, including Hospitals	338,444	2.2	90.0	80.4
Department of Labor	247,259	1.6	91.6	5.0
Department of Administration	188,675	1.2	92.8	(6.8)
Judicial Branch	156,410	1.0	93.9	(15.4)
Highway Patrol and KBI	122,048	0.8	94.7	(2.0)
Dept. of Commerce	97,252	0.6	95.3	(1.5)
Dept. of Revenue	88,977	0.6	95.9	6.9
Department of Wildlife, Parks and Tourism	77,541	0.5	96.4	(5.6)
Insurance Dept. and Health Care Stabilization	70,333	0.5	96.8	(9.1)
Department of Health and Environment - Environment	60,713	0.4	97.2	2.2
Adjutant General	53,436	0.3	97.6	(10.3)
All Others	51,501	0.3	97.9	5.6
KPERS	46,508	0.3	98.2	(3.2)
Department of Agriculture	44,284	0.3	98.5	7.9
Legislative Branch	28,191	0.2	98.7	2.6
Board of Indigent's Defense	27,154	0.2	98.9	1.1
Office of the Governor	26,401	0.2	99.0	(3.6)
State Treasurer	25,566	0.2	99.2	(0.4)
Attorney General	23,320	0.2	99.4	0.2
Commission on Veteran's Affairs	23,108	0.2	99.5	6.9
Corporation Commission	22,420	0.1	99.7	1.1
Schools for the Blind and Deaf	17,274	0.1	99.8	3.9
State Bank Commissioner	11,033	0.1	99.8	0.6
Kansas Racing and Gaming Commission	8,915	0.1	99.9	(0.2)
Sentencing Commission	7,664	0.1	100.0	2.6
State Historical Society	6,837	0.0	100.0	4.8
TOTAL	\$ 15,318,558	100.0 %	100.0 %	(3.6)%

Note: Each agency's expenditures include state and federal aid, if any, to local units of government.

**GOVERNOR'S RECOMMENDED EXPENDITURES FROM ALL FUNDS, FY 2019
By Agency or Program**

	<u>Amount (Thousands)</u>	<u>Percent of Total</u>	<u>Cumulative Percent</u>	<u>Percent Change from FY 2018</u>
Department of Education	\$ 4,559,576	28.8 %	28.8 %	(0.6) %
Department of Health and Environment - Health	4,042,898	25.5	54.3	(7.1)
Board of Regents and Institutions	2,824,670	17.8	72.2	(27.0)
Department of Transportation	1,166,282	7.4	79.5	(29.3)
Department for Children and Families	589,400	3.7	83.3	(0.5)
Department of Corrections and Facilities	391,850	2.5	85.7	(3.9)
Kansas Lottery	387,253	2.4	88.2	(1.0)
Aging and Disability Services, including Hospitals	338,517	2.1	90.3	0.0
Department of Labor	246,918	1.6	91.9	0.1
Department of Administration	184,011	1.2	93.1	2.5
Judicial Branch	155,772	1.0	94.0	0.4
Highway Patrol and KBI	121,781	0.8	94.8	0.2
Dept. of Commerce	94,804	0.6	95.4	2.5
Dept. of Revenue	89,285	0.6	96.0	(0.3)
Department of Wildlife, Parks and Tourism	76,966	0.5	96.5	0.7
Insurance Dept. and Health Care Stabilization	73,896	0.5	96.9	(5.1)
Department of Health & Environment - Environment	61,081	0.4	97.3	(0.6)
All Others	51,911	0.3	97.6	(15.5)
KPERS	48,004	0.3	97.6	(3.2)
Adjutant General	47,800	0.3	97.9	10.5
Department of Agriculture	45,544	0.3	98.2	(2.8)
Office of the Governor	29,353	0.2	98.4	(11.2)
Legislative Branch	28,547	0.2	98.6	(1.3)
Board of Indigent's Defense	28,101	0.2	98.7	(3.5)
State Treasurer	25,639	0.2	98.9	(0.3)
Commission on Veteran's Affairs	23,554	0.1	99.1	(1.9)
Attorney General	23,448	0.1	99.2	(0.5)
Corporation Commission	22,689	0.1	99.3	(1.2)
Schools for the Blind and Deaf	16,834	0.1	99.5	2.5
State Bank Commissioner	11,559	0.1	99.5	(4.8)
Kansas Racing and Gaming Commission	9,007	0.1	99.6	(1.0)
Sentencing Commission	7,546	0.0	99.6	1.5
State Historical Society	6,904	0.0	99.7	(1.0)
TOTAL	\$ 15,831,400	100.0 %	100.0 %	3.3 %

Note: Each agency's expenditures include state and federal aid, if any, to local units of government.

The following tables reflect changes in agency budgets from the Governor's FY 2017 revised recommendation to the Governor's recommended FY 2018 and FY 2019 budgets.

**CHANGE IN EXPENDITURES FROM ALL FUNDS
FY 2017 to FY 2018
Governor's Recommendation**

	Amount (Thousands)	Comments
Total Change	\$ 73,086	
Aging, including Hospitals	(1,390,822)	Consolidation of Medicaid funding in KDHE
Department of Revenue	(6,559)	Operational expenditures
Department of Agriculture	(3,776)	State operations and other assistance
Department of Transportation	(345,434)	Fluctuation in capital improvements funding
Commission on Veteran's Affairs	(1,707)	Capital improvements
Kansas Department of Health and Environment – Health	1,225,303	Consolidation of Medicaid funding in KDHE
Board of Regents and Institutions	548,133	Capital improvements and operating expenditures
All Other	47,948	Various operational expenditures

Note: Totals may not add due to rounding.

CHANGE IN EXPENDITURES FROM ALL FUNDS
FY 2018 to FY 2019
Governor's Recommendation

	Amount (Thousands)	Comments
Total Change	\$ 1,131,024	
Board of Regents and Institutions	600,255	Capital improvements and operating expenditures
Department of Health and Environment – Health	268,614	Caseload Consensus Estimates for Medical
Department of Transportation	264,589	Fluctuation in capital improvements funding
Department of Corrections	14,568	Inmate Health Care
Department of Education	(28,660)	Aid to locals
Adjutant General's Office	(5,635)	State operations and aid to locals
Department of Administration	(4,664)	State operations and capital improvements
All Others	21,957	Various operational expenditures

Note: Totals may not add due to rounding.

EXPENDITURES AND STATUS OF THE STATE GENERAL FUND

Program and Agency Components of the FY 2018 and FY 2019 State General Fund Budget

The following table provides an overview of the program or agency components of the Governor's recommended FY 2018 and FY 2019 expenditures from the State General Fund. This table identifies individual components that comprise 99.9

percent of State General Fund expenditures. The Education function accounts for 60.9 percent of all State General Fund expenditures in FY 2018 and FY 2019.

STATE GENERAL FUND EXPENDITURES BY PROGRAM OR AGENCY
Governor's Recommendations for FY 2018

	Amount (Thousands)	Percent of Total	Cumulative Percent	Increase Over FY 2017	
				Amount (Thousands)	Percent
Education					
Department of Education	\$ 3,041,919	48.6 %	48.6 %	\$ (36,922)	(1.2)%
Board of Regents/Institutions	752,839	12.0	60.6	(7,155)	(1.0)
Other Education	21,842	0.3	60.9	(446)	(2.0)
<i>Subtotal, Education</i>	<i>\$ 3,816,600</i>	<i>60.9 %</i>	<i>170.1 %</i>	<i>\$ (44,523)</i>	<i>(1.2)%</i>
Department of Health and Environment - Health	\$ 1,273,124	20.3 %	81.3 %	\$ 598,322	47.0 %
Department of Corrections/Institutions	354,773	5.7	86.9	(4,576)	(1.3)
Department for Children and Families	244,603	3.9	90.9	4,086	1.7
KDADS and Hospitals	177,936	2.8	93.7	(568,366)	(319.4)
Department of Administration	130,089	2.1	95.8	8,472	6.5
Judicial Branch	122,039	1.9	97.7	16,923	13.9
Legislative Agencies	28,191	0.5	98.2	(748)	(2.7)
Board of Indigents' Defense Services	26,548	0.4	98.6	(304)	(1.1)
Highway Patrol and KBI	22,563	0.4	99.0	(1,302)	(5.8)
Department of Revenue	15,216	0.2	99.2	(1,691)	(11.1)
Department of Agriculture	9,053	0.1	99.3	(412)	(4.6)
Adjutant General	7,620	0.1	99.5	(648)	(8.5)
Sentencing Commission	7,397	0.1	99.6	(78)	(1.1)
Office of the Governor	6,582	0.1	99.7	(855)	(13.0)
Commission on Veteran's Affairs	6,502	0.1	99.8	(348)	(5.4)
Attorney General	6,037	0.1	99.9	281	4.7
Department of Health and Environment - Environment	3,933	0.1	99.9	(350)	(8.9)
Department of Commerce	2,800	0.0	100.0	(3,770)	(134.6)
Kansas Guardianship Program	1,149	0.0	100.0	0	0.0
Kansas Human Rights Commission	1,038	0.0	100.0	(33)	(3.2)
All Other	(1,856)	(0.0)	100.0	8,843	(476.5)
TOTAL	\$ 6,261,937	100.0 %	100.0 %	\$ 8,923	0.1 %

Note: Totals may not add due to rounding.

STATE GENERAL FUND EXPENDITURES BY PROGRAM OR AGENCY
Governor's Recommendations for FY 2019

	Amount (Thousands)	Percent of Total	Cumulative Percent	Increase Over FY 2018	
				Amount (Thousands)	Percent
Education					
Department of Education	\$ 2,970,704	48.3 %	48.3 %	\$ (71,214)	(2.4)%
Board of Regents/Institutions	756,968	12.3	60.6	4,129	0.5
Other Education	21,984	0.4	60.9	141	0.6
<i>Subtotal, Education</i>	<i>\$ 3,749,656</i>	<i>60.9 %</i>	<i>169.8 %</i>	<i>\$ (66,944)</i>	<i>(1.8)%</i>
Department of Health and Environment - Health	\$ 1,225,689	19.9 %	80.8%	\$ (47,435)	(3.9) %
Department of Corrections/Institutions	360,767	5.9	86.7	5,994	1.7
Department for Children and Families	250,803	4.1	90.8	6,200	2.5
KDADS and Hospitals	178,666	2.9	93.7	730	0.4
Department of Administration	125,397	2.0	95.7	(4,693)	(3.7)
Judicial Branch	122,331	2.0	97.7	292	0.2
Legislative Agencies	28,547	0.5	98.2	356	1.2
Board of Indigents' Defense Services	27,495	0.4	98.6	946	3.4
Highway Patrol and KBI	22,665	0.4	99.0	102	0.5
Department of Revenue	15,331	0.2	99.2	115	0.8
Department of Agriculture	9,094	0.1	99.4	41	0.5
Sentencing Commission	7,403	0.1	99.5	6	0.1
Adjutant General	6,932	0.1	99.6	(688)	(9.9)
Office of the Governor	6,590	0.1	99.7	9	0.1
Commission on Veteran's Affairs	6,530	0.1	99.8	28	0.4
Attorney General	6,068	0.1	99.9	31	0.5
Department of Health and Environment - Environment	3,962	0.1	100.0	30	0.8
Kansas Guardianship Program	1,149	0.0	100.0	0	0.0
Kansas Human Rights Commission	1,045	0.0	100.0	7	0.7
Department of Commerce	557	0.0	100.0	(2,243)	(402.7)
All Other	(1,836)	(0.0)	100.0	20	(1.1)
TOTAL	\$ 6,154,841	100.0 %	100.0 %	\$ (107,096)	(1.7)%

Note: Totals may not add due to rounding.

State General Fund Expenditures by Function of Government

The next table summarizes State General Fund expenditures by function of government. The Education function accounts for the largest portion of the State General Fund budget (60.9 percent in FY 2018 and FY 2019). Two functions,

Education and Human Services, account for 88.2 percent of all State General Fund expenditures in FY 2018 and 87.9 percent in FY 2019.

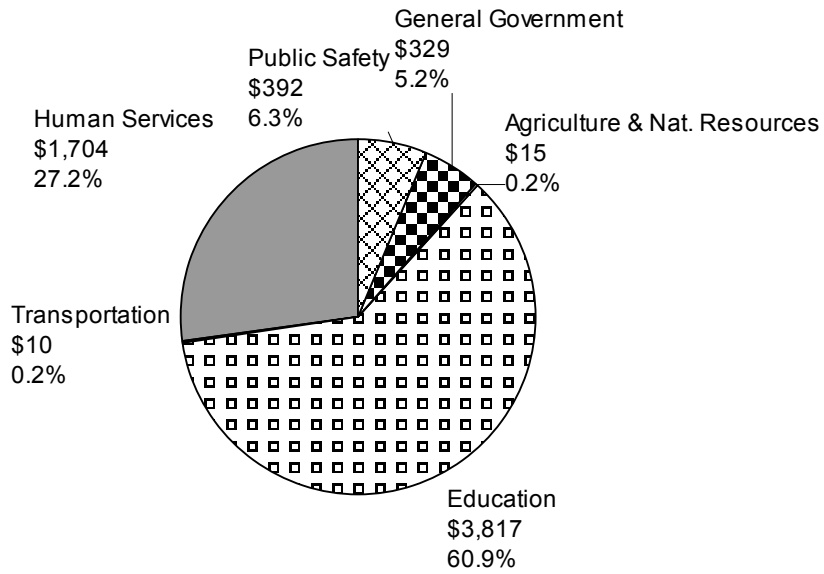
STATE GENERAL FUND EXPENDITURES BY FUNCTION OF GOVERNMENT Governor's Recommendation (In Millions of Dollars)

	Actual	Gov. Rec.	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2016	FY 2017	FY 2018	\$	%	FY 2019	\$	%
General Government	\$ 255.6	\$ 311.0	\$ 329.2	\$ 18.2	5.9 %	\$ 334.5	\$ 5.3	1.6 %
Human Services	1,658.8	1,669.9	1,703.6	33.7	2.0	1,663.1	(40.5)	(2.4)
Education	3,791.0	3,861.1	3,816.6	(44.5)	(1.2)	3,749.7	(66.9)	(1.8)
Public Safety	383.8	399.0	392.4	(6.6)	(1.7)	397.8	5.4	1.4
Agriculture & Nat. Res.	15.2	15.5	14.7	(0.8)	(5.2)	14.8	0.1	0.7
Transportation	10.9	10.4	10.4	0.0	0.0	0.0	(10.4)	(100.0)
IT & A&M Savings	0.0	(13.9)	(5.0)	8.9	(64.0)	(5.0)	0.0	0.0
TOTAL	\$ 6,115.1	\$ 6,253.0	\$ 6,261.9	\$ 8.9	0.1 %	\$ 6,154.8	\$ (107.1)	(1.7)%

Note: Totals may not add due to rounding.

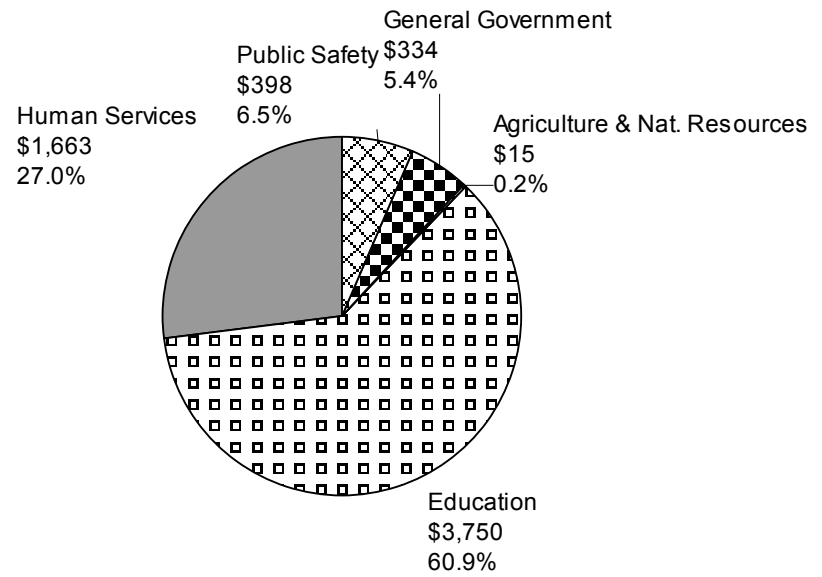
**FY 2018 STATE GENERAL FUND EXPENDITURES
BY FUNCTION OF GOVERNMENT
Governor's Recommendation
(Millions of Dollars)**

FY 2018



TOTAL: \$6,261.9

FY 2019



TOTAL: \$6,154.8

Expenditures by Major Purpose

Over \$3.2 billion (51.5 percent) of recommended FY 2018 expenditures from the State General Fund are paid to local units of government, 24.7 percent are for other assistance expenditures, 23.2 percent represent the costs of state operations, and less than 1.0 percent are for capital improvements.

Over \$3.4 billion (51.3 percent) of recommended FY 2019 expenditures from the State General Fund are paid to

local units of government, 24.4 percent are for other assistance expenditures, 23.7 percent represent the costs of state operations, and less than 1.0 percent are for capital improvements.

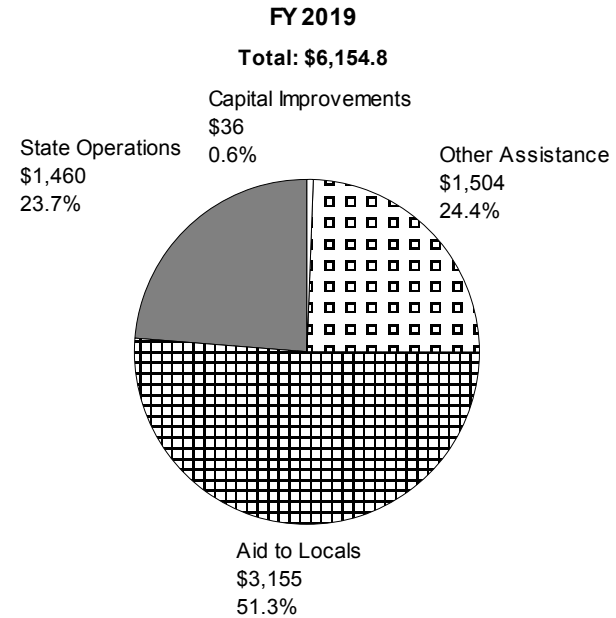
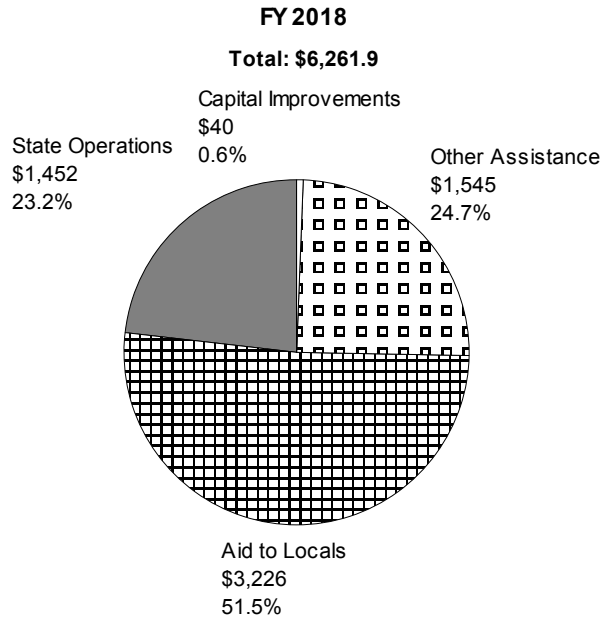
The following table reflects expenditures for state operations by function of government.

EXPENDITURES FROM STATE GENERAL FUND BY MAJOR PURPOSE (in Millions of Dollars)

	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Change		Gov. Rec. FY 2019	Change	
				\$	%		\$	%
State Operations	\$ 1,395.4	\$ 1,477.0	\$ 1,451.8	\$ (25.2)	(1.7)%	\$ 1,460.1	\$ 8.3	0.6%
Aid to Local Units	3,217.5	3,276.5	3,253.6	(22.9)	(0.7)	3,154.5	(99.1)	(3.0)
Other Assistance	1,468.7	1,470.9	1,517.0	46.1	3.1	1,504.0	(13.0)	(0.9)
Total Operations	\$ 6,081.6	\$ 6,224.4	\$ 6,222.4	\$ (2.0)	(0.0)%	\$ 6,118.6	\$ (103.8)	(1.7)%
Capital Improvements	33.6	28.6	39.6	11.0	38.5	36.2	(3.4)	(8.6)
TOTAL	\$ 6,115.1	\$ 6,253.0	\$ 6,261.9	\$ 8.9	0.1%	\$ 6,154.8	\$ (107.1)	(1.7)%

Note: Totals may not add due to rounding.

**STATE GENERAL FUND EXPENDITURES BY MAJOR PURPOSE
GOVERNOR'S RECOMMENDATION
(Millions of Dollars)**



**STATE GENERAL FUND FOR STATE OPERATIONS BY FUNCTION OF GOVERNMENT
(in Millions of Dollars)**

	Actual	Gov. Rec.	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2016	FY 2017	FY 2018	\$	%	FY 2019	\$	%
General Government	\$ 226.6	\$ 278.2	\$ 290.5	\$ 12.3	4.4 %	\$ 301.8	\$ 11.3	3.9 %
Human Services	236.6	259.2	230.4	(28.8)	(11.1)	231.3	0.9	0.4
Education	587.2	596.9	586.0	(10.9)	(1.8)	587.2	1.2	0.2
Public Safety	319.6	331.3	325.5	(5.8)	(1.8)	330.7	5.2	1.6
Agriculture & Nat. Res.	14.6	14.9	14.1	(0.8)	(5.4)	14.1	0.0	0.0
Transportation	10.9	10.4	10.4	0.0	0.0	0.0	(10.4)	(100.0)
A&M and IT Savings	0.0	(13.9)	(5.0)	8.9	(64.0)	(5.0)	0.0	0.0
TOTAL	\$ 1,395.4	\$ 1,477.0	\$ 1,451.8	\$ (25.1)	(1.7)%	\$ 1,460.1	\$ 8.3	0.6 %

Note: Totals may not add due to rounding.

State Aid to Local Units of Government

The table on the following pages lists state aid by major program or financing source. Although most of the programs of state aid to local units are financed from the State General

Fund, some significant ones are financed from the resources of other funds.

FY 2018 and FY 2019 STATE AID TO LOCAL UNITS OF GOVERNMENT (In Thousands)

	Actual	Gov. Rec.	Gov. Rec.	FY 2017 - FY 2018 Change		Gov. Rec.	FY 2018 - FY 2019	
	FY 2016	FY 2017	FY 2018	Dollar	Percent	FY 2019	Dollar	Percent
General State Aid	\$ 1,842,534	\$ 1,855,830	\$ 1,784,830	\$ (71,000)	(3.8) %	\$ 1,715,867	\$ (68,963)	(3.9) %
Supp. Gen. Aid	414,833	470,626	470,626	0	0.0	470,626	0	0.0
<i>Subtotal</i>	<i>\$ 2,257,367</i>	<i>\$ 2,326,456</i>	<i>\$ 2,255,456</i>	<i>\$ (71,000)</i>	<i>(3.1) %</i>	<i>\$ 2,186,493</i>	<i>\$ (68,963)</i>	<i>(3.1) %</i>
KPERS - CC, Tech	11,838	3,385	2,165	(1,220)	0.0	1,670	(495)	0.0
KPERS-School	\$ 257,621	\$ 241,464	\$ 261,569	\$ 20,105	0.0 %	\$ 259,743	\$ (1,826)	0.0 %
Extraordinary Needs	9,364	0	0	0	0.0	0	0	0.0
Special Education	424,754	425,471	423,981	(1,490)	0.0	423,981	0	0.0
Capital Outlay State Aid								
(Demand Transfer)	27,048	58,704	58,704	(0)	0.0	58,704	0	0.0
Deaf/Blind/Handicapped	97	110	110	0	0.0	110	0	0.0
Food Service	2,391	2,391	2,391	0	0.0	2,391	0	0.0
Teaching Excellence	229	292	292	0	0.0	292	0	0.0
Discretionary Grants	181	181	181	0	0.0	181	0	0.0
Fort Riley Match	410	2	0	(2)	0.0	0	0	0.0
State Voluntary Retirement	6	2	0	(2)	0.0	0	0	0.0
Juvenile Detention	4,543	4,772	4,772	(1)	0.0	4,772	0	0.0
<i>Subtotal-USDs</i>	<i>\$ 2,995,848</i>	<i>\$ 3,063,228</i>	<i>\$ 3,009,620</i>	<i>\$ (53,609)</i>	<i>0.0 %</i>	<i>\$ 2,938,336</i>	<i>\$ 0</i>	<i>0.0 %</i>
Technical Innovation	\$ 175	\$ 220	\$ 179	\$ (41)	0.0 %	\$ 179.3	\$ 0	0.0 %
Career Tech Ed Basic Grant	5,402	5,450	5,450	0	0.0	5,450	0	0.0
Postsecondary Tiered Technical Education	58,301	55,969	55,969	0	0.0	55,969	0	0.0
Non-Tiered Course Credit Hour Grant	76,496	73,436	73,436	0	0.0	73,436	0	0.0
Technical Equipment for Technical Colleges and Washburn University	399	383	383	0	0.0	383	0	0.0
Vocational Education Capital Outlay	72	69	69	0	0.0	69	0	0.0
Adult Basic Education	1,343	1,399	1,399	0	0.0	1,399	0	0.0

**FY 2018 and FY 2019 STATE AID TO LOCAL UNITS OF GOVERNMENT
(In Thousands)**

	Actual	Gov. Rec.	Gov. Rec.	FY 2017 - FY 2018 Change		Gov. Rec.	FY 2018 - FY 2019	
	FY 2016	FY 2017	FY 2018	Dollar	Percent	FY 2019	Dollar	Percent
Washburn University	\$ 11,901	\$ 11,425	\$ 11,425	\$ 0	0.0 %	\$ 11,425	\$ 0	0.0 %
Technical Education								
Tuition	20,750	20,750	20,750	0	0.0	20,750	0	0.0
Incentive for Technical								
Education	49	50	50	0	0.0	50	0	0.0
Nursing Faculty &								
Supplies Grant	1,068	1,016	1,016	0	0.0	1,016	0	0.0
Other Aid	83	0	0	0	0.0	0	0	0.0
Historical Society	9	10	10	0	0.0	10	0	0.0
State Library	1,405	1,358	1,301	(57)	0.0	1,298	(3)	0.0
<i>Subtotal-Education</i>	<u>\$ 3,173,301</u>	<u>\$ 3,234,762</u>	<u>\$ 3,181,056</u>	<u>\$ (53,707)</u>	<u>0.0 %</u>	<u>\$ 3,109,769</u>	<u>\$ (71,287)</u>	<u>0.0 %</u>
Community								
Corrections	\$ 18,968	\$ 20,192	\$ 20,192	\$ 0	0.0 %	\$ 20,192	\$ (0)	0.0 %
Juvenile Programs	21,590	19,295	20,384	1,089	0.0	20,384	0	0.0
Public Health	5,801	5,703	7,976	2,273	0.0	7,976	0	0.0
DCF/Aging Dept. Prog.	2,363	1,430	1,430	0	0.0	1,430	0	0.0
Attorney General	0	0	50	50	0.0	50	0	0.0
Office of the Governor	6	0	0	0	0.0	0	0	0.0
Disaster Relief	1,055	755	266	(490)	0.0	310	44	0.0
<i>Subtotal -</i>								
<i>Other Prog.</i>	<u>\$ 49,782</u>	<u>\$ 47,376</u>	<u>\$ 50,298</u>	<u>\$ 2,923</u>	<u>0.0 %</u>	<u>\$ 50,342</u>	<u>\$ 44</u>	<u>0.0 %</u>
TOTAL	<u>\$ 3,223,083</u>	<u>\$ 3,282,138</u>	<u>\$ 3,231,354</u>	<u>\$ 0</u>	<u>0.0 %</u>	<u>\$ 3,160,111</u>	<u>\$ 0</u>	<u>0.0 %</u>
Percent of Total SGF	52.7 %	52.4 %	51.6 %			51.3 %		

**Selected Education State Aid from Other Funds
(In Thousands)**

	Actual	Gov. Est.	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2016	FY 2017	FY 2018	\$	%	FY 2019	\$	%
School District Finance Fund	\$ 648,420	\$ 662,591	\$ 662,070	\$ (521)	(0.1)%	\$ 712,903	\$ 50,833	7.7 %
KPERS–ELARF	29,575	35,431	39,883	4,452	12.6	40,084	201	0.5
Mineral Production Fund	0	11,473	8,529	(2,944)	(25.7)	10,750	2,221	26.0
Transportation Aid–State Highway Fund	107,253	107,250	107,250	0	0.0	107,250	0	0.0
State Safety Fund	815	1,525	1,675	150	9.8	1,675	0	0.0
Children’s Initiatives Fund	12,037	15,544	0	(15,544)	(100.0)	0	0	--
Temporary Assistance for Needy Families (TANF)	0	11,370	11,370	0	0.0	11,370	0	0.0
School District Capital Improvement Fund	163,342	181,000	195,500	14,500	8.0	203,500	8,000	4.1
All Other Funds	447,417	465,142	466,387	1,245	0.3	472,467	6,080	1.3
TOTAL	\$ 1,408,859	\$ 1,491,326	\$ 1,492,664	\$ 1,338	0.1 %	\$ 1,559,999	\$ 67,335	4.5 %

Note: Totals may not add due to rounding.

**Selected Non-education State Aid from Other Funds
(In Thousands)**

	Actual	Gov. Rec.	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2016	FY 2017	FY 2018	\$	%	FY 2019	\$	%
KDOT – CCHF and Co. Equalization	\$ 149,823	\$ 150,894	\$ 151,048	\$ 155	0.1 %	\$ 152,387	\$ 1,338	0.9 %
KDOT – City Maintenance – SHF	47,602	38,801	37,909	(892)	(2.3)	37,966	58	0.2
KDOT – Public Transportation	6,017	19,493	11,000	(8,493)	(43.6)	11,000	0	0.0
KDOT – Aviation	4,865	5,110	5,000	(110)	(2.1)	5,000	0	0.0
Insurance – Firefighters Relief	13,489	13,900	14,000	100	0.7	14,000	0	0.0
Lottery – Expanded Lottery Aid to Locals	10,934	11,313	12,300	987	8.7	12,354	54	0.4
Corrections – Community Corr.	2,300	2,300	2,300	0	0.0	2,300	0	0.0
Corrections – Juvenile Programs	2,774	3,522	3,522	0	0.0	3,522	0	0.0
KDOR – Oil and Gas, Mineral Production, misc.	19,711	3,685	3,685	0	0.0	3,685	0	0.0
KDHE – Local Health Departments	5,317	3,055	651	(2,404)	(78.7)	651	0	0.0
KDHE – Environmental Enforcement	789	1,908	1,908	0	0.0	1,908	0	0.0
Agriculture – SWPF Aid to Local Districts	2,672	2,093	2,000	(93)	(4.4)	2,093	93	4.6
Treasurer – Tax Increment Financing Revenue Replacement	992	1,000	1,000	0	0.0	1,000	0	0.0
EMS Education and Assistance Grants	695	667	643	(24)	(3.5)	640	(3)	(0.5)
All Other	499	993	822	(170)	(17.1)	822	0	0.0
TOTAL	\$ 268,480	\$ 258,732	\$ 247,789	\$ (10,943)	(4.2)%	\$ 249,328	\$ 1,540	0.6 %

Note: Totals may not add due to rounding.

INCREASE IN STATE GENERAL FUND EXPENDITURES
Governor's Recommendation
FY 2017 – FY 2019

Total Change in Expenditures	Gov. Rec. FY 2018 Amount (Thousands)	Gov. Rec. FY 2018 Percent of Total Increase	Gov. Rec. FY 2019 Amount (Thousands)	Gov. Rec. FY 2019 Percent of Total Increase
KDHE – Health	\$ 598,322.0	6,705.5 %	\$ (47,435.0)	44.3 %
Judicial Branch	16,923.0	189.7	291.6	(0.3)
Regents and Institutions	(7,155.4)	(80.2)	4,129.4	(3.9)
Department of Administration	8,471.5	94.9	(4,692.8)	4.4
KDADS and Hospitals	(568,366.0)	(6,369.7)	730.0	(0.7)
Department of Education	(36,922.5)	(413.8)	(71,214.2)	66.5
Department of Commerce	(3,770.0)	(42.3)	(2,243.0)	2.1
All Other	1,420.3	15.9	13,338.1	(12.5)
TOTAL	\$ 8,922.9	100.0 %	\$ (107,095.9)	100.0 %

DEMAND/REVENUE TRANSFERS FROM THE STATE GENERAL FUND

Demand transfers are certain expenditures specified by statute. Since FY 2002, the demand transfers to the Local *Ad Valorem* Tax Reduction Fund (LAVTRF), the County and City Revenue Sharing Fund (the CCRSF) and the Special City and County Highway Fund (SCCHF) have been treated as revenue transfers. By changing these demand transfers to revenue transfers, these funds were no longer considered State General Fund expenditures and thus, no longer subject to the State General Fund ending balance law. In FY 2003, the Governor

recommended changing the State Water Plan Fund and the School District Capital Improvements Fund to revenue transfers as well. Since FY 2004, the remaining demand transfers, with the exception of the School District Capital Outlay Fund, are also treated as revenue transfers. The only transfers recommended for FY 2018 and FY 2019 are the School District Capital Improvement Fund (\$195.5 million for FY 2018 and \$203.5 million for FY 2019) and the Regents Faculty of Distinction (\$688,776 for FY 2018 and FY 2019).

Status of the State General Fund

The Governor's recommendations for FY 2017 revised estimates, FY 2018, and FY 2019 would result in an ending balance of \$216.4 million at the end of FY 2018 and \$538.7

million at the end of FY 2019. Recommended receipts for FY 2018 and FY 2019 are equal to the consensus revenue estimates with the exception of certain transfers, adjustments,

and revenue proposals recommended by the Governor, which increase projected State General Fund receipts by \$842.4 million in FY 2018 and increased projections by \$901.6 million for FY 2019.

The Governor has proposed the following tax increases and changes:

- Impose a tax on “passive income” received by silent partners in businesses that receive rents and royalties, which is estimated to raise \$40.0 million for FY 2018 and FY 2019;
- Freeze the bottom income tax rate at 2.7 percent and eliminate the scheduled decrease to 2.6 percent in tax year 2018, which is estimated to raise \$4.8 million for FY 2018 and \$16.1 million for FY 2019;
- Increase the annual report filing fee for for-profit entities from \$40 to \$200, which is estimated to net \$33.6 million for FY 2018 and FY 2019;
- Increase the cigarette tax by \$1.00 per pack, which is estimated to raise \$42.1 million for FY 2018 and \$46.4 million for FY 2019;
- Double the tax on tobacco products from 10.0 percent to 20.0 percent, which is estimated to raise \$6.2 million in FY 2018 and \$7.8 million in FY 2019; and
- Double the liquor enforcement tax from 8.0 percent to 16.0 percent, which is estimated to raise \$52.3 million for FY 2018 and \$54.7 million for FY 2019.

Some of the Governor’s proposed revenue adjustments include the following transfer changes:

- Transfer \$288.3 million from State Highway Fund for FY 2018 and \$293.1 million from the State Highway Fund for FY 2019;
- Transfer \$19.2 million from the Economic Development Initiatives Fund for FY 2018 and FY 2019;
- Transfer \$8.2 million from the Expended Lottery Act Revenue Fund for FY 2018 and \$8.6 million for FY 2019;
- Do not transfer out \$115.5 million from the State General Fund to KPERS in FY 2018 to repay delayed payments from FY 2016; and
- Do not transfer out \$181.6 million from the State General Fund to the Local *Ad Valorem* Tax Reduction Fund (\$54.0 million), City County Revenue Sharing Fund (\$72.6 million), and the Kansas Bioscience Authority (\$55.0 million) for FY 2019.

Other revenue adjustments in the Governor’s recommendation include:

- Securitize the tobacco settlement funds for a one-time revenue, which is estimated to be \$265.0 million deposited into FY 2018 and FY 2019, for a total of \$530.0 million;
- Increase the MCO privilege fee from 2.00 percent to 5.77 percent (costs \$27.9 million in FY 2018 and saves \$88.7 million in FY 2019); and
- Increase hospital provider assessment from 1.87 percent to 4.65 percent for FY 2019, raising \$73.5 million.

STATE GENERAL FUND RECEIPTS, EXPENDITURES, AND BALANCES
(Millions of Dollars)

	Actual FY 2016	Gov. Rec. FY 2017	Change	Gov. Rec. FY 2018	Change	Gov. Rec. FY 2019	Change
Beginning Unencumbered Cash	\$ 71.5	\$ 37.1	\$ (34.4)	\$ 99.6	\$ 62.5	\$ 216.4	\$ 116.8
Receipts	6,080.7	5,980.1	(100.6)	5,536.4	(443.7)	5,575.4	39.0
Gov. Rec. Adjustments	0.0	308.4	308.4	180.0	(128.4)	107.2	(72.8)
Adjusted Receipts	0.0	27.0	27.0	662.3	635.3	794.5	132.2
Total Resources	\$ 6,152.2	\$ 6,352.6	\$ 200.4	\$ 6,478.3	\$ 125.7	\$ 6,693.5	\$ 215.2
Less Expenditures	6,115.1	6,253.0	137.9	6,261.9	8.9	6,154.8	(107.1)
Ending Unencumbered Cash Balance	\$ 37.1	\$ 99.6	\$ 62.5	\$ 216.4	\$ 116.8	\$ 538.7	\$ 322.3
Ending Balance as a Percentage of Expenditures	0.6 %	1.6 %		3.5 %		8.8 %	
Adj. Receipts in Excess of Expenditures	\$ (329.6)	\$ 62.5		\$ 116.8		\$ 322.3	

Note: Totals may not add due to rounding.

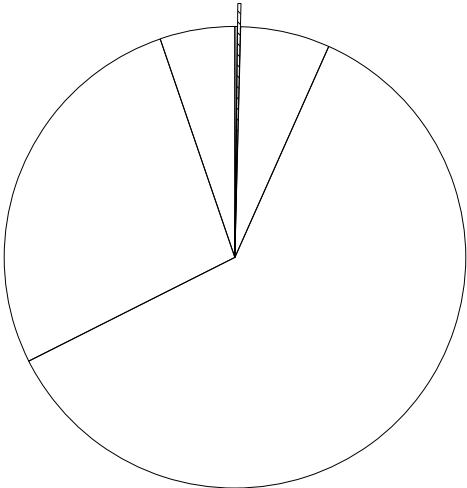
The following chart reflects the amounts of receipts in excess of expenditures from FY 2001 to FY 2019.

**RECEIPTS IN EXCESS OF EXPENDITURES
GOVERNOR'S RECOMMENDATION – STATE GENERAL FUND
(In Millions)**

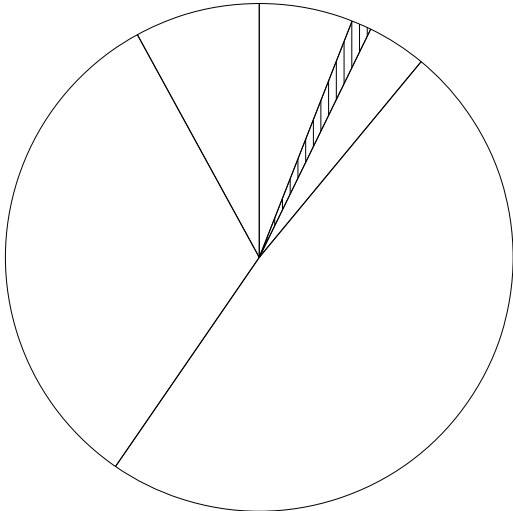


AGRICULTURE AND NATURAL RESOURCES

State General Fund



All Funds



Agriculture and Natural Resources protects and regulates the natural and physical resources of the state. This function includes the Department of Agriculture, the Kansas State Fair, the Kansas Water Office, and the Department of Wildlife, Parks and Tourism. The Department of Health and Environment–Division of Environment also is part of this function and its writeup is included with the Divisions of Health and Health Care Finance in the Human Services section of this publication.

The Governor’s FY 2018 recommendation for the Agriculture and Natural Resources function totals \$195.4 million from all funding sources, including \$14.7 million from the State General Fund.

Agencies in this Function:

<i>Department of Agriculture.....</i>	<i>37</i>
<i>Kansas Water Office.....</i>	<i>107</i>
<i>Department of Wildlife, Parks and Tourism.....</i>	<i>136</i>
<i>Kansas State Fair.....</i>	<i>189</i>

The FY 2018 recommendation represents a State General Fund decrease of 5.2 percent, or \$803,305, from FY 2017. Expenditures from all funds decrease by 1.7 percent, or \$3.3 million, from FY 2017.

A total of 791.1 FTE positions are recommended by the Governor for the Agriculture and Natural Resources function in FY 2018, an increase of 13.0 FTE positions from FY 2017. Of all state FTE positions, 2.1 percent are in this function.

Agencies in this function comprise 0.2 percent of the total State General Fund budget in FY 2018, unchanged from FY 2017. They comprise 1.2 percent of expenditures from all funding sources in FY 2018, unchanged from FY 2017.

The Governor’s FY 2019 recommendation for the Agriculture and Natural Resources function totals \$196.5 million from all funding sources, including \$14.8 million from the State General Fund.

The FY 2019 recommendation represents a State General Fund increase of 0.6 percent, or \$82,100, from FY 2018. Expenditures from all funds increase by 0.6 percent, or \$1.1 million, from FY 2018.

A total of 791.1 FTE positions are recommended by the Governor for the Agriculture and Natural Resources function in FY 2019, which is no change from FY 2018. Of all state FTE positions, 2.1 percent are in this function.

Agencies in this function comprise 0.2 percent of the total State General Fund budget in FY 2019, unchanged from FY 2018. They comprise 1.1 percent of expenditures from all funding sources in FY 2019, a decrease of 0.1 percent from FY 2019.

DEPARTMENT OF AGRICULTURE

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 8,851,362	\$ 9,498,591	\$ 9,465,033	\$ 9,164,013	\$ 9,053,295	\$ 8,988,513	\$ 9,094,405
Other Funds	33,315,438	38,633,403	38,594,912	35,381,715	35,230,492	36,686,489	36,449,106
TOTAL	\$ 42,166,800	\$ 48,131,994	\$ 48,059,945	\$ 44,545,728	\$ 44,283,787	\$ 45,675,002	\$ 45,543,511
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 42,166,800	\$ 48,131,994	\$ 48,059,945	\$ 44,545,728	\$ 44,283,787	\$ 45,675,002	\$ 45,543,511

Percentage Change:

Operating Expenditures							
State General Fund	(8.7) %	7.3 %	6.9 %	(3.5) %	(4.4) %	(1.9) %	0.5 %
All Funds	(1.2)	14.1	14.0	(7.5)	(7.9)	2.5	2.8
FTE Positions	62.0	63.0	63.0	76.0	76.0	76.0	76.0
Non-FTE							
Perm.Uncl.Pos.	261.5	283.5	283.5	287.0	287.0	287.0	287.0
TOTAL	323.5	346.5	346.5	363.0	363.0	363.0	363.0

AGENCY OVERVIEW

The Department of Agriculture is responsible for implementing food safety, consumer and environmental protection, and water resource allocation programs. This includes the assurance of a safe meat, milk, and egg supply; safety of the food supply through inspection at food processing and retail establishments; the responsible and judicious use of pesticides and nutrients; the protection of Kansas' natural and cultivated plants; the integrity of weighing and measuring devices in commerce; and that the waters of Kansas are put to

beneficial use. The agency consists of 15 programs: Administration, Meat and Poultry, Food Safety, Dairy and ACAP, Weights and Measures, Grain Warehouse, Water Resources, Water Appropriations, Water Structures, Agricultural Laboratories, Environmental Protection, Pesticide and Fertilizer, Animal Health, Conservation, and Agriculture Marketing. The Secretary of Agriculture is a gubernatorial appointee and serves as head of the agency.

MAJOR ISSUES FROM PRIOR YEARS

The **2007 Legislature** added \$584,217 from the State Water Plan Fund for the Interstate Water Issues sub-program for consultants in both the Arkansas and Republican River litigation and ongoing expenses related to compact compliance, along with \$92,340 and 1.0 non-FTE position for the Ozark Plateau Aquifer Water Initiative Strategic Plan. The 2007 Legislature also added \$145,000 from the State General Fund for the replacement of one large scale test truck for the Weights and Measures sub-program.

The **2008 Legislature** transferred the Food Service Inspection program, including regulation of food service establishments (restaurants) and lodging, from the Kansas Department of Health and Environment (KDHE) to the Department of Agriculture. The transfer included \$1,811,893, including \$184,962 from the State General Fund, and 38.0 FTE positions, from the KDHE budget to the Department of Agriculture budget. In addition, the 2008 Legislature requested an audit be conducted on the feasibility of combining several state agencies. The resulting performance audit report was entitled "Agricultural-Related Agencies: A K-GOAL Audit

Determining Whether Cost Savings Could Be Achieved By Making the Animal Health Department and the Conservation Commission Part of the Department of Agriculture."

The **2010 Legislature** deleted \$233,797, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011, and added \$29,000, all from the State General Fund, to continue agricultural land valuations performed by the Agricultural Statistics program for FY 2011. The same amount was deleted from the Department of Revenue's FY 2011 budget. This amount fully funded the land valuations for FY 2011.

The **2010 Legislature** also added \$75,000, all from the Economic Development Initiatives Fund (EDIF), for Grain Warehouse Inspection program expenditures for FY 2011, and added language for FY 2011 that allowed the agency to reappropriate. The Legislature also added language establishing a new fund called the "Lodging Fee Fund" with a no limit expenditure limitation and added language stating

expenditures may be made from the fund for Lodging Inspection program expenditures.

The **2011 Legislature** approved Executive Reorganization Order (ERO) No. 40. ERO No. 40 transferred the Agriculture Products Development Division within the Department of Commerce to the Department of Agriculture and renamed it the “Marketing and Promotions” program; consolidated the Kansas Animal Health Department and the Livestock Commissioner within the Department of Agriculture as the Animal Health Division; and consolidated the State Conservation Commission within the Department of Agriculture as the Conservation Division.

The **2011 Legislature** also added \$1.0 million, all from special revenue funds, for replacement vehicles, grain warehouse inspections, the Conservation Reserve Enhancement program, streamgage monitoring, livestock market reporting, non-point source pollution, aid to conservation districts, the Compliance Education Fee Fund, and feral swine eradication. Those increases were partially offset by reductions totaling \$826,891, including \$227,025 from the State General Fund, for the Water Supply Restoration program, self-funded longevity bonus payments, office supplies, cell phone expenditures, a 5.0 percent information technology reduction, an administration activities reduction, a death and disability contribution moratorium, and an across-the-board reduction.

The **2012 Legislature** added \$468,983 and 6.0 FTE positions to restore funding and positions that were deleted for savings from the Voluntary Retirement Incentive Program for FY 2013. The 2012 Legislature also approved the addition of \$465,907, all from special revenue funds, and restored 3.0 FTE positions deleted by the Governor to the Division of Water Resources for FY 2013 to assist in the processing of water appropriation applications. The approved budget also shifted \$672,281, all from the State Water Plan Fund, from water rights

purchased to the Water Transition Assistance program and Conservation Enhancement program for FY 2013.

The **2013 Legislature** added language to allow the agency to transfer funds between line items in the State Water Plan Fund appropriation with approval from the State Finance Council for FY 2014 and FY 2015.

The **2014 Legislature** added \$321,114, all from the Veterinary Examiners Fee Fund, and 4.0 FTE positions to consolidate the Board of Veterinary Examiners into the agency in accordance with 2014 SB 278 for FY 2015.

The **2014 Legislature** added \$210,000, including \$160,000 from the State General Fund and \$50,000 from the State Water Plan Fund, to fund wheat genetics research at the Kansas Wheat Innovation Center, and directed the agency to utilize State Water Plan Fund moneys for expenditures other than salaries and wages for FY 2015.

The **2014 Legislature** deleted \$160,000, all from the State General Fund, for supplemental funding for the Weights and Measures program for FY 2015.

The **2014 Legislature** deleted \$50,000, all from the State Water Plan Fund, for streambank stabilization projects for FY 2015.

The **2015 Legislature** added language requiring the Department of Agriculture to submit a zero base budget request for use as a pilot program for the budget process.

The **2015 Legislature** also added \$500,000, all from the Economic Development Initiatives Fund, for the Agriculture Marketing program for FY 2017. The Legislature also deleted

the funding for and language authorizing the Conservation Reserve Enhancement Program for FY 2017.

The **2016 Legislature** authorized the Conservation Reserve Enhancement Program for FY 2017, funded by carry-forward expenditures from the State Water Plan Fund. Additionally, the temporary merger between the Kansas Department of Agriculture and the Board of Veterinary Examiners expired, and the Board became a separate agency again, effective FY 2017.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency** estimates FY 2017 expenditures of \$48.1 million, an increase of \$4.5 million, or 10.3 percent, above the approved amount. The revised estimate includes \$9.5 million from the State General Fund, which is no change from the

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 expenditures of \$48.1 million, including \$9.5 million from the State General Fund. The recommendation is an all funds decrease of \$72,049, or 0.1 percent, and a State General Fund decrease of \$33,558, or 0.4

FY 2018 Agency Request

The **agency** requests FY 2018 expenditures of \$44.5 million, a decrease of \$3.6 million, or 7.5 percent, below the FY 2017 revised estimate. The request includes \$9.2 million from the State General Fund, a decrease of \$334,578, or 3.5 percent,

The **2016 Legislature** also added language authorizing the Conservation Reserve Enhancement Program and authorizing the use of State Water Plan Fund reappropriations to fund the program for FY 2017.

Additionally, the **Governor's** May 2016 allotment deleted \$395,775, all from the State General Fund, for FY 2017.

approved amount. The increase is largely attributable to increased federal funds (\$4.1 million) and State Water Plan Fund reappropriations (\$1.2 million).

percent, below the agency request. The decrease is attributable to lapsing \$11,805 from the State General Fund for a "bonus pool" and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

below the FY 2017 revised estimate. The decrease is largely attributable to decreases in State Water Plan Fund expenditures due in part to uncertainty in carry-forward funding (\$2.4 million), and less federal grants (\$2.0 million).

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 expenditures of \$44.3 million, including \$9.1 million from the State General Fund. This recommendation is an all funds decrease of \$261,941, or 0.6 percent, and a State General Fund decrease of \$110,718, or 1.2 percent, below the agency request. The decrease is attributable to the following:

- Delete \$544,775, all from the State General Fund, to not recommend the agency's FY 2018 enhancement requests;
- Add \$508,959, all from the State General Fund, to not recommend the agency's reduced resources package; and

FY 2019 Agency Request

The **agency** requests FY 2019 expenditures of \$45.7 million, an increase of \$1.1 million, or 2.5 percent, above the FY 2018 request. The request includes \$9.0 million from the State General Fund, a decrease of \$175,500, or 1.9 percent, below the FY 2018 request. The all funds increase is largely

attributable to increased State Water Plan Fund expenditures and budgeting shrinkage at a lower level, offset in part by decreased expenditures for scientific equipment for the laboratory.

FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 expenditures of \$45.5 million, a decrease of \$131,491, or 0.3 percent, below the agency request. The recommendation includes \$9.1 million from the State General Fund, an increase of \$105,892, or 1.2 percent, above the agency request.

The all funds decrease and State General Fund increase are attributable to the following:

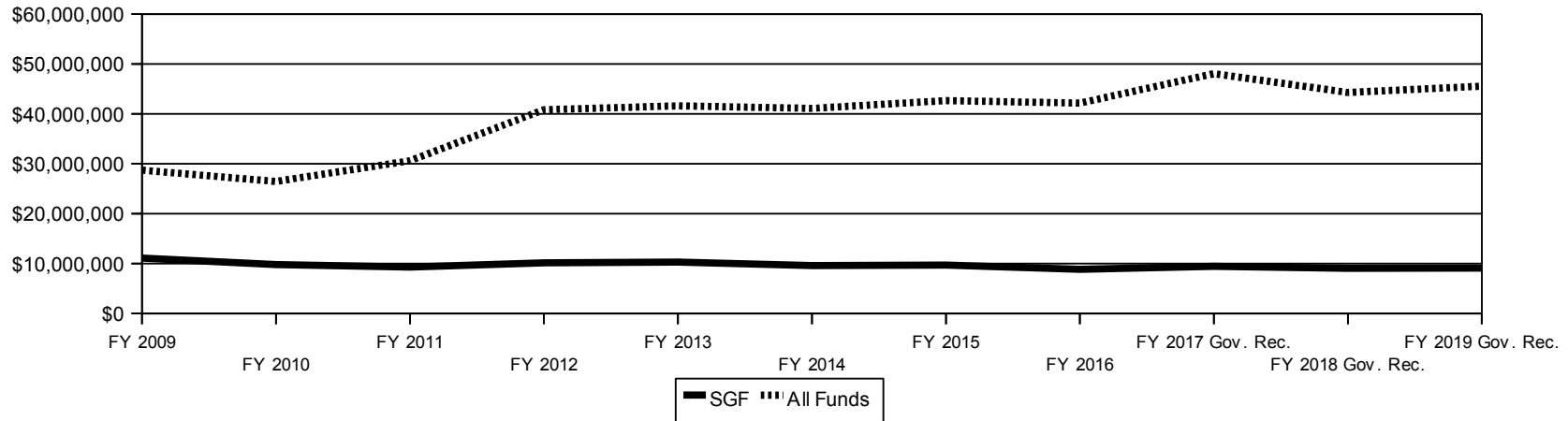
- Delete \$298,010, all from the State General Fund, to not recommend the agency's enhancement request for FY 2019;

- Delete \$226,125, including \$74,902 from the State General Fund, for the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$185,200, including \$61,345 from the State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in an all funds reduction of \$40,925, including \$13,557 from the State General Fund.

- Add \$512,710, all from the State General Fund, to not recommend the agency's reduced resources package; and
- Delete \$346,191, including \$108,808 from the State General Fund. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 11,109,261	(7.5)%	\$ 28,703,135	18.6 %	344.5
2010	9,796,750	(11.8)	26,450,210	(7.8)	341.5
2011	9,306,234	(5.0)	30,611,208	15.7	341.5
2012	10,143,610	9.0	40,822,187	33.4	353.5
2013	10,309,478	1.6	41,602,901	1.9	275.2
2014	9,582,162	(7.1)	41,101,813	(1.2)	357.5
2015	9,693,976	1.2	42,664,762	3.8	104.0
2016	8,851,362	(8.7)	42,166,800	(1.2)	62.0
2017 Gov. Rec.	9,465,033	6.9	48,059,945	14.0	63.0
2018 Gov. Rec.	9,053,295	(4.4)	44,283,787	(7.9)	76.0
2019 Gov. Rec.	9,094,405	0.5	45,543,511	2.8	76.0
Eleven-Year Change	\$ (2,014,856)	(18.1)%	\$ 16,840,376	58.7 %	(268.5)

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Administration	\$ 6,341,882	\$ 7,543,269	\$ 5,843,311	\$ (1,699,958)	(22.5) %	\$ 7,523,113	\$ 6,324,997	\$ (1,198,116)	(15.9)%
Meat and Poultry	2,316,346	2,920,767	2,919,803	(964)	(0.0)	2,914,341	2,895,767	(18,574)	(0.6)
Food Safety	3,523,953	3,893,800	3,985,415	91,615	2.4	3,885,239	3,952,765	67,526	1.7
Dairy and ACAP	1,165,039	1,377,979	1,365,751	(12,228)	(0.9)	1,375,503	1,356,525	(18,978)	(1.4)
Weights and Measures	1,564,233	1,523,667	1,577,497	53,830	3.5	1,521,549	1,569,475	47,926	3.1
Grain Warehouse	507,348	511,986	600,840	88,854	17.4	510,946	545,036	34,090	6.7
Water Management	1,504,893	1,547,392	1,572,321	24,929	1.6	1,544,486	1,492,304	(52,182)	(3.4)
Water Appropriations	3,451,363	3,830,452	3,897,729	67,277	1.8	3,822,090	3,690,286	(131,804)	(3.4)
Water Structures	4,008,236	5,511,523	5,007,297	(504,226)	(9.1)	5,507,940	4,993,820	(514,120)	(9.3)
Agricultural Laboratories	1,651,977	1,677,868	2,026,667	348,799	20.8	1,675,248	1,769,217	93,969	5.6
Plant Protection	1,061,791	1,014,864	1,106,167	91,303	9.0	1,012,905	1,098,079	85,174	8.4
Pesticide and Fertilizer	1,636,768	1,671,667	1,781,625	109,958	6.6	1,667,889	1,766,613	98,724	5.9
Animal Health	3,060,691	2,633,142	2,738,049	104,907	4.0	2,629,482	2,723,183	93,701	3.6
Conservation	8,575,624	10,028,481	7,579,964	(2,448,517)	(24.4)	10,026,468	7,572,185	(2,454,283)	(24.5)
Agriculture Marketing	1,796,656	2,445,137	2,543,292	98,155	4.0	2,442,746	2,533,535	90,789	3.7
TOTAL	\$ 42,166,800	\$ 48,131,994	\$ 44,545,728	\$ (3,586,266)	(7.5) %	\$ 48,059,945	\$ 44,283,787	\$ (3,776,158)	(7.9)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 21,066,728	\$ 22,459,019	\$ 22,933,829	\$ 474,810	2.1 %	\$ 22,386,970	\$ 22,918,653	\$ 531,683	2.4 %
Contractual Services	12,294,226	15,466,833	13,946,388	(1,520,445)	(9.8)	15,466,833	13,946,388	(1,520,445)	(9.8)
Commodities	721,086	944,848	950,656	5,808	0.6	944,848	950,656	5,808	0.6
Capital Outlay	1,464,648	997,843	1,087,200	89,357	9.0	997,843	840,435	(157,408)	(15.8)
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 35,546,688	\$ 39,868,543	\$ 38,918,073	\$ (950,470)	(2.4) %	\$ 39,796,494	\$ 38,656,132	\$ (1,140,362)	(2.9)%
Aid to Local Units	2,672,378	2,092,637	2,000,000	(92,637)	(4.4)	2,092,637	2,000,000	(92,637)	(4.4)
Other Assistance	3,947,734	6,170,814	3,627,655	(2,543,159)	(41.2)	6,170,814	3,627,655	(2,543,159)	(41.2)
TOTAL	\$ 42,166,800	\$ 48,131,994	\$ 44,545,728	\$ (3,586,266)	(7.5) %	\$ 48,059,945	\$ 44,283,787	\$ (3,776,158)	(7.9)%
Financing:									
State General Fund	\$ 8,851,362	\$ 9,498,591	\$ 9,164,013	\$ (334,578)	(3.5) %	\$ 9,465,033	\$ 9,053,295	\$ (411,738)	(4.4)%
All Other Funds	33,315,438	38,633,403	35,381,715	(3,251,688)	(8.4)	38,594,912	35,230,492	(3,364,420)	(8.7)
TOTAL	\$ 42,166,800	\$ 48,131,994	\$ 44,545,728	\$ (3,586,266)	(7.5) %	\$ 48,059,945	\$ 44,283,787	\$ (3,776,158)	(7.9)%

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration	\$ 5,843,311	\$ 5,915,859	\$ 72,548	1.2 %	\$ 6,324,997	\$ 6,388,982	\$ 63,985	1.0 %
Meat and Poultry	2,919,803	2,994,343	74,540	2.6	2,895,767	2,957,451	61,684	2.1
Food Safety	3,985,415	4,081,619	96,204	2.4	3,952,765	4,030,885	78,120	2.0
Dairy and ACAP	1,365,751	1,397,661	31,910	2.3	1,356,525	1,382,342	25,817	1.9
Weights and Measures	1,577,497	1,586,543	9,046	0.6	1,569,475	1,573,631	4,156	0.3
Grain Warehouse	600,840	627,880	27,040	4.5	545,036	569,672	24,636	4.5
Water Management	1,572,321	1,664,324	92,003	5.9	1,492,304	1,578,056	85,752	5.7
Water Appropriations	3,897,729	3,849,982	(47,747)	(1.2)	3,690,286	3,628,233	(62,053)	(1.7)
Water Structures	5,007,297	5,047,756	40,459	0.8	4,993,820	5,027,499	33,679	0.7
Agricultural Laboratories	2,026,667	1,799,033	(227,634)	(11.2)	1,769,217	1,782,634	13,417	0.8
Plant Protection	1,106,167	1,181,017	74,850	6.8	1,098,079	1,168,469	70,390	6.4
Pesticide and Fertilizer	1,781,625	1,831,420	49,795	2.8	1,766,613	1,808,486	41,873	2.4
Animal Health	2,738,049	2,795,517	57,468	2.1	2,723,183	2,772,460	49,277	1.8
Conservation	7,579,964	8,443,082	863,118	11.4	7,572,185	8,431,166	858,981	11.3
Agriculture Marketing	2,543,292	2,458,966	(84,326)	(3.3)	2,533,535	2,443,545	(89,990)	(3.6)
TOTAL	\$ 44,545,728	\$ 45,675,002	\$ 1,129,274	2.5 %	\$ 44,283,787	\$ 45,543,511	\$ 1,259,724	2.8 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 22,933,829	\$ 23,531,293	\$ 597,464	2.6 %	\$ 22,918,653	\$ 23,399,802	\$ 481,149	2.1 %
Contractual Services	13,946,388	14,022,385	75,997	0.5	13,946,388	14,022,385	75,997	0.5
Commodities	950,656	953,080	2,424	0.3	950,656	953,080	2,424	0.3
Capital Outlay	1,087,200	797,968	(289,232)	(26.6)	840,435	797,968	(42,467)	(5.1)
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 38,918,073	\$ 39,304,726	\$ 386,653	1.0 %	\$ 38,656,132	\$ 39,173,235	\$ 517,103	1.3 %
Aid to Local Units	2,000,000	2,092,637	92,637	4.6	2,000,000	2,092,637	92,637	4.6
Other Assistance	3,627,655	4,277,639	649,984	17.9	3,627,655	4,277,639	649,984	17.9
TOTAL	\$ 44,545,728	\$ 45,675,002	\$ 1,129,274	2.5 %	\$ 44,283,787	\$ 45,543,511	\$ 1,259,724	2.8 %
Financing:								
State General Fund	\$ 9,164,013	\$ 8,988,513	\$ (175,500)	(1.9) %	\$ 9,053,295	\$ 9,094,405	\$ 41,110	0.5 %
All Other Funds	35,381,715	36,686,489	1,304,774	3.7	35,230,492	36,449,106	1,218,614	3.5
TOTAL	\$ 44,545,728	\$ 45,675,002	\$ 1,129,274	2.5 %	\$ 44,283,787	\$ 45,543,511	\$ 1,259,724	2.8 %

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

The 2016 Legislature approved a State General Fund budget of \$9.5 million for the Kansas Department of Agriculture in FY 2017. No adjustments have been made subsequently to that amount.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 9,498,591	\$ 9,498,591	\$ 0	\$ 9,465,033	\$ (33,558)
All Other Funds	34,144,375	38,633,403	4,489,028	38,594,912	4,450,537
TOTAL	\$ 43,642,966	\$ 48,131,994	\$ 4,489,028	\$ 48,059,945	\$ 4,416,979
FTE Positions	118.0	63.0	(55.0)	63.0	(55.0)

The **agency** estimates FY 2017 expenditures of \$48.1 million, an increase of \$4.5 million, or 10.3 percent, above the approved amount. The revised estimate includes \$9.5 million from the State General Fund, which is no change from the approved amount. This increase is largely attributable to increased federal funds (\$4.1 million) and State Water Plan Fund reappropriations (\$1.2 million). The request includes the following major areas of expenditure:

- **Salaries and Wages.** The agency estimates FY 2017 salaries and wages expenditures of \$22.5

million, a decrease of \$1.1 million, or 4.7 percent, below the approved amount. The revised estimate includes \$8.1 million from the State General Fund, a decrease of \$143,632, or 1.7 percent, below the approved amount. The decrease is largely attributable to budgeting shrinkage at a higher level, and also includes salary decreases from the approved amount;

- **Contractual Services.** The agency estimates FY 2017 contractual services expenditures of \$15.5

million, an increase of \$4.5 million, or 40.4 percent, above the approved amount. The revised estimate includes \$1.1 million from the State General Fund, an increase of \$133,739, or 14.3 percent, above the approved amount. The increase is largely attributable to increased federal grants (an increase of \$2.6 million), most notably for FEMA floodplain mapping (\$1.7 million), and carrying forward State Water Plan Fund expenditures (\$907,536);

- **Commodities.** The agency estimates FY 2017 commodities expenditures of \$944,848, an increase of \$51,132, or 5.7 percent, above the approved amount. The revised estimate includes \$157,955 from the State General Fund, an increase of \$57,657, or 57.5 percent, above the approved amount. The increase is largely attributable to gasoline and equipment, offset in part by chemicals;
- **Capital Outlay.** The agency estimates FY 2017 capital outlay expenditures of \$997,843, a decrease of \$105,497, or 9.6 percent, below the approved amount. The revised estimate includes \$170,214 from the State General Fund, a decrease of \$11,093, or 6.1 percent, below the approved amount. The decrease is largely attributable to decreased expenditures for computer replacements and truck replacements,

offset in part by increased passenger car replacements;

- **Aid to Local Units of Government.** The agency estimates FY 2017 aid to local units of government expenditures of \$2.1 million, all from special revenue funds, which is no change from the approved amount. Aid to local units of government expenditures are for state aid to conservation districts funded by the State Water Plan Fund; and
- **Other Assistance.** The agency estimates FY 2017 other assistance expenditures of \$6.2 million, all from special revenue funds, an increase of \$1.2 million, or 24.0 percent, above the approved amount. The increase is largely attributable to a federal grant for the Biofuel Infrastructure Program to install ethanol-blender gas pumps (\$1.3 million).

The **Governor** recommends FY 2017 expenditures of \$48.1 million, including \$9.5 million from the State General Fund. The recommendation is an all funds decrease of \$72,049, or 0.1 percent, and a State General Fund decrease of \$33,558, or 0.4 percent, below the agency request. The decrease is attributable to lapsing \$11,805 from the State General Fund for a “bonus pool” and the Governor’s recommendation to hold KPERS employer contributions at the FY 2016 amount.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 44,545,728	\$ 44,283,787	\$ (261,941)
FTE Positions	76.0	76.0	0.0
Change from FY 2017:			
<i>Dollar Change:</i>			
State General Fund	\$ (334,578)	\$ (411,738)	
All Other Funds	(3,251,688)	(3,364,420)	
TOTAL	<u>\$ (3,586,266)</u>	<u>\$ (3,776,158)</u>	
<i>Percent Change:</i>			
State General Fund	(3.5) %	(4.4) %	
All Other Funds	(8.4)	(8.7)	
TOTAL	<u>(7.5) %</u>	<u>(7.9) %</u>	
Change in FTE Positions	13.0	13.0	

The **agency** requests FY 2018 expenditures of \$44.5 million, a decrease of \$3.6 million, or 7.5 percent, below the FY 2017 revised estimate. The request includes \$9.2 million from the State General Fund, a decrease of \$334,578, or 3.5 percent, below the FY 2017 revised estimate. The decrease is largely attributable to decreases in State Water Plan Fund expenditures due in part to uncertainty in carry-forward funding (\$2.4 million),

and less federal grants (\$2.0 million). The request includes the following major areas of expenditure:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$22.9 million, an increase of \$474,810, or 2.1 percent, above the FY 2017 revised estimate. The request includes \$7.3 million from the State General

Fund, a decrease of \$800,031, or 9.9 percent, below the FY 2017 revised estimate. The increase is largely attributable to increased salaries and employer contributions for fringe benefits, offset in part by increased shrinkage;

- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$13.9 million, a decrease of \$1.5 million, or 9.8 percent, below the FY 2017 revised estimate. The request includes \$7.3 million from the State General Fund, a decrease of \$800,031, or 9.9 percent, below the FY 2017 revised estimate. This decrease is largely attributable to carry-over State Water Plan Fund expenditures that appear in the FY 2017 budget and decreased federal grants;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$950,656, an increase of \$5,808, or 0.6 percent, above the FY 2017 revised estimate. The request includes \$167,005 from the State General Fund, an increase of \$9,050, or 5.7 percent, above the FY 2017 revised estimate. The increase is largely attributable to tire replacements. The largest portion of the commodities budget is for fuel (55.2 percent), which is unchanged from the FY 2017 revised estimate;
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$1.1 million, an increase of \$89,357, or 9.0 percent, above the FY 2017 revised estimate. The request includes \$380,378 from the State General Fund, an increase of \$210,164, or 123.5 percent, above

the FY 2017 revised estimate. The increase is largely attributable to scientific equipment replacements for the laboratory, offset in part by decreased expenditures for software and vehicle replacements;

- **Aid to Local Units of Government.** The agency requests FY 2018 aid to local units of government expenditures of \$2.0 million, all from special revenue funds, a decrease of \$92,637, or 4.4 percent, below the FY 2017 revised estimate. Aid to local units of government expenditures are for state aid to conservation districts funded by the State Water Plan Fund; and
- **Other Assistance.** The agency requests FY 2018 other assistance expenditures of \$3.6 million, a decrease of \$2.5 million, or 41.2 percent, below the FY 2017 revised estimate. The request includes \$35,000 from the State General Fund, a 100 percent increase from the FY 2017 revised estimate. The decrease is largely attributable to carry-forward State Water Plan Fund expenditures that appear in the FY 2017 budget (\$1.4 million) and the one-time expenditure of the federal grant for the Biofuel Infrastructure Program occurring in FY 2017.

The **Governor** recommends FY 2018 expenditures of \$44.3 million, including \$9.1 million from the State General Fund. This recommendation is an all funds decrease of \$261,941, or 0.6 percent, and a State General Fund decrease of \$110,718, or 1.2 percent, below the agency request.

The decrease is attributable to the following:

- Delete \$544,775, all from the State General Fund, to not recommend the agency's FY 2018 enhancement requests;
- Add \$508,959, all from the State General Fund, to not recommend the agency's reduced resources package; and

- Delete \$226,125, including \$74,902 from the State General Fund, for the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$185,200, including \$61,345 from the State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in an all funds reduction of \$40,925, including \$13,557 from the State General Fund.

Enhancements Detail

Enhancements	FY 2018 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
3.0 Environmental Scientists for Water Conservation	\$ 177,429	\$ 177,429	0.0	\$ 0	\$ 0	0.0
1.0 Engineer for the Division of Water Resources	69,000	69,000	0.0	0	0	0.0
1.0 Grain Warehouse Examiner	51,581	51,581	0.0	0	0	0.0
Replace Quattro Micro Analyzer	196,765	196,765	0.0	0	0	0.0
Replace Bentley Somatic Cell Counter	50,000	50,000	0.0	0	0	0.0
TOTAL	\$ 544,775	\$ 544,775	0.0	\$ 0	\$ 0	0.0

The **agency** requests FY 2018 enhancements of \$544,775, all from the State General Fund.

The enhancement requests are detailed in the following:

- **3.0 Environmental Scientists for Water Conservation.** The agency requests an enhancement of \$177,429, all from the State

General Fund, for three environmental scientists based in Western Kansas. The agency indicates these positions would be dedicated to assisting in the development of Water Conservation Areas, assisting water users in efficiently managing their water resources, and executing the Governor's Water Vision;

- **1.0 Engineer for the Division of Water Resources.** The agency requests an enhancement of \$69,000, all from the State General Fund, to fund one Engineer position in the Division of Water Resources. The agency indicates that this position would be dedicated to protecting Kansas water users and the state's share of critical water resources in interstate water compacts;
- **1.0 Grain Warehouse Examiner.** The agency requests an enhancement of \$51,581, all from the State General Fund, for an additional grain warehouse examiner. The agency indicates that record-breaking crop yields throughout the state have resulted in tens of millions of bushels of grain in temporary public storage, and that an additional examiner would inspect these facilities;
- **Replace Quattro Micro Analyzer.** The agency requests an enhancement of \$196,765, all from

the State General Fund, to replace the Quattro Micro analyzer for the laboratory. The agency indicates this machine tests for chemical levels in samples received from drift cases, and the existing analyzer has become periodically unreliable and is no longer supported by the manufacturer; and

- **Replace Bentley Somatic Cell Counter.** The agency requests an enhancement of \$50,000, all from the State General Fund, to replace the Bentley somatic cell counter in the laboratory. This machine is used in dairy testing. The agency indicates that when cows in a herd have an infection or inflammation, the white blood cell count increases, affecting the quality of milk, and this machine helps to estimate the white blood cell count in a given sample. The agency further notes they expect the number of cows to increase, which increases the number of milk samples to be analyzed. Finally, the agency indicates the current machine experiences increased repair costs, operates from a floppy disk, and is no longer supported by the manufacturer.

The **Governor** does not recommend the agency's FY 2018 enhancement requests.

FY 2018 Reduced Resources

The Governor has requested that specified agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The information below provides details of the agency's reduced resources budget submission for the State General Fund.

FY 2018 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Salary and Wage Reductions	\$ (508,959)	\$ (508,959)	0.0	\$ 0	\$ 0	0.0

The **agency** provides a reduced resource package of \$508,959 from the State General Fund. The agency's reduced resource package includes reductions in salaries and wages through holding positions open and evaluating staffing levels as employees leave the agency. The agency indicates this reduced

resource package would result in positions being held open for 12 weeks and would negatively impact programs and services.

The **Governor** does not recommend the agency's reduced resource package for FY 2018.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 45,675,002	\$ 45,543,511	\$ (131,491)
FTE Positions	76.0	76.0	0.0
<i>Change from FY 2018:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ (175,500)	\$ 41,110	
All Other Funds	1,304,774	1,218,614	
TOTAL	<u>\$ 1,129,274</u>	<u>\$ 1,259,724</u>	
<i>Percent Change:</i>			
State General Fund	(1.9) %	0.5 %	
All Other Funds	3.7	3.5	
TOTAL	<u>2.5 %</u>	<u>2.8 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2019 expenditures of \$45.7 million, an increase of \$1.1 million, or 2.5 percent, above the FY 2018 request. The request includes \$9.0 million from the State General Fund, a decrease of \$175,500, or 1.9 percent, below the FY 2018 request. The all funds increase is largely attributable to increased State Water Plan Fund expenditures

and budgeting shrinkage at a lower level, offset in part by decreased expenditures for scientific equipment for the laboratory.

The request includes the following major areas of expenditure:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$23.5 million, an increase of \$597,464, or 2.6 percent, above the FY 2018 request. The request includes \$7.1 million from the State General Fund, a decrease of \$212,667, or 2.9 percent, below the FY 2018 request. The increase is largely attributable to employer contributions for fringe benefits and decreased shrinkage budgeting;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$14.0 million, an increase of \$75,997, or 0.5 percent, above the FY 2018 request. This increase is largely attributable to State Water Plan Fund expenditures for architects and engineers and expenditures for computer programming and maintenance;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$953,080, an increase of \$2,424, or 0.3 percent, above the FY 2018 request. The increase is largely attributable to supplies for the agricultural marketing program. The largest portion of the commodities budget is for fuel (55.0 percent), which is unchanged from the FY 2018 request;
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$797,968, a decrease of \$289,232, or 26.6 percent, below the FY 2018 request. The decrease is largely attributable to one-time scientific equipment replacements for the laboratory, in addition to trucks and computer replacements;

- **Aid to Local Units of Government.** The agency requests FY 2019 aid to local units of government expenditures of \$2.1 million, an increase of \$92,637, or 4.6 percent, above the FY 2018 request. Aid to local units of government expenditures are for state aid to conservation districts funded by the State Water Plan Fund; and
- **Other Assistance.** The agency requests FY 2019 other assistance expenditures of \$4.3 million, an increase of \$649,984, or 17.9 percent, above the FY 2018 request. The increase is largely attributable to State Water Plan Fund projects, with the largest increase for non-point source pollution assistance.

The **Governor** recommends FY 2019 expenditures of \$45.5 million, a decrease of \$131,491, or 0.3 percent, below the agency request. The recommendation includes \$9.1 million from the State General Fund, an increase of \$105,892, or 1.2 percent, above the agency request. The all funds decrease and State General Fund increase are attributable to the following:

- Delete \$298,010, all from the State General Fund, to not recommend the agency's enhancement request for FY 2019;
- Add \$512,710, all from the State General Fund, to not recommend the agency's reduced resources package; and
- Delete \$346,191, including \$108,808 from the State General Fund. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

Enhancements Detail

Enhancements	FY 2019 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
3.0 Environmental Scientists for Water Conservation	\$ 177,429	\$ 177,429	0.0	\$ 0	\$ 0	0.0
1.0 Engineer for the Division of Water Resources	69,000	69,000	0.0	0	0	0.0
1.0 Grain Warehouse Examiner	51,581	51,581	0.0	0	0	0.0
TOTAL	\$ 298,010	\$ 298,010	0.0	\$ 0	\$ 0	0.0

The **agency** requests FY 2019 enhancements of \$298,010, all from the State General Fund. The enhancement requests are detailed below:

- 3.0 Environmental Scientists for Water Conservation.** The agency requests an enhancement of \$177,429, all from the State General Fund, for three environmental scientists based in Western Kansas. The agency indicates these positions would be dedicated to assisting in the development of Water Conservation Areas, assisting water users in efficiently managing their water resources, and executing the Governor's Water Vision;
- 1.0 Engineer for the Division of Water Resources.** The agency requests an enhancement of \$69,000, all from the State

General Fund, to fund one Engineer position in the Division of Water Resources. The agency indicates this position would be dedicated to protecting Kansas water users and the state's share of critical water resources in interstate water compacts; and

- 1.0 Grain Warehouse Examiner.** The agency requests an enhancement of \$51,581, all from the State General Fund, for an additional grain warehouse examiner. The agency indicates that record-breaking crop yields throughout the state have resulted in tens of millions of bushels of grain in temporary public storage, and that an additional examiner would inspect these facilities.

The **Governor** does not recommend the agency's FY 2019 enhancement requests.

FY 2019 Reduced Resources

The Governor has requested that specified agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The information below provides details of the agency's reduced resources budget submission for the State General Fund.

FY 2019 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Salary and Wage Reductions	\$ (512,710)	\$ (512,710)	0.0	\$ 0	\$ 0	0.0

The **agency** provides a reduced resource package of \$512,710 from the State General Fund. The agency's reduced resource package includes reductions in salaries and wages through holding positions open and evaluating staffing levels as employees leave the agency. The agency indicates this reduced

resource package would result in positions being held open for 12 weeks and would negatively impact programs and services.

The **Governor** does not recommend the agency's reduced resources package for FY 2019.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$30,080, including \$10,845 from the State General Fund; FY 2018 longevity payments total \$31,441, including \$10,207 from the State General Fund; and FY 2019 longevity payments total \$31,441, including \$10,207 from the State General Fund.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal

also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$60,244, including \$21,753 from the State General Fund, in FY 2017; by \$185,200, including \$61,345 from the State General Fund, for FY 2018; and by \$346,191, including \$108,808 from the State General Fund, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$40,925, including \$13,557 from the State General Fund, for FY 2018.**

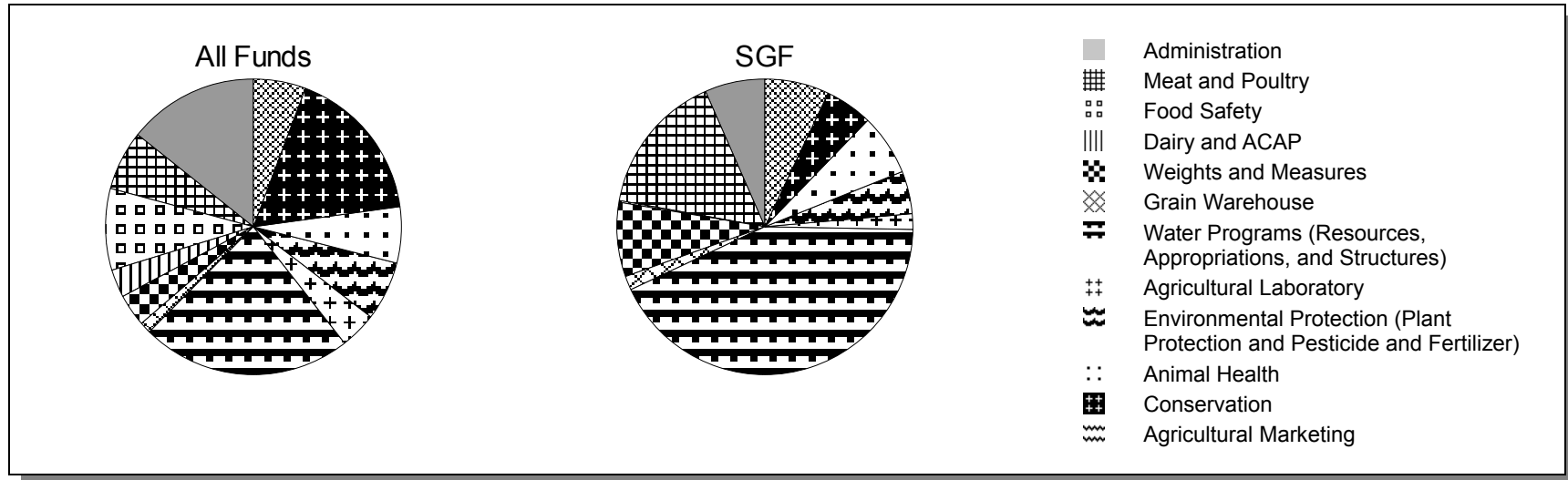
KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State General Fund	20.6 %	20.4 %	19.7 %	20.0 %
State Water Plan Fund	15.7	15.8	17.9	17.9
Economic Development Initiatives Fund	2.4	2.4	2.3	2.3
Federal Funds	20.0	20.0	19.3	19.3
All Other Funds	41.4	41.4	40.8	40.6
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

PROGRAM DETAIL



EXPENDITURES BY PROGRAM – GOVERNOR’S FY 2018 RECOMMENDATION

Program	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Administration	\$ 6,324,997	14.3 %	\$ 569,511	6.3 %
Meat and Poultry	2,895,767	6.5	1,415,719	15.6
Food Safety	3,952,765	8.9	0	0.0
Dairy and ACAP	1,356,525	3.1	17,830	0.2
Weights and Measures	1,569,475	3.5	736,817	8.1
Grain Warehouse	545,036	1.2	138,823	1.5
Water Programs (Resources, Appropriations, and Structures)	10,176,410	23.0	3,879,024	42.8
Agricultural Laboratory	1,769,217	4.0	153,380	1.7
Environmental Protection (Plant Protection and Pesticide and Fertilizer)	2,864,692	6.5	425,147	4.7
Animal Health	2,723,183	6.1	606,130	6.7
Conservation	7,572,185	17.1	473,594	5.2
Agricultural Marketing	2,533,535	5.7	637,320	7.0
TOTAL	\$ 44,283,787	100.0 %	\$ 9,053,295	100.0 %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

Program	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Administration	6.0	9.8	9.8	10.8	10.8	10.8	10.8
Meat and Poultry	0.0	0.3	0.3	1.3	1.3	1.3	1.3
Food Safety	7.0	6.0	6.0	7.0	7.0	7.0	7.0
Dairy and ACAP	5.0	5.0	5.0	6.0	6.0	6.0	6.0
Weights and Measures	5.0	3.0	3.0	4.0	4.0	4.0	4.0
Grain Warehouse	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Water Resources	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Water Appropriations	12.0	11.0	11.0	11.0	11.0	11.0	11.0
Water Structures	2.0	1.0	1.0	2.0	2.0	2.0	2.0
Agricultural Laboratories	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Environmental Protection	1.0	2.0	2.0	3.0	3.0	3.0	3.0
Pesticide and Fertilizer	9.0	8.0	8.0	9.0	9.0	9.0	9.0
Animal Health	7.0	5.9	5.9	5.9	5.9	5.9	5.9
Conservation	3.0	6.0	6.0	7.0	7.0	7.0	7.0
Agriculture Marketing	0.0	0.0	0.0	1.0	1.0	1.0	1.0
TOTAL	62.0	63.0	63.0	76.0	76.0	76.0	76.0

A. Administration

The Administration program provides the general policy, outreach, coordination, and management functions for the agency. This program is divided into three sub-programs: Administrative Services and Support, Record Center, and Statistical Services and Support. The Administrative Services and Support sub-program provides the agency's fiscal, personnel, legal, and information resource services. The goal of the Record Center sub-program is to maintain credible records to provide consistent and equitable implementation of Kansas

statutes as they relate to the agency. This includes the issuance of licenses, permits, registrations, and certifications, and the issuance of renewal notices. The Statistical Services and Support sub-program is responsible for providing meaningful, accurate, and objective statistical information and services to Kansas residents and the Kansas agricultural industry. Agriculture marketing was moved to a separate program beginning in FY 2016.

ADMINISTRATION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 3,062,584	\$ 3,203,463	\$ 3,183,307	\$ 2,809,944	\$ 3,291,630	\$ 2,902,175	\$ 3,375,298
Contractual Services	2,845,035	2,847,798	2,847,798	2,832,733	2,832,733	2,828,650	2,828,650
Commodities	97,301	81,367	81,367	86,300	86,300	86,300	86,300
Capital Outlay	336,962	110,641	110,641	114,334	114,334	98,734	98,734
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 6,341,882</u>	<u>\$ 6,243,269</u>	<u>\$ 6,223,113</u>	<u>\$ 5,843,311</u>	<u>\$ 6,324,997</u>	<u>\$ 5,915,859</u>	<u>\$ 6,388,982</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	1,300,000	1,300,000	0	0	0	0
TOTAL	<u>\$ 6,341,882</u>	<u>\$ 7,543,269</u>	<u>\$ 7,523,113</u>	<u>\$ 5,843,311</u>	<u>\$ 6,324,997</u>	<u>\$ 5,915,859</u>	<u>\$ 6,388,982</u>
Financing:							
State General Fund	\$ 929,445	\$ 881,562	\$ 867,476	\$ 65,227	\$ 569,511	\$ 117,892	\$ 623,338
All Other Funds	5,412,437	6,661,707	6,655,637	5,778,084	5,755,486	5,797,967	5,765,644
TOTAL	<u>\$ 6,341,882</u>	<u>\$ 7,543,269</u>	<u>\$ 7,523,113</u>	<u>\$ 5,843,311</u>	<u>\$ 6,324,997</u>	<u>\$ 5,915,859</u>	<u>\$ 6,388,982</u>
FTE Positions	6.0	9.8	9.8	10.8	10.8	10.8	10.8
Non-FTE Uncl.Perm.Pos.	45.0	32.6	32.6	32.6	32.6	32.6	32.6
TOTAL	<u>51.0</u>	<u>42.4</u>	<u>42.4</u>	<u>43.4</u>	<u>43.4</u>	<u>43.4</u>	<u>43.4</u>

The **agency** requests FY 2018 expenditures of \$5.8 million for the Administration program, a decrease of \$1.7 million, or

22.5 percent, below the FY 2017 revised estimate. The request includes \$65,227 from the State General Fund, a decrease of

\$816,335, or 92.6 percent, below the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$2.8 million for the Administration program, including \$55,227 from the State General Fund. This request is an all funds decrease of \$393,519, or 12.3 percent, and a State General Fund decrease of \$816,335, or 93.7 percent, below the FY 2017 revised estimate. The decrease is largely attributable to increased budgeting for shrinkage for the reduced resources package;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$2.8 million for the Administration program, a decrease of \$15,065, or 0.5 percent, below the FY 2017 revised estimate. This request includes \$10,000 from the State General Fund, which is no change from the FY 2017 revised estimate. The decrease is largely attributable to meals and lodging;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$86,300, all from special revenue funds, for the Administration program, an increase of \$4,933, or 6.1 percent, above the FY 2017 revised estimate. The increase is largely attributable to office supplies;
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$114,334, all from special revenue funds, an increase of \$3,693, or 3.3 percent, above the FY 2017 revised estimate. The increase is largely attributable to computer

replacements, partially offset by decreased expenditures for vehicle replacements; and

- **Other Assistance.** The agency requests FY 2018 other assistance expenditures of \$0, a decrease of \$1.3 million, all from special revenue funds, or 100.0 percent, below the FY 2017 revised estimate. The decrease is attributable to the one-time expenditure of the federal Biofuel Infrastructure Program grant to install ethanol-blender gas pumps.

The **Governor** recommends FY 2018 expenditures in the Administration program of \$6.3 million, including \$569,511 from the State General Fund. The recommendation is an all funds increase of \$481,686, or 8.2 percent, and a State General Fund increase of \$504,284, or 773.1 percent, above the agency request. The increase is attributable to not recommending the reduced resource package to hold positions open for longer periods of time and increase shrinkage, offset in part by the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on agency employer contributions for death and disability payments for one quarter.

The **agency** requests FY 2019 expenditures of \$5.9 million for the Administration program, an increase of \$72,548, or 1.2 percent, above the FY 2018 request. The request includes \$117,892 from the State General Fund, an increase of \$52,665, or 80.7 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$2.9 million for the Administration program, including \$107,892 from the State General Fund. This

request is an all funds increase of \$92,231, or 3.3 percent, and a State General Fund increase of \$52,665, or 95.4 percent, above the FY 2018 request. The increase is largely attributable to employer contributions for fringe benefits;

- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$2.8 million for the Administration program, a decrease of \$4,083, or 0.1 percent, below the FY 2018 request. The request includes \$10,000 from the State General Fund, which is no change from the FY 2018 request. The decrease is largely attributable to building rental;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$86,300, all from special revenue funds, for the Administration

program, which is no change from the FY 2018 request; and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$98,734, all from special revenue funds, a decrease of \$15,600, or 13.6 percent, below the FY 2018 request. The decrease is attributable to decreased expenditures for vehicle replacements.

The **Governor** recommends FY 2019 expenditures of \$6.4 million, including \$623,338 from the State General Fund. The recommendation is an all funds increase of \$473,123, or 8.0 percent, and a State General Fund increase of \$505,446, or 428.7 percent, above the agency request. The increase is attributable to not recommending the reduced resource package to hold positions open for longer periods of time and increase shrinkage, offset in part by the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

B. Meat and Poultry

The Meat and Poultry program is a cooperative state-federal program responsible for administering the Kansas Meat and Poultry Inspection Act that governs labeling and advertising of meat and poultry products. The program conducts inspections to ensure safe and wholesome meat and poultry products and to detect and eliminate those items that pose a health threat, are improperly labeled, or serve as a source of economic fraud

to the consumer. The program provides for the inspection, labeling, and disposition of animals, poultry, carcasses, and meat and poultry products offered for sale through commercial outlets for consumption. The program inspects and registers slaughter facilities and meat and poultry processing facilities in Kansas. Federal law requires state inspection standards be “equal to” those of federally inspected operations.

MEAT AND POULTRY							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,886,010	\$ 2,333,511	\$ 2,327,085	\$ 2,341,015	\$ 2,316,979	\$ 2,414,181	\$ 2,377,289
Contractual Services	187,158	265,180	265,180	261,710	261,710	263,084	263,084
Commodities	108,551	182,076	182,076	182,078	182,078	182,078	182,078
Capital Outlay	134,627	140,000	140,000	135,000	135,000	135,000	135,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 2,316,346</i>	<i>\$ 2,920,767</i>	<i>\$ 2,914,341</i>	<i>\$ 2,919,803</i>	<i>\$ 2,895,767</i>	<i>\$ 2,994,343</i>	<i>\$ 2,957,451</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 2,316,346	\$ 2,920,767	\$ 2,914,341	\$ 2,919,803	\$ 2,895,767	\$ 2,994,343	\$ 2,957,451
Financing:							
State General Fund	\$ 1,224,394	\$ 1,479,889	\$ 1,476,676	\$ 1,427,737	\$ 1,415,719	\$ 1,439,737	\$ 1,421,291
All Other Funds	1,091,952	1,440,878	1,437,665	1,492,066	1,480,048	1,554,606	1,536,160
TOTAL	\$ 2,316,346	\$ 2,920,767	\$ 2,914,341	\$ 2,919,803	\$ 2,895,767	\$ 2,994,343	\$ 2,957,451
FTE Positions	0.0	0.3	0.3	1.3	1.3	1.3	1.3
Non-FTE Uncl.Perm.Pos.	30.5	38.9	38.9	38.9	38.9	38.9	38.9
TOTAL	30.5	39.2	39.2	40.2	40.2	40.2	40.2

The **agency** requests FY 2018 expenditures of \$2.9 million for the Meat and Poultry program, a decrease of \$964, or less

than 0.1 percent, below the FY 2017 revised estimate. The request includes \$1.4 million from the State General Fund, a

decrease of \$52,152, or 3.5 percent, below the FY 2017 revised estimate.

Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$2.3 million for the Meat and Poultry program, including \$1.2 million from the State General Fund. This request is an all funds increase of \$7,504, or 0.3 percent, and a State General Fund increase of \$9,507, or 0.8 percent, above the FY 2017 revised estimate. The increase is largely attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$261,710 for the Meat and Poultry program, a decrease of \$3,470, or 1.3 percent, below the FY 2017 revised estimate. The request includes \$130,855 from the State General Fund, a decrease of \$1,735, or 1.3 percent, below the FY 2017 revised estimate. The decrease is largely attributable to computer software maintenance;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$182,078 for the Meat and Poultry program, an increase of \$2, or less than 0.1 percent, above the FY 2017 revised estimate. The request includes \$91,039 from the State General Fund, an increase of \$1, or less than 0.1 percent, above the FY 2017 revised estimate. Commodities expenditures for the Meat and Poultry program are largely for gasoline and

scientific supplies for testing of meat samples; and

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$135,000 for the Meat and Poultry program, a decrease of \$5,000, or 3.6 percent, below the FY 2017 revised estimate. The request includes \$55,110 from the State General Fund, a decrease of \$59,988, or 52.1 percent, below the FY 2017 revised estimate. The decrease is attributable to decreased expenditures for vehicle replacements.

The **Governor** recommends FY 2018 expenditures of \$2.9 million for the Meat and Poultry program, including \$1.4 million from the State General Fund. This recommendation is an all funds decrease of \$24,036, or 0.8 percent, and a State General Fund decrease of \$12,018, or 0.8 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$3.0 million for the Meat and Poultry program, an increase of \$74,540, or 2.6 percent, above the FY 2018 request. The request includes \$1.4 million from the State General Fund, an increase of \$12,000, or 0.8 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$2.4 million for the Meat and Poultry program, including \$1.2 million from the State General Fund. This request is an all funds increase of

\$73,166, or 3.1 percent, and a State General Fund increase of \$36,583, or 3.2 percent, above the FY 2018 request. The increase is largely attributable to employer contributions for fringe benefits;

- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$263,084 for the Meat and Poultry program, an increase of \$1,374, or 0.5 percent, above the FY 2018 request. The request includes \$131,542 from the State General Fund, an increase of \$687, or 0.5 percent, above the FY 2018 request. The increase is largely attributable to computer software maintenance and cellular phones;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$182,078 for the Meat and Poultry program, which is no change from the FY 2018 request. The request includes \$91,039 from the State General Fund, which is no change from the FY 2018 request.

Commodities expenditures for the Meat and Poultry program are largely for gasoline and scientific supplies for testing of meat samples; and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$135,000 for the Meat and Poultry program, which is no change from the FY 2018 request. The request includes \$29,840 from the State General Fund, a decrease of \$25,270, or 45.9 percent, below the FY 2018 request. Capital outlay expenditures in the Meat and Poultry program are for computer and vehicle replacements.

The **Governor** recommends FY 2019 expenditures of \$3.0 million for the Meat and Poultry program, including \$1.4 million from the State General Fund. The recommendation is an all funds decrease of \$36,892, or 1.2 percent, and a State General Fund decrease of \$18,446, or 1.3 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

C. Food Safety and Lodging

The Kansas Department of Agriculture promotes public safety by regulating the production and sale of food products in Kansas.

The Food Safety and Lodging program is responsible for food safety inspections of food establishments, food processors, and lodging establishments. Food establishments are

operations that provide food directly to the end consumer, with or without charge. Food establishments include restaurants, grocery stores, convenience stores, schools, senior meal sites, mobile food units and food operations in lodging establishments. Food processors are operations that provide food to other food operations for further distribution, with or without charge. Food processors include food wholesalers, food warehouses, food re-packers, and food manufacturers.

FOOD SAFETY AND LODGING							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 2,968,931	\$ 3,220,230	\$ 3,211,669	\$ 3,312,344	\$ 3,279,694	\$ 3,415,782	\$ 3,365,048
Contractual Services	366,153	419,370	419,370	419,796	419,796	422,012	422,012
Commodities	82,336	119,200	119,200	121,275	121,275	121,825	121,825
Capital Outlay	106,533	135,000	135,000	132,000	132,000	122,000	122,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 3,523,953</i>	<i>\$ 3,893,800</i>	<i>\$ 3,885,239</i>	<i>\$ 3,985,415</i>	<i>\$ 3,952,765</i>	<i>\$ 4,081,619</i>	<i>\$ 4,030,885</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 3,523,953	\$ 3,893,800	\$ 3,885,239	\$ 3,985,415	\$ 3,952,765	\$ 4,081,619	\$ 4,030,885
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,523,953	3,893,800	3,885,239	3,985,415	3,952,765	4,081,619	4,030,885
TOTAL	\$ 3,523,953	\$ 3,893,800	\$ 3,885,239	\$ 3,985,415	\$ 3,952,765	\$ 4,081,619	\$ 4,030,885
FTE Positions	7.0	6.0	6.0	7.0	7.0	7.0	7.0
Non-FTE Uncl.Perm.Pos.	49.0	52.8	52.8	52.8	52.8	52.8	52.8
TOTAL	56.0	58.8	58.8	59.8	59.8	59.8	59.8

The **agency** requests FY 2018 expenditures of \$4.0 million for the Food Safety and Lodging program, all from special revenue funds. This request is an increase of \$91,615, or 2.4 percent, above the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$3.3 million, all from special revenue funds, for the Dairy and Feed Safety program. This request is an increase of \$92,114, or 2.9 percent, above the FY 2017 revised estimate. The increase is largely attributable to employer contributions for fringe benefits and decreased shrinkage;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$419,796, all from special revenue funds, for the Food Safety and Lodging program, an increase of \$426, or 0.1 percent, above the FY 2017 revised estimate. Contractual services expenditures in the Food Safety and Lodging program include repair and service, travel and food, communication, and rents;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$121,275, all from special revenue funds, for the Food Safety and Lodging program, an increase of \$2,075, or 1.7 percent, above the FY 2017 revised estimate. The increase is attributable to vehicle parts, tires, and clothes. The majority of commodities expenditures in this program are for gasoline (71.7 percent), as 48 inspectors travel daily to conduct food safety and lodging inspections; and

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$132,000, all from special revenue funds, for the Food Safety and Lodging program, a decrease of \$3,000, or 2.2 percent, below the FY 2017 revised estimate. The decrease is attributable to computer replacements, offset in part by increased expenditures for vehicle replacements.

The **Governor** recommends FY 2018 expenditures of \$4.0 million for the Food Safety and Lodging program, all from special revenue funds. This recommendation is a decrease of \$32,650, or 0.8 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$4.1 million for the Food Safety and Lodging program, all from special revenue funds. The request is an increase of \$96,204, or 2.4 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$3.4 million, all from special revenue funds, for the Food Safety and Lodging program, an increase of \$103,438, or 3.1 percent, above the FY 2018 request. The increase is largely attributable to salary increases;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$422,012, all from special revenue funds, for the Food Safety and Lodging program, an increase

of \$2,216, or 0.5 percent, above the FY 2018 request. The increase is largely attributable to rents, computer maintenance, and communication;

- **Commodities.** The agency requests FY 2019 commodities expenditures of \$121,825, all from special revenue funds, for the Food Safety and Lodging program, an increase of \$550, or 0.5 percent, above the FY 2018 request. The increase is largely attributable to tire replacements. The majority of commodities expenditures in this program are for gasoline (71.4 percent), as 48 inspectors travel daily to conduct food safety and lodging inspections; and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$122,000, all from special revenue funds, for the Food Safety and Lodging program, a decrease of \$10,000, or 7.6 percent, below the FY 2018 request. The decrease is attributable to computer replacements.

The **Governor** recommends FY 2019 expenditures of \$4.0 million for the Food Safety and Lodging program, all from special revenue funds. The recommendation is a decrease of \$50,734, or 1.2 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

D. Dairy and Feed Safety

The Dairy and Feed Safety program regulates the milk production, transportation, processing, and distribution industry in Kansas. The Dairy Inspection program protects consumers in Kansas and other states. Inspectors regulate the dairy industry, starting at the farm and continuing as the milk and milk products are transported, processed, distributed, and sold. Activities include inspection of facilities and equipment, collection and testing samples, educational activities, and consumer protection.

The core function of the Dairy Inspection program is to regulate the production, transportation, processing, and

distribution of milk and dairy products from cow to consumer. Dairy inspection staff enforces Kansas dairy laws as well as the U.S. Food and Drug Administration's Grade A Pasteurized Milk Ordinance, which is adopted by reference in Kansas.

This program also regulates feed safety. The feed safety program's major objectives are: safeguarding both human and animal health, promoting safe and effective nutrition of livestock and pets, and verifying and ensuring truth in labeling of commercial feed products.

DAIRY AND FEED SAFETY							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 928,654	\$ 938,252	\$ 935,776	\$ 944,373	\$ 935,147	\$ 1,022,718	\$ 1,007,399
Contractual Services	159,373	181,591	181,591	215,334	215,334	211,640	211,640
Commodities	34,668	53,136	53,136	68,004	68,004	69,263	69,263
Capital Outlay	42,344	205,000	205,000	138,040	138,040	94,040	94,040
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,165,039</u>	<u>\$ 1,377,979</u>	<u>\$ 1,375,503</u>	<u>\$ 1,365,751</u>	<u>\$ 1,356,525</u>	<u>\$ 1,397,661</u>	<u>\$ 1,382,342</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,165,039</u>	<u>\$ 1,377,979</u>	<u>\$ 1,375,503</u>	<u>\$ 1,365,751</u>	<u>\$ 1,356,525</u>	<u>\$ 1,397,661</u>	<u>\$ 1,382,342</u>
Financing:							
State General Fund	\$ 17,801	\$ 18,700	\$ 18,652	\$ 18,000	\$ 17,830	\$ 18,200	\$ 17,937
All Other Funds	1,147,238	1,359,279	1,356,851	1,347,751	1,338,695	1,379,461	1,364,405
TOTAL	<u>\$ 1,165,039</u>	<u>\$ 1,377,979</u>	<u>\$ 1,375,503</u>	<u>\$ 1,365,751</u>	<u>\$ 1,356,525</u>	<u>\$ 1,397,661</u>	<u>\$ 1,382,342</u>
FTE Positions	5.0	5.0	5.0	6.0	6.0	6.0	6.0
Non-FTE Uncl. Perm. Pos.	9.0	10.4	10.4	10.4	10.4	10.4	10.4
TOTAL	<u>14.0</u>	<u>15.4</u>	<u>15.4</u>	<u>16.4</u>	<u>16.4</u>	<u>16.4</u>	<u>16.4</u>

The **agency** requests FY 2018 expenditures of \$1.4 million for the Dairy and Feed Safety program, a decrease of \$12,228, or 0.9 percent, below the FY 2017 revised estimate. The request includes \$18,000 from the State General Fund, a decrease of \$700, or 3.7 percent, below the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$944,373 for the Dairy and Feed Safety program, including \$18,000 from the State General Fund. This request is an all funds increase of \$6,121, or 0.7 percent, and a State General Fund decrease of \$700, or 3.7 percent, from the FY 2017 revised estimate. The increase is largely attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$215,334, all from special revenue funds, for the Dairy and Feed Safety program, an increase of \$33,743, or 18.6 percent, above the FY 2017 revised estimate. The increase is largely attributable to increased federal funding for the maintenance of an online licensing and payment solution;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$68,004, all from special revenue funds, for the Dairy and Feed Safety program, an increase of \$14,868, or 28.0 percent, above the FY 2017 revised estimate. The increase is largely attributable to increased federal funding for the purchase of professional supplies; and

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$138,040, all from special revenue funds, for the Dairy and Feed Safety program, a decrease of \$66,960, or 32.7 percent, below the FY 2017 revised estimate. The decrease is largely attributable to decreased expenses for the purchase of an online licensing and payment solution for the program.

The **Governor** recommends FY 2018 expenditures of \$1.4 million for the Dairy and Feed Safety program, including \$17,830 from the State General Fund. This recommendation is an all funds decrease of \$9,226, or 0.7 percent, and a State General Fund decrease of \$170, or 0.9 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$1.4 million for the Dairy and Feed Safety program, an increase of \$31,910, or 2.3 percent, above the FY 2018 request. The request includes \$18,200 from the State General Fund, an increase of \$200, or 1.1 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$1.0 million for the Dairy and Feed Safety program, including \$18,200 from the State General Fund. This request is an all funds increase of \$78,345, or 8.3 percent, and a State General Fund increase of \$200, or 1.1 percent, above the FY 2018 request. The increase is largely attributable

to salary increases arising from employees shifting from classified to unclassified status;

- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$211,640, all from special revenue funds, for the Dairy and Feed Safety program, a decrease of \$3,694, or 1.7 percent, below the FY 2018 request. The decrease is largely attributable to professional fees;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$69,263, all from special revenue funds, for the Dairy and Feed Safety program, an increase of \$1,259, or 1.9 percent, above the FY 2018 request. The increase is largely attributable to scientific equipment for field-based employees. The majority of commodities expenditures for the Dairy and Feed Safety program are for gasoline (63.9 percent); and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$94,040, all from special revenue funds, for the Dairy and Feed Safety program, a decrease of \$44,000, or 31.9 percent, below the FY 2018 request. The decrease is largely attributable to decreased expenses for the purchase of an online licensing and payment solution for the program, offset in part by increased expenditures for vehicle replacements.

The **Governor** recommends FY 2019 expenditures of \$1.4 million for the Dairy and Feed Safety program, including \$17,937 from the State General Fund. The recommendation is an all funds decrease of \$15,319, or 1.1 percent, and a State General Fund decrease of \$263, or 1.4 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

E. Weights and Measures

The Weights and Measures sub-program is responsible for ensuring that devices involving weight, measurement, or price scanning in commerce are accurate in order to protect the consumer and provide equity in the marketplace.

WEIGHTS AND MEASURES SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 802,475	\$ 827,344	\$ 825,226	\$ 846,671	\$ 838,649	\$ 873,895	\$ 860,983
Contractual Services	552,461	477,487	477,487	529,873	529,873	536,696	536,696
Commodities	104,995	116,022	116,022	119,453	119,453	119,452	119,452
Capital Outlay	104,302	102,814	102,814	81,500	81,500	56,500	56,500
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,564,233</u>	<u>\$ 1,523,667</u>	<u>\$ 1,521,549</u>	<u>\$ 1,577,497</u>	<u>\$ 1,569,475</u>	<u>\$ 1,586,543</u>	<u>\$ 1,573,631</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,564,233</u>	<u>\$ 1,523,667</u>	<u>\$ 1,521,549</u>	<u>\$ 1,577,497</u>	<u>\$ 1,569,475</u>	<u>\$ 1,586,543</u>	<u>\$ 1,573,631</u>
Financing:							
State General Fund	\$ 685,515	\$ 691,500	\$ 690,335	\$ 741,000	\$ 736,817	\$ 706,200	\$ 699,469
All Other Funds	878,718	832,167	831,214	836,497	832,658	880,343	874,162
TOTAL	<u>\$ 1,564,233</u>	<u>\$ 1,523,667</u>	<u>\$ 1,521,549</u>	<u>\$ 1,577,497</u>	<u>\$ 1,569,475</u>	<u>\$ 1,586,543</u>	<u>\$ 1,573,631</u>
FTE Positions	5.0	3.0	3.0	4.0	4.0	4.0	4.0
Non-FTE Uncl.Perm.Pos.	9.0	12.0	12.0	12.0	12.0	12.0	12.0
TOTAL	<u>14.0</u>	<u>15.0</u>	<u>15.0</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>

The **agency** requests FY 2018 expenditures of \$1.6 million for the Weights and Measures program, an increase of \$53,830, or 3.5 percent, above the FY 2017 revised estimate. The

request includes \$741,000 from the State General Fund, an increase of \$49,500, or 7.2 percent, above the FY 2017 revised estimate.

Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages all funds expenditures of \$846,671, including \$471,917 from the State General Fund, for the Weights and Measures program. This request is an increase of \$19,327, or 2.3 percent, and a State General Fund decrease of \$23,081, or 4.7 percent, from the FY 2017 revised estimate. The increase is largely attributable to employer contributions to fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$529,873 for the Weights and Measures program, an increase of \$52,386, or 11.0 percent, above the FY 2017 revised estimate. The request includes \$138,079 from the State General Fund, an increase of \$40,009, or 40.8 percent, above the FY 2017 revised estimate. The increase is largely attributable to laboratory fees;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$119,453 for the Weights and Measures program, an increase of \$3,431, or 3.0 percent, above the FY 2017 revised estimate. The request includes \$62,464 from the State General Fund, an increase of \$10,298, or 19.7 percent, above the FY 2017 revised estimate. The increase is attributable to tire replacements. The majority of commodities expenditures in this program are attributable to fuel (67.9 percent); and

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$81,500 for the Weights and Measures program, a decrease of \$21,314, or 20.7 percent, below the FY 2017 revised estimate. The request includes \$68,540 from the State General Fund, an increase of \$22,274, or 48.1 percent, above the FY 2017 revised estimate. The decrease is largely attributable to decreased expenditures for scientific equipment and truck replacements, offset in part by computer replacements.

The **Governor** recommends FY 2018 expenditures of \$1.6 million for the Weights and Measures program, including \$736,817 from the State General Fund. This recommendation is an all funds decrease of \$8,022, or 0.5 percent, and a State General Fund decrease of \$4,183, or 0.6 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$1.6 million for the Weights and Measures program, an increase of \$9,046, or 0.6 percent, above the FY 2018 request. The request includes \$706,200 from the State General Fund, a decrease of \$34,800, or 4.7 percent, below the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages all funds expenditures of \$873,895, including \$485,979 from the State General Fund, for the Weights and Measures program. This request is an all funds increase of \$27,224, or 3.2 percent, and a State General Fund increase of \$14,062, or 3.0 percent, above

the FY 2018 request. The increase is attributable to salary increases and employer contributions for fringe benefits;

- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$536,696 for the Weights and Measures program, an increase of \$6,823, or 1.3 percent, above the FY 2018 request. The request includes \$139,598 from the State General Fund, an increase of \$1,519, or 1.1 percent, above the FY 2018 request. The increase is largely attributable to laboratory fees;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$119,452 for the Weights and Measures program, a decrease of \$1, or less than 0.1 percent, below the FY 2018 request. The request includes \$62,463 from the State General Fund, a decrease of \$1, or less than 0.1 percent, below the FY 2018 request.

The majority of commodities expenditures in this program are attributable to fuel (67.9 percent); and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$56,500 for the Weights and Measures program, a decrease of \$25,000, or 30.7 percent, below the FY 2018 request. The request includes \$18,160 from the State General Fund, a decrease of \$50,380, or 73.5 percent, below the FY 2018 request. The decrease is attributable to decreased expenditures for truck replacements.

The **Governor** recommends FY 2019 expenditures of \$1.6 million for the Weights and Measures program, including \$699,469 from the State General Fund. The recommendation is an all funds decrease of \$12,912, or 0.8 percent, and a State General Fund decrease of \$6,731, or 1.0 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

F. Grain Warehouse

The Grain Warehouse Inspection program ensures depositors of grain in public warehouses are protected from fraud and warehouses maintain accurate inventory records. The program administers and enforces the Kansas Public Warehouse Law relating to grain storage. It requires any entity that stores grain for the public be licensed by either the State or federal government. It ensures Kansas grain producers have safe, solvent warehouses where they may store their commodities. To achieve this, the program examines State-licensed facilities at least once each year. More examinations are made on licensed facilities that meet only the minimum financial requirements.

A licensed elevator, with the approval of the Grain Warehouse Inspection program, may move open-stored grain to another licensed, bonded terminal elevator. This allows smaller facilities to free up bin space for the next harvest. Also, with approval from the program, licensed facilities may use emergency or conditional storage space during harvest when storage space is in short supply. This allows the elevator to better serve Kansas crop producers.

Examinations help eliminate fraud in the grain industry, ensure the quantity of stored commodities in Kansas licensed warehouses, and maintain the percentage of loss to producers at zero.

GRAIN WAREHOUSE							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 329,736	\$ 384,214	\$ 383,174	\$ 469,359	\$ 413,555	\$ 486,868	\$ 428,660
Contractual Services	119,743	101,872	101,872	103,100	103,100	103,232	103,232
Commodities	18,013	25,900	25,900	25,921	25,921	25,320	25,320
Capital Outlay	39,856	0	0	2,460	2,460	12,460	12,460
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 507,348</i>	<i>\$ 511,986</i>	<i>\$ 510,946</i>	<i>\$ 600,840</i>	<i>\$ 545,036</i>	<i>\$ 627,880</i>	<i>\$ 569,672</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 507,348	\$ 511,986	\$ 510,946	\$ 600,840	\$ 545,036	\$ 627,880	\$ 569,672
Financing:							
State General Fund	\$ 140,801	\$ 146,000	\$ 145,625	\$ 191,781	\$ 138,823	\$ 192,981	\$ 139,307
All Other Funds	366,547	365,986	365,321	409,059	406,213	434,899	430,365
TOTAL	\$ 507,348	\$ 511,986	\$ 510,946	\$ 600,840	\$ 545,036	\$ 627,880	\$ 569,672
FTE Positions	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Non-FTE Uncl.Perm.Pos.	7.0	6.1	6.1	7.1	7.1	7.1	7.1
TOTAL	7.0	6.1	6.1	8.1	8.1	8.1	8.1

The **agency** requests FY 2018 expenditures of \$600,840 for the Grain Warehouse program, an increase of \$88,854, or 17.4 percent, above the FY 2017 revised estimate. The request includes \$191,781 from the State General Fund, an increase of \$45,781, or 31.4 percent, above the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$469,359 for the Grain Warehouse program, including \$191,781 from the State General Fund. This request is an all funds increase of \$85,145, or 22.2 percent, and a State General Fund increase of \$45,781, or 31.4 percent, above the FY 2017 revised estimate. The increase is largely attributable to adding one examiner halfway through FY 2018 in anticipation of the FY 2019 retirement of two examiners;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$103,100, all from special revenue funds, for the Grain Warehouse program, an increase of \$1,228, or 1.2 percent, above the FY 2017 revised estimate. The majority of contractual services expenditures in this program are for travel and subsistence as all employees travel daily for inspections;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$25,921, all from special revenue funds, for the Grain Warehouse program, an increase of \$21, or 0.1 percent, above the FY 2017 revised estimate. The majority of commodities expenditures in this

program are for gasoline as all employees travel daily for inspections; and

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$2,460, all from special revenue funds, for the Grain Warehouse program, an increase of \$2,460, or 100.0 percent, above the FY 2017 revised estimate. The increase is attributable to computer replacements.

The **Governor** recommends FY 2018 expenditures of \$545,036 for the Grain Warehouse program, including \$138,823 from the State General Fund. This recommendation is an all funds decrease of \$55,804, or 9.3 percent, and a State General Fund decrease of \$52,958, or 27.6 percent, below the agency request. The decrease is attributable to not recommending the agency enhancement for one grain warehouse examiner, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$627,880 for the Grain Warehouse program, an increase of \$27,040, or 4.5 percent, above the FY 2018 request. The request includes \$192,981 from the State General Fund, an increase of \$1,200, or 0.6 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$486,868 for the Grain Warehouse program, including \$192,981 from the State General Fund. This request is an all funds increase of \$17,509,

or 3.7 percent, and a State General Fund increase of \$1,200, or 0.6 percent, above the FY 2018 request. The increase is largely attributable to adding an examiner at the beginning of FY 2019 in anticipation of the retirement of two examiners six months into FY 2019;

- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$103,232, all from special revenue funds, for the Grain Warehouse program, an increase of \$132, or 0.1 percent, above the FY 2018 request. The majority of contractual services expenditures in this program are for travel and subsistence as all employees travel daily for inspections;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$25,320, all from special revenue funds, for the Grain Warehouse program, a decrease of \$601, or 2.3 percent,

below the FY 2018 request. The majority of commodities expenditures in this program are for gasoline as all employees travel daily for inspections; and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$12,460, all from special revenue funds, for the Grain Warehouse program, an increase of \$10,000, or 406.5 percent, above the FY 2018 request. The increase is attributable to vehicle replacements.

The **Governor** recommends FY 2019 expenditures of \$569,672 for the Grain Warehouse program, including \$139,307 from the State General Fund. The recommendation is an all funds decrease of \$58,208, or 9.3 percent, and a State General Fund decrease of \$53,674, or 27.8 percent, below the agency request. The decrease is attributable to not recommending the agency enhancement for one grain warehouse examiner and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

G. Water Management

The Water Management Services program is responsible for administrative, fiscal, legal, and legislative functions, in addition to supervising water conservation issues, data entry for the Water Rights Information System, management of the

Geographic Information System, hydrologic studies, and coordination with other water-related agencies and facilitating the stakeholder process in the State.

WATER MANAGEMENT							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,027,341	\$ 1,070,546	\$ 1,067,640	\$ 1,162,135	\$ 1,082,118	\$ 1,195,426	\$ 1,109,158
Contractual Services	436,666	466,986	466,986	397,388	397,388	434,033	434,033
Commodities	4,410	8,400	8,400	8,600	8,600	8,600	8,600
Capital Outlay	36,476	1,460	1,460	4,198	4,198	26,265	26,265
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,504,893</u>	<u>\$ 1,547,392</u>	<u>\$ 1,544,486</u>	<u>\$ 1,572,321</u>	<u>\$ 1,492,304</u>	<u>\$ 1,664,324</u>	<u>\$ 1,578,056</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,504,893</u>	<u>\$ 1,547,392</u>	<u>\$ 1,544,486</u>	<u>\$ 1,572,321</u>	<u>\$ 1,492,304</u>	<u>\$ 1,664,324</u>	<u>\$ 1,578,056</u>
Financing:							
State General Fund	\$ 818,599	\$ 816,943	\$ 815,107	\$ 870,654	\$ 795,134	\$ 877,454	\$ 798,435
All Other Funds	686,294	730,449	729,379	701,667	697,170	786,870	779,621
TOTAL	<u>\$ 1,504,893</u>	<u>\$ 1,547,392</u>	<u>\$ 1,544,486</u>	<u>\$ 1,572,321</u>	<u>\$ 1,492,304</u>	<u>\$ 1,664,324</u>	<u>\$ 1,578,056</u>
FTE Positions	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Non-FTE Uncl.Perm.Pos.	9.0	10.0	10.0	10.0	10.0	10.0	10.0
TOTAL	<u>12.0</u>	<u>13.0</u>	<u>13.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>

The **agency** requests FY 2018 expenditures of \$1.6 million for the Water Management program, an increase of \$24,929, or 1.6 percent, above the FY 2017 revised estimate. The request includes \$870,654 from the State General Fund, an increase of \$53,711, or 6.6 percent, above the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$1.2 million for the Water Management program, including \$711,743 from the State General Fund. This request is an all funds increase of \$91,589, or 8.6 percent, and a State General Fund increase of \$46,085, or 6.9 percent, above the FY 2017 revised estimate. The increase is largely attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$397,388 for the Water Management program, a decrease of \$69,598, or 14.9 percent, below the FY 2017 revised estimate. The request includes \$152,734 from the State General Fund, an increase of \$6,579, or 4.5 percent, above the FY 2017 revised estimate. The decrease is largely attributable to engineering contracts that fluctuate with the availability of State Water Plan Fund expenditures;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$8,600 for the Water Management program, an increase of \$200, or 2.4 percent, above the FY 2017 revised estimate. The request includes \$5,064 from the State General Fund, a decrease of \$66, or 1.3

percent, below the FY 2017 revised estimate. The increase is attributable to vehicle parts. The majority of commodities expenditures in this program are attributable to gasoline (87.2 percent); and

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$4,198 for the Water Management program, an increase of \$2,738, or 187.5 percent, above the FY 2017 revised estimate. The request includes \$1,113 from the State General Fund, an increase of \$1,113, or 100.0 percent, above the FY 2017 revised estimate. The increase is attributable to computer replacements.

The **Governor** recommends FY 2018 expenditures of \$1.5 million for the Water Management program, including \$795,134 from the State General Fund. This recommendation is an all funds decrease of \$80,017, or 5.1 percent, and a State General Fund decrease of \$75,520, or 8.7 percent, below the agency request. The decrease is attributable to not recommending the agency requested enhancement for one engineer and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$1.7 million for the Water Management program, an increase of \$92,003, or 5.9 percent, above the FY 2018 request. The request includes \$877,454 from the State General Fund, an increase of \$6,800, or 0.8 percent, above the FY 2018 request.

Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$1.2 million for the Water Management program. The request includes \$718,372 from the State General Fund, an increase of \$6,629, or 0.9 percent, above the FY 2018 request. This request is an increase of \$33,291, or 2.9 percent, above the FY 2018 request. The increase is attributable to salary increases and employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$434,033 for the Water Management program, an increase of \$36,645, or 9.2 percent, above the FY 2018 request. The request includes \$150,915 from the State General Fund, a decrease of \$1,819, or 1.2 percent, below the FY 2018 request. The increase is largely attributable to engineering contracts;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$8,600 for the Water Management program, which is no change

from the FY 2018 request. The request includes \$5,064 from the State General Fund, which also is no change from the FY 2018 request. The majority of commodities expenditures in this program are attributable to gasoline (87.2 percent); and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$26,265 for the Water Management program, an increase of \$22,067, or 525.7 percent, above the FY 2018 request. The request includes \$3,103 from the State General Fund, an increase of \$1,990, or 178.8 percent, above the FY 2018 request. The increase is largely attributable to replacement of one truck.

The **Governor** recommends FY 2019 expenditures of \$1.6 million for the Water Management program, including \$798,435 from the State General Fund. The recommendation is an all funds decrease of \$86,268, or 5.2 percent, and a State General Fund decrease of \$79,019, or 9.0 percent, below the agency request. The decrease is attributable to not recommending the agency requested enhancement for one engineer and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

H. Water Appropriations

The Water Appropriation program administers the Kansas Water Appropriation Act and rules and regulations pertaining to the management of water resources. This program issues permits to appropriate water, regulates water use, and maintains records of all water rights in the State.

WATER APPROPRIATIONS							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 2,968,369	\$ 3,115,458	\$ 3,107,096	\$ 3,191,376	\$ 2,983,933	\$ 3,126,791	\$ 2,905,042
Contractual Services	372,113	595,917	595,917	603,086	603,086	609,924	609,924
Commodities	33,188	60,077	60,077	65,267	65,267	65,267	65,267
Capital Outlay	77,693	59,000	59,000	38,000	38,000	48,000	48,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 3,451,363</u>	<u>\$ 3,830,452</u>	<u>\$ 3,822,090</u>	<u>\$ 3,897,729</u>	<u>\$ 3,690,286</u>	<u>\$ 3,849,982</u>	<u>\$ 3,628,233</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 3,451,363</u>	<u>\$ 3,830,452</u>	<u>\$ 3,822,090</u>	<u>\$ 3,897,729</u>	<u>\$ 3,690,286</u>	<u>\$ 3,849,982</u>	<u>\$ 3,628,233</u>
Financing:							
State General Fund	\$ 2,296,770	\$ 2,471,000	\$ 2,464,469	\$ 2,552,329	\$ 2,351,414	\$ 2,521,829	\$ 2,314,695
All Other Funds	1,154,593	1,359,452	1,357,621	1,345,400	1,338,872	1,328,153	1,313,538
TOTAL	<u>\$ 3,451,363</u>	<u>\$ 3,830,452</u>	<u>\$ 3,822,090</u>	<u>\$ 3,897,729</u>	<u>\$ 3,690,286</u>	<u>\$ 3,849,982</u>	<u>\$ 3,628,233</u>
FTE Positions	12.0	11.0	11.0	11.0	11.0	11.0	11.0
Non-FTE Uncl.Perm.Pos.	34.0	38.0	38.0	39.0	39.0	39.0	39.0
TOTAL	<u>46.0</u>	<u>49.0</u>	<u>49.0</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>

The **agency** requests FY 2018 expenditures of \$3.9 million or 1.8 percent, above the FY 2017 revised estimate. The request includes \$2.6 million from the State General Fund, an increase of \$67,277,

increase of \$81,329, or 3.3 percent, above the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$3.2 million, including \$2.6 million from the State General Fund, for the Water Appropriations program. This request is an all funds increase of \$75,918, or 2.4 percent, and a State General Fund increase of \$81,329, or 3.3 percent, above the FY 2017 revised estimate. The increase is largely attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$603,086, all from special revenue funds, for the Water Appropriations program, an increase of \$7,169, or 1.2 percent, above the FY 2017 revised estimate. The increase is largely attributable to software maintenance expenditures and repair and service;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$65,267, all from special revenue funds, for the Water Appropriations program, an increase of \$5,190, or 8.6 percent, above the FY 2017 revised estimate. The increase is largely attributable to tires and computer parts. The majority of commodities expenditures in this program are attributable to gasoline (68.9 percent); and
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$38,000, all from special revenue funds, for the Water

Appropriations program, a decrease of \$21,000, or 35.6 percent, below the FY 2017 revised estimate. The decrease is largely attributable to flowmeter purchases.

The **Governor** recommends FY 2018 expenditures of \$3.7 million for the Water Appropriations program, including \$2.4 million from the State General Fund. This recommendation is an all funds decrease of \$207,443, or 5.3 percent, and a State General Fund decrease of \$200,915, or 7.9 percent, below the agency request. The decrease is attributable to not recommending the agency's requested enhancement for three environmental scientists for water conservation and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$3.8 million for the Water Appropriations program, a decrease of \$47,747, or 1.2 percent, below the FY 2018 request. The request includes \$2.5 million from the State General Fund, a decrease of \$30,500, or 1.2 percent, below the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages all funds expenditures of \$3.1 million, including \$2.2 million from the State General Fund, for the Water Appropriations program. This request is an all funds decrease of \$64,585, or 2.0 percent, and a State General Fund decrease of \$384,006, or 15.0 percent, below the FY 2018 request. The decrease is attributable to employer contributions for fringe benefits due to employees shifting to unclassified status;

- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$609,924, including \$299,253 from the State General Fund, for the Water Appropriations program, an all funds increase of \$6,838, or 1.1 percent, and a State General Fund increase of \$299,253, or 100.0 percent, above the FY 2018 request. The increase is largely attributable to computer maintenance;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$65,267, including \$54,253 from the State General Fund, for the Water Appropriations program, which is no change from the all funds FY 2018 request and a State General Fund increase of \$54,253, or 100.0 percent, above the FY 2018 request. The majority of commodities expenditures in this program are attributable to gasoline (68.9 percent); and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$48,000, all from special revenue funds, for the Water Appropriations program, an increase of \$10,000, or 26.3 percent, above the FY 2018 request. The increase is largely attributable to the purchase of a flowmeter.

The **Governor** recommends FY 2019 expenditures of \$3.6 million for the Water Appropriations program, including \$2.3 million from the State General Fund. The recommendation is an all funds decrease of \$221,749, or 5.8 percent, and a State General Fund decrease of \$207,134, or 8.2 percent, below the agency request. The decrease is attributable to not recommending the agency's requested enhancement for three environmental scientists for water conservation and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

I. Water Structures

The Water Structures sub-program regulates human activities that affect the flow of rivers and streams to ensure that such activities are properly planned, constructed, operated, and maintained.

WATER STRUCTURES SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,101,338	\$ 1,272,152	\$ 1,268,569	\$ 1,288,666	\$ 1,275,189	\$ 1,324,710	\$ 1,304,453
Contractual Services	2,873,541	4,220,103	4,220,103	3,704,092	3,704,092	3,708,507	3,708,507
Commodities	6,084	9,100	9,100	8,045	8,045	8,045	8,045
Capital Outlay	27,273	10,168	10,168	6,494	6,494	6,494	6,494
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 4,008,236</u>	<u>\$ 5,511,523</u>	<u>\$ 5,507,940</u>	<u>\$ 5,007,297</u>	<u>\$ 4,993,820</u>	<u>\$ 5,047,756</u>	<u>\$ 5,027,499</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 4,008,236</u>	<u>\$ 5,511,523</u>	<u>\$ 5,507,940</u>	<u>\$ 5,007,297</u>	<u>\$ 4,993,820</u>	<u>\$ 5,047,756</u>	<u>\$ 5,027,499</u>
Financing:							
State General Fund	\$ 722,304	\$ 769,900	\$ 767,791	\$ 740,100	\$ 732,476	\$ 746,100	\$ 734,860
All Other Funds	3,285,932	4,741,623	4,740,149	4,267,197	4,261,344	4,301,656	4,292,639
TOTAL	<u>\$ 4,008,236</u>	<u>\$ 5,511,523</u>	<u>\$ 5,507,940</u>	<u>\$ 5,007,297</u>	<u>\$ 4,993,820</u>	<u>\$ 5,047,756</u>	<u>\$ 5,027,499</u>
FTE Positions	2.0	1.0	1.0	2.0	2.0	2.0	2.0
Non-FTE Uncl.Perm.Pos.	12.0	16.0	16.0	16.0	16.0	16.0	16.0
TOTAL	<u>14.0</u>	<u>17.0</u>	<u>17.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>

The **agency** requests FY 2018 expenditures of \$5.0 million for the Water Structures program, a decrease of \$504,226, or 9.1 percent, below the FY 2017 revised estimate. The request

includes \$740,100 from the State General Fund, a decrease of \$29,800, or 3.9 percent, below the FY 2017 revised estimate.

Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$1.3 million, including \$740,100 from the State General Fund for the Water Structures program. This request is an all funds increase of \$16,514, or 1.3 percent, and a State General Fund decrease of \$29,800, or 3.9 percent, from the FY 2017 revised estimate. The increase is largely attributable to employer contributions to fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$3.7 million, all from special revenue funds, for the Water Structures program, a decrease of \$516,011, or 12.2 percent, below the FY 2017 revised estimate. The decrease is largely attributable to prior year encumbrances being spent and reimbursed with federal funds;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$8,045, all from special revenue funds, for the Water Structures program, a decrease of \$1,055, or 11.6 percent, below the FY 2017 revised estimate. The decrease is attributable to data processing supplies. The majority of commodities expenditures in this program are attributable to gasoline (65.9 percent); and
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$6,494, all from special revenue funds, for the Water Structures program, a decrease of \$3,674, or 36.1 percent,

below the FY 2017 revised estimate. The decrease is largely attributable to computer replacements.

The **Governor** recommends FY 2018 expenditures of \$5.0 million for the Water Structures program, including \$732,476 from the State General Fund. This recommendation is an all funds decrease of \$13,477, or 0.3 percent, and a State General Fund decrease of \$7,624, or 1.0 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$5.0 million for the Water Structures program, an increase of \$40,459, or 0.8 percent, above the FY 2018 request. The request includes \$746,100 from the State General Fund, an increase of \$6,000, or 0.8 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$1.3 million, including \$746,100 from the State General Fund, for the Water Structures program. This request is an all funds increase of \$36,044, or 2.8 percent, and a State General Fund increase of \$6,000, or 0.8 percent, above the FY 2018 request. The increase is attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$3.7 million, all from special revenue funds, for the Water Structures program, an increase of \$4,415, or 0.1 percent, above the FY 2018 request. The

increase is largely attributable to training, computer maintenance, and building rent;

- **Commodities.** The agency requests FY 2019 commodities expenditures of \$8,045, all from special revenue funds, for the Water Structures program, which is no change from the FY 2018 request. The majority of commodities expenditures in this program are attributable to gasoline (65.9 percent); and
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$6,494, all from

special revenue funds, for the Water Structures program, which is no change from the FY 2018 request.

The **Governor** recommends FY 2019 expenditures of \$5.0 million for the Water Structures program, including \$734,860 from the State General Fund. The recommendation is an all funds decrease of \$20,257, or 0.4 percent, and a State General Fund decrease of \$11,240, or 1.5 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

J. Agricultural Laboratory

The Agricultural Laboratory program provides analytical services necessary to enforce the regulatory functions of the agency. Analytical laboratory services are provided for the Meat and Poultry Inspection, Dairy Inspection, Agricultural

Commodities Assurance, and Pesticide and Fertilizer sub-programs. Sample inspections are conducted to protect the health and safety of all Kansans and to facilitate accuracy of labeling of products offered for sale in the State.

AGRICULTURAL LABORATORY							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 980,256	\$ 982,818	\$ 980,198	\$ 1,069,833	\$ 1,059,148	\$ 1,102,066	\$ 1,085,667
Contractual Services	522,704	537,714	537,714	549,535	549,535	545,254	545,254
Commodities	80,030	86,324	86,324	86,392	86,392	86,392	86,392
Capital Outlay	68,987	71,012	71,012	320,907	74,142	65,321	65,321
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,651,977</u>	<u>\$ 1,677,868</u>	<u>\$ 1,675,248</u>	<u>\$ 2,026,667</u>	<u>\$ 1,769,217</u>	<u>\$ 1,799,033</u>	<u>\$ 1,782,634</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,651,977</u>	<u>\$ 1,677,868</u>	<u>\$ 1,675,248</u>	<u>\$ 2,026,667</u>	<u>\$ 1,769,217</u>	<u>\$ 1,799,033</u>	<u>\$ 1,782,634</u>
Financing:							
State General Fund	\$ 96,246	\$ 119,700	\$ 119,387	\$ 401,665	\$ 153,380	\$ 196,200	\$ 193,320
All Other Funds	1,555,731	1,558,168	1,555,861	1,625,002	1,615,837	1,602,833	1,589,314
TOTAL	<u>\$ 1,651,977</u>	<u>\$ 1,677,868</u>	<u>\$ 1,675,248</u>	<u>\$ 2,026,667</u>	<u>\$ 1,769,217</u>	<u>\$ 1,799,033</u>	<u>\$ 1,782,634</u>
FTE Positions	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Non-FTE Uncl.Perm.Pos.	14.5	13.6	13.6	15.1	15.1	15.1	15.1
TOTAL	<u>16.5</u>	<u>15.6</u>	<u>15.6</u>	<u>18.1</u>	<u>18.1</u>	<u>18.1</u>	<u>18.1</u>

The **agency** requests FY 2018 expenditures of \$2.0 million for the Agricultural Laboratory program, an increase of \$348,799, or 20.8, percent, above the FY 2017 revised estimate. The request includes \$401,665 from the State General Fund, an increase of \$281,965, or 235.6 percent, above the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$1.1 million for the Agricultural Laboratory program, including \$154,900 from the State General Fund. This request is an all funds increase of \$87,015, or 8.9 percent, and a State General Fund increase of \$35,200, or 29.4 percent, above the FY 2017 revised estimate. The increase is largely attributable to increased salaries and employer contributions to fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$549,535, all from special revenue funds, for the Agricultural Laboratory program, an increase of \$11,821, or 2.2 percent, above the FY 2017 revised estimate. Contractual services expenditures in this program are for rent and maintenance agreements for lab equipment;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$86,392, all from special revenue funds, for the Agricultural Laboratory program, an increase of \$68, or 0.1 percent, above the FY 2017 revised estimate. Commodities expenditures in this program are for chemicals and other scientific supplies; and

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$320,907 for the Agricultural Laboratory program, an increase of \$249,895, or 351.9 percent, above the FY 2017 revised estimate. The request includes \$246,765 from the State General Fund, an increase of \$246,765, or 100.0 percent, above the FY 2017 revised estimate. The increase is largely attributable to one-time expenditures for replacement of a Quattro Micro analyzer (\$196,765, all from the State General Fund) and a Bentley somatic cell counter (\$50,000, all from the State General Fund). The Quattro Micro analyzer tests for chemical levels in samples received from drift cases, and the existing analyzer has become periodically unreliable and is no longer supported by the manufacturer. The Bentley somatic cell counter is used in dairy testing. The agency indicates that when cows in a herd have an infection or inflammation, the white blood cell count increases which affects the quality of milk, and this machine helps to estimate the white blood cell count in a given sample. The agency further notes they expect the number of cows to increase, which increases the number of milk samples to be analyzed. Finally, the agency indicates the current machine experiences increased repair costs, operates from a floppy disk, and is no longer supported by the manufacturer.

The **Governor** recommends FY 2018 expenditures of \$1.8 million for the Agricultural Laboratory program, including \$153,380 from the State General Fund. This recommendation is an all funds decrease of \$257,450, or 12.7 percent, and a State General Fund decrease of \$248,285, or 61.8 percent, below the agency request. The decrease is attributable to not

recommending the enhancement for one-time expenditures to replace a Quattro Micro analyzer and a Bentley somatic cell counter, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$1.8 million for the Agricultural Laboratory program, a decrease of \$227,634, or 11.2 percent, below the FY 2018 request. The request includes \$196,200 from the State General Fund, a decrease of \$205,465, or 51.2 percent, below the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$1.1 million for the Agricultural Laboratory program, including \$196,200 from the State General Fund. This request is an all funds increase of \$32,233, or 3.0 percent, and a State General Fund increase of \$41,300, or 26.7 percent, above the FY 2018 request. The increase is attributable to salary increases and employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$545,254, all from special revenue funds, for the Agricultural Laboratory program, a decrease of \$4,281, or 0.8 percent, below the FY 2018 request. Contractual services expenditures in this

program are for rent and maintenance agreements for lab equipment;

- **Commodities.** The agency requests FY 2019 commodities expenditures of \$86,392, all from special revenue funds, for the Agricultural Laboratory program, which is no change from the FY 2018 request. Commodities expenditures in this program are for chemicals and other scientific supplies; and
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$65,321, all from special revenue funds, for the Agricultural Laboratory program, a decrease of \$255,586, or 79.6 percent, below the FY 2018 request. The decrease is attributable to one-time expenditures for replacing the Quattro Micro analyzer and the Bentley somatic cell counter for FY 2018. The majority of capital outlay expenditures are for laboratory equipment.

The **Governor** recommends FY 2019 expenditures of \$1.8 million for the Agricultural Laboratory program, including \$193,320 from the State General Fund. The recommendation is an all funds decrease of \$16,399, or 0.9 percent, and a State General Fund decrease of \$2,880, or 1.5 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

K. Plant Protection

The Plant Protection program protects the state's natural and cultivated plant resources from pests, diseases, and weeds. Plant Protection staff work to ensure the health of the state's native and cultivated plants by excluding or controlling destructive pests, diseases, and weeds. Staff examine and analyze pest conditions in crop fields, range lands, greenhouses and nurseries. Action taken to control potential infestations of

new pests, whether they are insects, plant diseases, or weeds, is beneficial to the economy and the environment.

The program's mission is to: exclude or control harmful insects, plant diseases, and weeds; ensure Kansas plants and plant products entering commerce are free from quarantine pests; and provide customers with inspection and certification services.

PLANT PROTECTION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 714,197	\$ 748,113	\$ 746,154	\$ 819,497	\$ 811,409	\$ 844,193	\$ 831,645
Contractual Services	227,529	179,607	179,607	178,465	178,465	179,232	179,232
Commodities	65,691	51,530	51,530	56,592	56,592	55,092	55,092
Capital Outlay	54,374	33,114	33,114	49,113	49,113	100,000	100,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,061,791</u>	<u>\$ 1,012,364</u>	<u>\$ 1,010,405</u>	<u>\$ 1,103,667</u>	<u>\$ 1,095,579</u>	<u>\$ 1,178,517</u>	<u>\$ 1,165,969</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL	<u>\$ 1,061,791</u>	<u>\$ 1,014,864</u>	<u>\$ 1,012,905</u>	<u>\$ 1,106,167</u>	<u>\$ 1,098,079</u>	<u>\$ 1,181,017</u>	<u>\$ 1,168,469</u>
Financing:							
State General Fund	\$ 430,098	\$ 447,000	\$ 445,871	\$ 429,300	\$ 425,147	\$ 432,900	\$ 426,593
All Other Funds	631,693	567,864	567,034	676,867	672,932	748,117	741,876
TOTAL	<u>\$ 1,061,791</u>	<u>\$ 1,014,864</u>	<u>\$ 1,012,905</u>	<u>\$ 1,106,167</u>	<u>\$ 1,098,079</u>	<u>\$ 1,181,017</u>	<u>\$ 1,168,469</u>
FTE Positions	1.0	2.0	2.0	3.0	3.0	3.0	3.0
Non-FTE Uncl.Perm.Pos.	10.0	10.0	10.0	10.0	10.0	10.0	10.0
TOTAL	<u>11.0</u>	<u>12.0</u>	<u>12.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>

The **agency** requests FY 2018 expenditures of \$1.1 million for the Plant Protection program, an increase of \$91,303, or 9.0 percent, above the FY 2017 revised estimate. The request includes \$429,300 from the State General Fund, a decrease of \$17,700, or 4.0 percent, below the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$819,497 for the Plant Protection program, including \$429,300 from the State General Fund. This request is an all funds increase of \$71,384, or 9.5 percent, and a State General Fund decrease of \$17,700, or 4.0 percent, from the FY 2017 revised estimate. The increase is largely attributable to adding an environmental specialist with planned increased fees as requested by industry;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$178,465, all from special revenue funds, for the Plant Protection program, a decrease of \$1,142, or 0.6 percent, below the FY 2017 revised estimate. The decrease is attributable to temporary staffing to conduct surveys, offset in part by increased laboratory fees to test samples;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$56,592, all from special revenue funds, for the Plant Protection program, an increase of \$5,062, or 9.8 percent, above the FY 2017 revised estimate. The increase is largely attributable to insect traps and scientific supplies;

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$49,113, all from special revenue funds, for the Plant Protection program, an increase of \$15,999, or 48.3 percent, above the FY 2017 revised estimate. The increase is attributable to vehicle and computer replacements; and
- **Other Assistance.** The agency requests FY 2018 other assistance expenditures of \$2,500, all from special revenue funds, for the Plant Protection program, which is no change from the FY 2017 revised estimate. Plant Pest Emergency Response potential payments to non-state organizations make up this entire expense.

The **Governor** recommends FY 2018 expenditures of \$1.1 million for the Plant Protection program, including \$425,147 from the State General Fund. This recommendation is an all funds decrease of \$8,088, or 0.7 percent, and a State General Fund decrease of \$4,153, or 1.0 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$1.2 million for the Plant Protection program, an increase of \$74,850, or 6.8 percent, above the FY 2018 request. The request includes \$432,900 from the State General Fund, an increase of \$3,600, or 0.8 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$844,193 for the Plant Protection program,

including \$432,900 from the State General Fund. This request is an all funds increase of \$24,696, or 3.0 percent, and a State General Fund increase of \$3,600, or 0.8 percent, above the FY 2018 request. The increase is attributable to employer contributions for fringe benefits;

- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$179,232, all from special revenue funds, for the Plant Protection program, an increase of \$767, or 0.4 percent, above the FY 2018 request. The increase is attributable to building rent and computer maintenance;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$55,092, all from special revenue funds, for the Plant Protection program, a decrease of \$1,500, or 2.7 percent, below the FY 2018 request. The decrease is largely attributable to insect traps and scientific supplies;

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$100,000, all from special revenue funds, for the Plant Protection program, an increase of \$50,887, or 103.6 percent, above the FY 2018 request. The increase is largely attributable to the planned purchase of an online licensing and payment product; and
- **Other Assistance.** The agency requests FY 2019 other assistance expenditures of \$2,500, all from special revenue funds, for the Plant Protection program, which is no change from the FY 2018 request. Plant Pest Emergency Response potential payments to non-state organizations make up this entire expense.

The **Governor** recommends FY 2019 expenditures of \$1.2 million for the Plant Protection program, including \$426,593 from the State General Fund. The recommendation is an all funds decrease of \$12,548, or 1.1 percent, and a State General Fund decrease of \$6,307, or 1.5 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

L. Pesticide and Fertilizer

The Pesticide and Fertilizer sub-program regulates pesticide and fertilizer products and chemical applicators. The program handles compliance assistance and outreach education, complaint investigation, and monitoring inspections. The

program covers the following laws: the Kansas Agricultural Chemical Act, Kansas Chemigation Safety Law, Kansas Fertilizer Law, Kansas Pesticide Law, and Kansas Soil Amendment Act.

PESTICIDE AND FERTILIZER SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,188,412	\$ 1,371,286	\$ 1,367,508	\$ 1,462,505	\$ 1,447,493	\$ 1,508,400	\$ 1,485,466
Contractual Services	134,639	193,917	193,917	240,446	240,446	276,355	276,355
Commodities	27,371	44,464	44,464	46,674	46,674	46,665	46,665
Capital Outlay	286,346	62,000	62,000	32,000	32,000	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,636,768</u>	<u>\$ 1,671,667</u>	<u>\$ 1,667,889</u>	<u>\$ 1,781,625</u>	<u>\$ 1,766,613</u>	<u>\$ 1,831,420</u>	<u>\$ 1,808,486</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,636,768</u>	<u>\$ 1,671,667</u>	<u>\$ 1,667,889</u>	<u>\$ 1,781,625</u>	<u>\$ 1,766,613</u>	<u>\$ 1,831,420</u>	<u>\$ 1,808,486</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,636,768	1,671,667	1,667,889	1,781,625	1,766,613	1,831,420	1,808,486
TOTAL	<u>\$ 1,636,768</u>	<u>\$ 1,671,667</u>	<u>\$ 1,667,889</u>	<u>\$ 1,781,625</u>	<u>\$ 1,766,613</u>	<u>\$ 1,831,420</u>	<u>\$ 1,808,486</u>
FTE Positions	9.0	8.0	8.0	9.0	9.0	9.0	9.0
Non-FTE Uncl.Perm.Pos.	7.0	13.0	13.0	13.0	13.0	13.0	13.0
TOTAL	<u>16.0</u>	<u>21.0</u>	<u>21.0</u>	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>

The **agency** requests FY 2018 expenditures of \$1.8 million for the Pesticide and Fertilizer program, all from special revenue funds, an increase of \$109,958, or 6.6 percent, above the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$1.5 million for the Pesticide and Fertilizer program. This request is an increase of \$91,219, or 6.7 percent, above the FY 2017 revised estimate. The increase is largely attributable to filling two open positions six months into FY 2017 and fully funding the positions in FY 2018;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$240,446 for the Pesticide and Fertilizer program, an increase of \$46,529, or 24.0 percent, above the FY 2017 revised estimate. The increase is largely attributable to software maintenance agreements including for the online licensing and payment provider;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$46,674 for the Pesticide and Fertilizer program, an increase of \$2,210, or 5.0 percent, above the FY 2017 revised estimate. The increase is largely attributable to tire replacements. The majority of commodities expenditures in this program are attributable to gasoline for inspectors' travel (85.7 percent); and
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$32,000 for the

Pesticide and Fertilizer program, a decrease of \$30,000, or 48.4 percent, below the FY 2017 revised estimate. The decrease is attributable to decreased expenditures for passenger car replacements, offset in part by a truck replacement.

The **Governor** recommends FY 2018 expenditures of \$1.8 million for the Pesticide and Fertilizer program, all from special revenue funds. This recommendation is a decrease of \$15,012, or 0.8 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$1.8 million for the Pesticide and Fertilizer program, all from special revenue funds, an increase of \$49,795, or 2.8 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$1.5 million for the Pesticide and Fertilizer program. This request is an increase of \$45,895, or 3.1 percent, above the FY 2018 request. The increase is attributable to employer contributions for fringe benefits and salary increases;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$276,355 for the Pesticide and Fertilizer program, an increase of \$35,909, or 14.9 percent, above the FY 2018 request. The increase is largely attributable to software

maintenance agreements, including the online licensing and payment provider;

- **Commodities.** The agency requests FY 2019 commodities expenditures of \$46,665 for the Pesticide and Fertilizer program, a decrease of \$9, or less than 0.1 percent, below the FY 2018 request. The majority of commodities expenditures in this program are attributable to gasoline for inspectors' travel (85.7 percent); and
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$0 for the Pesticide

and Fertilizer program, which is a decrease of \$32,000, or 100.0 percent, below the FY 2018 request. The decrease is attributable to decreased expenditures for truck replacements and computer replacements.

The **Governor** recommends FY 2019 expenditures of \$1.8 million for the Pesticide and Fertilizer program, all from special revenue funds. The recommendation is a decrease of \$22,934, or 1.3 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

M. Animal Health

The Animal Health program ensures the public health, safety, and welfare of Kansas' citizens and enhances the economic viability of the state's livestock production through livestock identification, animal health planning and preparedness, disease prevention, and control and eradication of infectious and contagious livestock and domestic animal disease in the state of Kansas. The program also regulates facilities that produce, sell, board, train, rescue, offer for adoption, or harbor companion animals and enforce the laws governing such facilities. The program directs a Brand

Registration and Inspection program; identifies ownership of lost or stolen livestock; informs the public of the status of the health of livestock in the state; and promotes understanding and gains public assistance in achieving this mission. The Animal Health program was transferred to KDA in FY 2012 as part of Executive Reorganization Order No. 40. The Board of Veterinary Examiners was temporarily merged as part of the Animal Health program as part of a trial merger that expired at the end of FY 2016.

ANIMAL HEALTH							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,613,928	\$ 1,357,360	\$ 1,353,700	\$ 1,472,142	\$ 1,457,276	\$ 1,516,626	\$ 1,493,569
Contractual Services	1,281,223	1,222,980	1,222,980	1,207,802	1,207,802	1,220,786	1,220,786
Commodities	32,143	36,802	36,802	36,595	36,595	36,595	36,595
Capital Outlay	133,397	16,000	16,000	21,510	21,510	21,510	21,510
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 3,060,691</u>	<u>\$ 2,633,142</u>	<u>\$ 2,629,482</u>	<u>\$ 2,738,049</u>	<u>\$ 2,723,183</u>	<u>\$ 2,795,517</u>	<u>\$ 2,772,460</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 3,060,691</u>	<u>\$ 2,633,142</u>	<u>\$ 2,629,482</u>	<u>\$ 2,738,049</u>	<u>\$ 2,723,183</u>	<u>\$ 2,795,517</u>	<u>\$ 2,772,460</u>
Financing:							
State General Fund	\$ 612,353	\$ 635,600	\$ 634,409	\$ 610,400	\$ 606,130	\$ 615,500	\$ 608,993
All Other Funds	2,448,338	1,997,542	1,995,073	2,127,649	2,117,053	2,180,017	2,163,467
TOTAL	<u>\$ 3,060,691</u>	<u>\$ 2,633,142</u>	<u>\$ 2,629,482</u>	<u>\$ 2,738,049</u>	<u>\$ 2,723,183</u>	<u>\$ 2,795,517</u>	<u>\$ 2,772,460</u>
FTE Positions	7.0	5.9	5.9	5.9	5.9	5.9	5.9
Non-FTE Uncl.Perm.Pos.	10.5	14.3	14.3	14.4	14.4	14.4	14.4
TOTAL	<u>17.5</u>	<u>20.2</u>	<u>20.2</u>	<u>20.3</u>	<u>20.3</u>	<u>20.3</u>	<u>20.3</u>

The **agency** requests FY 2018 expenditures of \$2.7 million for the Animal Health program, an increase of \$104,907, or 4.0 percent, above the FY 2017 revised estimate. The request includes \$610,400 from the State General Fund, a decrease of \$25,200, or 4.0 percent, below the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$1.5 million for the Animal Health program, including \$435,400 from the State General Fund. This request is an all funds increase of \$114,782, or 8.5 percent, and a State General Fund decrease of \$25,200, or 5.5 percent, from the FY 2017 revised estimate. The increase is largely attributable to four positions that are added halfway through FY 2017, which are funded for the full fiscal year in FY 2018 and employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$1.2 million for the Animal Health program, a decrease of \$15,178, or 1.2 percent, below the FY 2017 revised estimate. The request includes \$175,000 from the State General Fund, which is no change from the FY 2017 revised estimate. Contractual services expenditures in the Animal Health program are largely for livestock market, veterinarian fees, and back-tagging payments. These expenses also include feral swine control, payments to the Attorney General's office for a brand investigator, rents, travel, and communication;

- **Commodities.** The agency requests FY 2018 commodities expenditures of \$36,595, all from special revenue funds, for the Animal Health program, a decrease of \$207, or 0.6 percent, below the FY 2017 revised estimate. Commodities expenditures for the Animal Health program are largely for gasoline (72.1 percent); and
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$21,510, all from special revenue funds, for the Animal Health program, an increase of \$5,510, or 34.4 percent, above the FY 2017 revised estimate. The increase is largely attributable to computer replacements and radio frequency identification (RFID) wand purchases.

The **Governor** recommends FY 2018 expenditures in the Animal Health program of \$2.7 million, including \$606,130 from the State General Fund. The recommendation is an all funds decrease of \$14,866, or 0.5 percent, and a State General Fund decrease of \$4,270, or 0.7 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$2.8 million for the Animal Health program, an increase of \$57,468, or 2.1 percent, above the FY 2018 request. The request includes \$615,500 from the State General Fund, an increase of \$5,100, or 0.8 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$1.5 million for the Animal Health program, including \$440,500 from the State General Fund. This request is an all funds increase of \$44,484, or 3.0 percent, and a State General Fund increase of \$5,100, or 1.2 percent, above the FY 2018 request. The increase is largely attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$1.2 million for the Animal Health program, an increase of \$12,984, or 1.1 percent, above the FY 2018 request. The request includes \$175,000 from the State General Fund, which is no change from the FY 2018 request. Contractual services expenditures in the Animal Health program are largely for livestock market, veterinarian fees, and back-tagging payments. These expenses also include feral swine control, payments to the Attorney General's office for a brand investigator, rents, travel, and communication;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$36,595, all from special revenue funds, for the Animal Health program, which is no change from the FY 2018 request. Commodities expenditures for the Animal Health program are largely for gasoline (72.1 percent); and
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$21,510, all from special revenue funds, for the Animal Health program, which is no change from the FY 2018 request.

The **Governor** recommends FY 2019 expenditures in the Animal Health program of \$2.8 million, including \$608,993 from the State General Fund. The recommendation is an all funds decrease of \$23,057, or 0.8 percent, and a State General Fund decrease of \$6,507, or 1.1 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

N. Conservation

Prior to FY 2012, the State Conservation Commission was a separate agency that was established in 1937 to promote soil and water conservation. The mission of the Commission was to administer conservation programs designed to enable local entities and individuals to protect and enhance Kansas' natural resources. The Conservation program operates eight sub-programs, including: Aid to Conservation Districts, Watershed

Dam Construction, Water Resource Cost-Share, Water Supply Restoration, Non-point Source Pollution, Riparian and Wetland Protection, Land Reclamation, and Water Quality Buffer Initiatives. The Conservation program was transferred to the Kansas Department of Agriculture as part of Executive Reorganization Order No. 40.

CONSERVATION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 694,413	\$ 729,451	\$ 727,438	\$ 758,518	\$ 750,739	\$ 781,323	\$ 769,407
Contractual Services	1,465,084	2,648,688	2,648,688	1,660,244	1,660,244	1,677,013	1,677,013
Commodities	6,677	6,989	6,989	6,989	6,989	7,215	7,215
Capital Outlay	10,296	2,794	2,794	2,794	2,794	2,794	2,794
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 2,176,470</i>	<i>\$ 3,387,922</i>	<i>\$ 3,385,909</i>	<i>\$ 2,428,545</i>	<i>\$ 2,420,766</i>	<i>\$ 2,468,345</i>	<i>\$ 2,456,429</i>
Aid to Local Units	2,672,378	2,092,637	2,092,637	2,000,000	2,000,000	2,092,637	2,092,637
Other Assistance	3,726,776	4,547,922	4,547,922	3,151,419	3,151,419	3,882,100	3,882,100
TOTAL	\$ 8,575,624	\$ 10,028,481	\$ 10,026,468	\$ 7,579,964	\$ 7,572,185	\$ 8,443,082	\$ 8,431,166
Financing:							
State General Fund	\$ 480,346	\$ 498,300	\$ 496,973	\$ 478,500	\$ 473,594	\$ 482,500	\$ 475,147
All Other Funds	8,095,278	9,530,181	9,529,495	7,101,464	7,098,591	7,960,582	7,956,019
TOTAL	\$ 8,575,624	\$ 10,028,481	\$ 10,026,468	\$ 7,579,964	\$ 7,572,185	\$ 8,443,082	\$ 8,431,166
FTE Positions	3.0	6.0	6.0	7.0	7.0	7.0	7.0
Non-FTE Uncl.Perm.Pos.	6.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	9.0	9.0	9.0	10.0	10.0	10.0	10.0

The **agency** requests FY 2018 expenditures of \$7.6 million for the Conservation program, a decrease of \$2.4 million, or

24.4 percent, below the FY 2017 revised estimate. The request includes \$478,500 from the State General Fund, a decrease of

\$19,800, or 4.0 percent, below the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$758,518 for the Conservation program, including \$478,500 from the State General Fund. This request is an all funds increase of \$29,067, or 4.0 percent, and a State General Fund decrease of \$19,800, or 4.0 percent, from the FY 2017 revised estimate. The increase is largely attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$1.7 million, all from special revenue funds, for the Conservation program, a decrease of \$988,444, or 37.3 percent, below the FY 2017 revised estimate. Contractual services expenditures in the Conservation program are largely for non-point source conservation technicians and architect and engineering fees related to streambank projects. Therefore, expenditures here are directly related to availability of State Water Plan Funds for these projects. Additionally, the FY 2017 budget includes carry-forward expenditures, which results in a decrease for the FY 2018 budget;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$6,989, all from special revenue funds, for the Conservation program, which is no change from the FY 2017 revised estimate. Commodities expenditures for

the Conservation program are largely for gasoline (97.5 percent);

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$2,794, all from special revenue funds, for the Conservation program, which is no change from the FY 2017 revised estimate. Capital outlay expenditures in this program are for computer replacements and computer equipment;
- **Aid to Local Units of Government.** The agency requests FY 2018 aid to local units of government expenditures of \$2.0 million, all from special revenue funds, for the Conservation program, a decrease of \$92,637, or 4.4 percent, below the FY 2017 revised estimate. Expenditures in this category are for state aid to conservation districts, which is related to the availability of State Water Plan Funds; and
- **Other Assistance.** The agency requests FY 2018 other assistance expenditures of \$3.2 million, all from special revenue funds, for the Conservation program, a decrease of \$1.4 million, or 30.7 percent, below the FY 2017 revised estimate. Expenditures in this category are for State Water Plan Fund projects, including non-point source and water resource cost-share payments to land owners. Additionally, the FY 2017 budget includes carry-forward expenditures which results in a decrease for the FY 2018 budget.

The **Governor** recommends FY 2018 expenditures of \$7.6 million for the Conservation program, including \$473,594 from

the State General Fund. This recommendation is an all funds decrease of \$7,779, or 0.1 percent, and a State General Fund decrease of \$4,906, or 1.0 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$8.4 million for the Conservation program, an increase of \$863,118, or 11.4 percent, above the FY 2018 request. The request includes \$482,500 from the State General Fund, an increase of \$4,000, or 0.8 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$781,323 for the Conservation program, including \$482,500 from the State General Fund. This request is an all funds increase of \$22,805, or 3.0 percent, and a State General Fund increase of \$4,000, or 0.8 percent, above the FY 2018 request. The increase is largely attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$1.7 million, all from special revenue funds, for the Conservation program, an increase of \$16,769, or 1.0 percent, above the FY 2018 request. Contractual services expenditures in the Conservation program are largely for non-point source conservation technicians and architect and engineering fees related to streambank projects.;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$7,215, all from special revenue funds, for the Conservation program, an increase of \$226, or 3.2 percent, above the FY 2018 request. The increase is attributable to vehicle parts and supplies;
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$2,794, all from special revenue funds, for the Conservation program, which is no change from the FY 2018 request. Capital outlay expenditures in this program are for computer replacements and computer equipment;
- **Aid to Local Units of Government.** The agency requests FY 2019 aid to local units of government expenditures of \$2.1 million, all from special revenue funds, for the Conservation program, an increase of \$92,637, or 4.6 percent, above the FY 2018 request. Expenditures in this category are for state aid to conservation districts, which is related to the availability of State Water Plan Funds; and
- **Other Assistance.** The agency requests FY 2019 other assistance expenditures of \$3.9 million, all from special revenue funds, for the Conservation program, an increase of \$730,681, or 23.2 percent, above the FY 2018 request. Expenditures in this category are for State Water Plan Fund projects, including non-point source and water resource cost-share payments to land owners.

The **Governor** recommends FY 2019 expenditures of \$8.4 million for the Conservation program, including \$475,147 from the State General Fund. The recommendation is an all funds decrease of \$11,916, or 0.1 percent, and a State General Fund

decrease of \$7,353, or 1.5 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

O. Agricultural Marketing

Agriculture marketing was transferred to the Department in FY 2011 as part of Executive Reorganization Order No. 40. This program is focused on growing the agricultural industry in Kansas through loan programs, marketing, and agricultural initiatives. The Agricultural Marketing, Advocacy, and Outreach team identifies with the following team goals: retain and serve

current farms, ranches, and agribusinesses in Kansas; grow current farms, ranches, and agribusinesses in Kansas; expand the Kansas agriculture industry; assist in maintaining/growing rural Kansas communities; raising awareness of agriculture; and create appreciation for agriculture.

AGRICULTURAL MARKETING							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 800,084	\$ 904,821	\$ 902,430	\$ 985,451	\$ 975,694	\$ 1,016,139	\$ 1,000,718
Contractual Services	750,804	1,107,623	1,107,623	1,042,784	1,042,784	1,005,967	1,005,967
Commodities	19,628	63,461	63,461	32,471	32,471	34,971	34,971
Capital Outlay	5,182	48,840	48,840	8,850	8,850	8,850	8,850
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 1,575,698</i>	<i>\$ 2,124,745</i>	<i>\$ 2,122,354</i>	<i>\$ 2,069,556</i>	<i>\$ 2,059,799</i>	<i>\$ 2,065,927</i>	<i>\$ 2,050,506</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	220,958	320,392	320,392	473,736	473,736	393,039	393,039
TOTAL	<u>\$ 1,796,656</u>	<u>\$ 2,445,137</u>	<u>\$ 2,442,746</u>	<u>\$ 2,543,292</u>	<u>\$ 2,533,535</u>	<u>\$ 2,458,966</u>	<u>\$ 2,443,545</u>
Financing:							
State General Fund	\$ 396,690	\$ 522,497	\$ 522,262	\$ 637,320	\$ 637,320	\$ 641,020	\$ 641,020
All Other Funds	1,399,966	1,922,640	1,920,484	1,905,972	1,896,215	1,817,946	1,802,525
TOTAL	<u>\$ 1,796,656</u>	<u>\$ 2,445,137</u>	<u>\$ 2,442,746</u>	<u>\$ 2,543,292</u>	<u>\$ 2,533,535</u>	<u>\$ 2,458,966</u>	<u>\$ 2,443,545</u>
FTE Positions	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Non-FTE Uncl.Perm.Pos.	9.0	13.0	13.0	13.0	13.0	13.0	13.0
TOTAL	<u>9.0</u>	<u>13.0</u>	<u>13.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>

The **agency** requests FY 2018 expenditures of \$2.5 million for the Agricultural Marketing program, an increase of \$98,155, or 4.0 percent, above the FY 2017 revised estimate. The request includes \$637,320 from the State General Fund, an increase of \$114,823, or 22.0 percent, above the FY 2017 revised estimate. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$985,451 for the Agricultural Marketing program. This request is an increase of \$80,630, or 8.9 percent, above the FY 2017 revised estimate. The increase is largely attributable to adding one Agri-Business Development position to expand the promotion of Kansas agriculture;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$1.0 million for the Agricultural Marketing program, a decrease of \$64,839, or 5.9 percent, below the FY 2017 revised estimate. Contractual services expenditures in this program include partnerships with Kansas State University, rent, booths at trade shows, and travel to attend meetings;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$32,471 for the Agricultural Marketing program, a decrease of \$30,990, or 48.8 percent, below the FY 2017 revised estimate. The decrease is largely attributable to one-time expenditures of a farmers' market grant in FY 2017;
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$8,850 for the Agricultural Marketing program, a decrease of

\$39,990, or 81.9 percent, below the FY 2017 revised estimate. The decrease is attributable to one-time expenditures of a farmers' market grant in FY 2017; and

- **Other Assistance.** The agency requests FY 2018 other assistance expenditures of \$473,736 for the Agricultural Marketing program, an increase of \$153,344, or 47.9 percent, above the FY 2017 revised estimate. The increase is largely attributable to federal grants for USDA Farm to School grants and special crop block grants.

The **Governor** recommends FY 2018 expenditures of \$2.5 million for the Agricultural Marketing program, including \$637,320 from the State General Fund. This recommendation is an all funds decrease of \$9,757, or 0.4 percent, and no change in State General Fund expenditures, from the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$2.5 million for the Agricultural Marketing program, a decrease of \$84,326, or 3.3 percent, below the FY 2018 request. The request includes \$641,020 from the State General Fund, an increase of \$3,700, or 0.6 percent, above the FY 2018 request. Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$1.0 million for the Agricultural Marketing program. This request is an increase of \$30,688, or 3.1 percent, above the FY 2018 request. The

increase is attributable to employer contributions for fringe benefits;

- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$1.0 million for the Agricultural Marketing program, a decrease of \$36,817, or 3.5 percent, below the FY 2018 request. Contractual services expenditures in this program include partnerships with Kansas State University, rent, booths at trade shows, and travel to attend meetings;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$34,971 for the Agricultural Marketing program, an increase of \$2,500, or 7.7 percent, above the FY 2018 request. Commodities expenditures in this program are for purchases of product for sale; and
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$8,850 for the

Agricultural Marketing program, which is no change from the FY 2018 request. Capital outlay expenditures in this program are attributable to computer replacements.

- **Other Assistance.** The agency requests FY 2019 other assistance expenditures of \$393,039 for the Agricultural Marketing program, a decrease of \$80,697, or 17.0 percent, below the FY 2018 request. The decrease is largely attributable to federal grants for USDA Farm to School grants, offset in part by federal special crop block grants.

The **Governor** recommends FY 2019 expenditures of \$2.4 million for the Agricultural Marketing program, including \$641,020 from the State General Fund. The recommendation is an all funds decrease of \$15,421, or 0.6 percent, and no change in State General Fund expenditures, from the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

Measure	PERFORMANCE MEASURES				
	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
Percent of times in which KDA is represented at a minimum of six industry meetings	N/A	100.0%	100.0%	100.0%	100.0%
Percent of customer inquiries responded to within 24 hours	N/A	100.0%	100.0%	100.0%	100.0%
Percent of food safety orders issued less than 21 days from assignment	N/A	100.0%	100.0%	100.0%	100.0%
Dairy and feed inspection and sampling frequencies met	N/A	100.0%	100.0%	100.0%	100.0%
Percent of food establishment inspected annually	N/A	100.0%	100.0%	100.0%	100.0%
Percent of raw meat sampled within 24 hours of receipt	N/A	100.0%	100.0%	100.0%	100.0%
State and custom meat and poultry processing plants inspected	N/A	100.0%	100.0%	100.0%	100.0%
Percent of anhydrous ammonia storage facilities inspected annually	N/A	100.0%	100.0%	100.0%	100.0%
Percent of Plant Protection staff who have completed emergency preparedness training	N/A	100.0%	100.0%	100.0%	100.0%
Annual fuel dispensing and scales device inspections per FTE	N/A	3,001	3,200	3,250	3,300
Number of foreign animal disease investigations	N/A	27	25	25	25
Total livestock inspected	2,096,000	2,160,000	2,160,000	2,160,000	2,160,000
Number of licensed animal facilities inspected	N/A	950	955	960	965
Increased new brand registrations	N/A	551	600	600	600
Increased number of inbound and outbound trade missions	N/A	16	18	21	24
Complete identified objectives and indicators for agricultural workforce development	N/A	90.0%	90.0%	90.0%	90.0%
Expand Agriculture Month activities and events	N/A	11	16	20	24
Percentage of county commissions contributing at least \$25,000	N/A	80.0%	77.0%	77.0%	100.0%
Complete distribution of available funds based on watershed priority	N/A	100.0%	100.0%	100.0%	100.0%
Water conservation programs statutory limits for enrollment met within five years	N/A	46.0%	57.0%	68.0%	78.0%
Percentage of water users utilizing online reporting	N/A	12.0%	40.0%	55.0%	70.0%
Meet customer preferred time goals for resolution of impairment claim investigations	N/A	50.0%	70.0%	100.0%	100.0%
Monitoring and enforcement of streamflow orders performed timely	N/A	89.4%	90.0%	90.0%	90.0%

KANSAS WATER OFFICE

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 1,120,859	\$ 904,576	\$ 902,363	\$ 824,071	\$ 859,109	\$ 830,718	\$ 864,844
Other Funds	9,268,217	7,804,295	7,802,393	5,765,458	5,714,888	5,757,150	5,705,132
TOTAL	\$ 10,389,076	\$ 8,708,871	\$ 8,704,756	\$ 6,589,529	\$ 6,573,997	\$ 6,587,868	\$ 6,569,976
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 10,389,076	\$ 8,708,871	\$ 8,704,756	\$ 6,589,529	\$ 6,573,997	\$ 6,587,868	\$ 6,569,976
Percentage Change:							
Operating Expenditures							
State General Fund	(3.3) %	(19.3) %	(19.5) %	(8.9) %	(4.8) %	0.8 %	0.7 %
All Funds	13.7	(16.2)	(16.2)	(24.3)	(24.5)	(0.0)	(0.1)
FTE Positions	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Non-FTE							
Perm.Uncl.Pos.	1.5	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	20.5	21.0	21.0	21.0	21.0	21.0	21.0

AGENCY OVERVIEW

The Kansas Water Office is the water planning, policy, and coordination agency for the State. The agency, in conjunction with the Kansas Water Authority, develops water policies through an open planning process; facilitates the coordination of agencies' activities regarding water; and operates a raw water marketing program to ensure an adequate supply for the citizens, municipalities, environment, and industries in the State.

Through the agency's operations and the guidance of the Kansas Water Authority, the Kansas Water Office focuses on water policy planning, including developing the State Water Plan, which details the management, conservation, and development of water resources for the State. Working with the 12 major river basins, the agency develops basin planning sections for the State Water Plan, which documents objectives and critical issues occurring in each of the basins. Additionally, the agency provides the coordination function in focusing action

MAJOR ISSUES FROM PRIOR YEARS

The **2006 Legislature** added \$2.5 million from the Water Conservation Projects Fund in FY 2007 to the Kansas Water Office for projects in the Upper Arkansas River Basin, including the lining of the Southside Ditch and the Southern Alternative delivery system. The Legislature also added language directing the agency to work with Groundwater Management District No. 5 to begin negotiations involving the purchase of water rights for the streamflow augmentation of Rattlesnake Creek during FY 2007. In addition, the Legislature added \$552,000 from the Water Conservation Projects Fund in FY 2006 and FY 2007 for feasibility studies related to projects in the Upper Arkansas

on priority issues as identified in the basin sections of the Kansas Water Plan.

In addition, the agency administers the following programs and acts: Assessment and Evaluation program, Water Marketing program, Water Assurance program, Water Conservation program, the public water supply component of the Multipurpose Small Lakes program, the Kansas Water Planning Act, State Water Plan Storage Act, Kansas Weather Modification Act, portions of the Water Appropriations Act, and the Water Transfer Act. The agency also negotiates with the federal government for water supply storage in federal lakes.

The Kansas Water Authority provides water policy advice to the Governor, Legislature, and the Director of the Kansas Water Office. The 24-member board is responsible for approving water storage sales, the State Water Plan, federal contracts, and regulations and legislation proposed by the Kansas Water Office.

River Basin directly impacted by the litigation between Kansas and Colorado. Combined, total expenditures for both fiscal years were not to exceed \$552,000.

The **2007 Legislature** added \$500,000 from the State Water Plan Fund to address Neosho River Basin issues, such as sedimentation and water quality problems that have emerged within the Neosho Basin Watershed in recent years. The funding will be utilized as follows: \$300,000 for John Redmond reservoir pool raise mitigation required by the U.S. Corps of Engineers for

a two-foot permanent pool raise; \$150,000 for the Marion reservoir for a feasibility study related to addressing sedimentation and algae bloom issues; and \$50,000 for a riparian area inventory of areas below Marion and Council Grove reservoirs to the upper reaches of John Redmond reservoir. In addition, the Legislature added additional funding for weather modification, weather stations, technical assistance to water users, and for memorandum of understanding (MOU)–Storage Operations and Maintenance.

The **2008 Legislature** transferred the balance of the Water Conservation Projects Fund (\$9,134,446) and \$739,964 from the State Water Plan Fund in FY 2008 to a new fund called the Western Water Conservation Projects Fund, with guidelines directing the funding to Groundwater Management District No. 3 for oversight of funding projects, and creation of an advisory committee consisting of six ditch companies, and requiring a report by the Groundwater Management District No. 3 every three months on the status of new projects. In addition, the Legislature approved an increased transfer from the Economic Development Initiatives Fund (EDIF) of \$1,043,985 to avert a negative ending balance in the State Water Plan Fund. The Legislature also approved \$534,000, all from the State General Fund, in FY 2009 for a new fund called the Reservoir Storage Beneficial Use Fund.

The **2009 Legislature** approved the transfer of \$2.0 million from the State General Fund to the State Water Plan Fund for FY 2009 and suspended the \$6.0 million statutory transfer from the State General Fund to the State Water Plan Fund for both FY 2009 and FY 2010. For FY 2010, the Legislature approved the transfer of \$3.3 million from the State General Fund to the State Water Plan Fund. The agency's FY 2010 State Water Plan Fund expenditures were increased by \$825,487. The Governor's July 2009 allotments eliminated the FY 2010 transfer approved by the Legislature and expenditures based on the increased transfer were reduced accordingly.

The **2010 Legislature** approved the transfer of \$1.3 million from the State General Fund to the State Water Plan Fund for FY 2011 and that it be appropriated for four specific programs: Contamination Remediation (\$226,161); Treece Superfund Buyout (\$350,000); Interstate Water Issues (\$137,945); and Aid to Conservation Districts (\$634,138). The 2010 Legislature also changed the expenditure limitation for the State Conservation Storage Water Supply Fund from \$0 to no limit for FY 2011.

The **2011 Legislature** suspended the \$6.0 million demand transfer to the State Water Plan Fund. In addition, the Legislature approved transfers from the State Water Plan Fund of \$75,000 to the Grain Warehouse Inspection Fund, \$175,000 to the Swine Eradication Fund, and \$20,000 to the Livestock Market Reporting Fund. The Legislature added funding for the Wichita Aquifer Storage and Recovery Project (\$11,390) and the MOU with the Army Corps of Engineers (\$80,702). Those additions were offset by reductions for technical assistance for water users (\$25,000), assessment evaluation (\$16,702), and several universal reductions (\$72,274).

The **2012 Legislature** added \$500,000, all from the Expanded Lottery Act Revenues Fund, for FY 2013 for the Wichita Aquifer Storage and Recovery project and \$40,000, all from the State Water Plan Fund, for Water Resource Education. The funding was vetoed subsequently by the Governor. The Legislature also added \$200,000, all from the State Water Plan Fund, for FY 2013 for the weather modification program contingent upon ten counties participating in the project. The 2012 Legislature suspended the \$6.0 million transfer from the State Water Plan Fund.

The **2013 Legislature** added \$100,000, all from the State Water Plan Fund, for the Weather Modification program in FY 2014.

In **2013**, the Governor charged the agency with leading the development of a 50-year vision for water in Kansas. The vision will be incorporated into the Kansas Water Plan. The agency will conduct multiple meetings with stakeholders through March of 2014 and produce a first draft of the 50-year vision in the summer of that year. The agency intends for the vision to be completed by November 2014.

The **2014 Legislature** deleted \$419,000, all from the Water Marketing Fund, to reduce FY 2015 bond payments for the John

Redmond Reservoir dredging project from \$2,109,400 to \$1,690,400.

The **2015 Legislature** added \$400,000 in both FY 2016 and FY 2017, all from the State Water Plan Fund, for streambank stabilization.

The **Governor's** May 2016 allotment deleted \$250,000, all from the State General Fund, and added \$250,000, all from the Water Marketing Fund, for FY 2017.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency's** revised FY 2017 estimate totals expenditures of \$8.7 million, including \$904,576 from the State General Fund. This estimate is an all funds decrease of \$281,143, or 3.1 percent, below the approved amount. There is no change to the State General Fund estimate. The decrease is attributable to the timing of expenditures in the Republican River Basin funded by the settlement from the *Kansas v. Nebraska* interstate litigation.

This decrease is offset in part by increases resulting from timing of State Water Plan Fund expenditures projects in assessment and evaluation and technical assistance to water users, as well as increases from the receipt of federal funds for the Kansas drought tournament, risk management for limited irrigation, and wetland development.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 expenditures of \$8.7 million, including \$902,363 from the State General Fund. This recommendation is an all funds decrease of \$4,115, or less than 0.1 percent, and a State General Fund decrease of \$2,213, or

0.2 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

FY 2018 Agency Request

The **agency** requests FY 2018 expenditures of \$6.6 million, including \$824,071 from the State General Fund. This request is

an all funds decrease of \$2.1 million, or 24.3 percent, and a State General Fund decrease of \$80,505, or 8.9 percent, below

the FY 2017 estimate. This decrease is largely attributable to decreased expenditures for State Water Plan Fund projects arising from decreasing revenues into that fund, decreased expenditures for the Republican River Basin due to

encumbering funds for an ongoing project in prior fiscal years, and budgeting federal grants at zero due to uncertainty regarding whether the grants will be awarded, and the completion of a Taste and Odor study in FY 2017.

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 expenditures of \$6.6 million, including \$859,109 from the State General Fund. The recommendation is an all funds decrease of \$15,532, or 0.2 percent, and a State General Fund increase of \$35,038, or 4.3 percent, from the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$12,721, including \$6,826, from the

State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in an all funds reduction of \$2,811, including \$1,508 from the State General Fund. Additionally, the State General Fund increase is attributable to not recommending the agency's reduced resource package, which had paid for some State General Fund rent expenses with the Water Marketing Fund.

FY 2019 Agency Request

The **agency** requests FY 2019 expenditures of \$6.6 million, including \$830,718 from the State General Fund. This request is an all funds decrease of \$1,661, or less than 0.1 percent, and a State General Fund increase of \$6,647, or 0.8 percent, from the

FY 2018 request. This change is largely attributable to increased expenditures for employer contributions to fringe benefits offset by decreases in State Water Plan Fund projects resulting from decreased revenue into that fund.

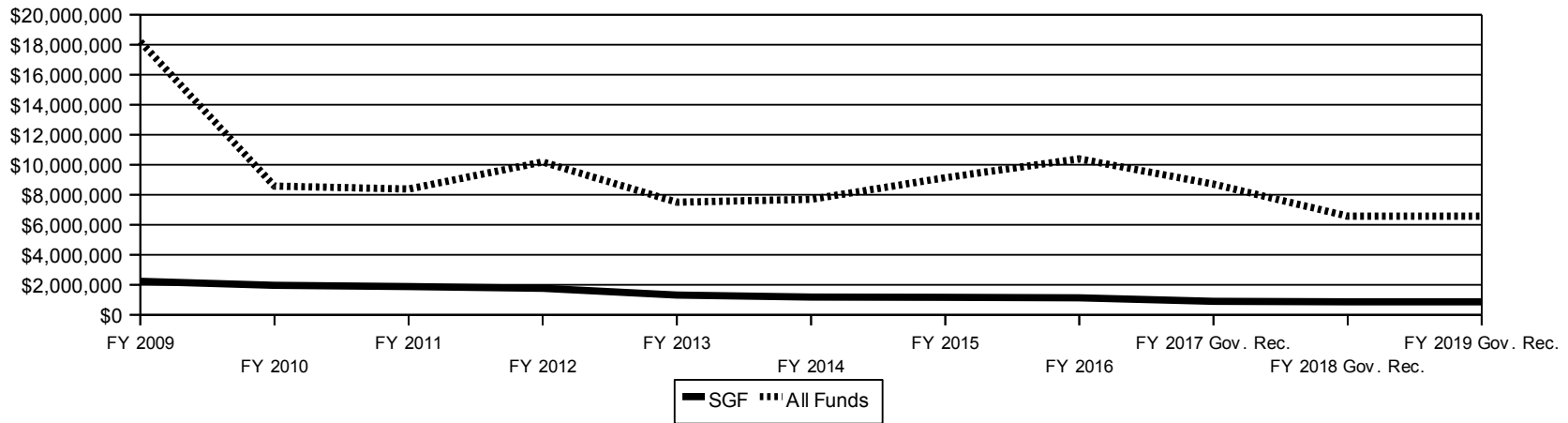
FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$6.6 million, including \$864,844 from the State General Fund. The recommendation is an all funds decrease of \$17,892, or 0.3 percent, and a State General Fund increase of \$34,126, or 4.1 percent, from the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation

to hold KPERS employer contributions at the FY 2016 amount. Additionally, the State General Fund increase is attributable to not recommending the agency's reduced resource package, which had paid for some State General Fund rent expenses with the Water Marketing Fund.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 2,226,752	(2.2)%	\$ 18,205,826	113.6 %	23.5
2010	1,962,416	(11.9)	8,578,248	(52.9)	23.5
2011	1,879,209	(4.2)	8,377,752	(2.3)	21.0
2012	1,762,575	(6.2)	10,182,947	21.5	21.0
2013	1,319,859	(25.1)	7,500,801	(26.3)	18.0
2014	1,182,230	(10.4)	7,694,691	2.6	19.0
2015	1,158,682	(2.0)	9,136,814	18.7	16.0
2016	1,120,859	(3.3)	10,389,076	13.7	19.0
2017 Gov. Rec.	902,363	(19.5)	8,704,756	(16.2)	19.0
2018 Gov. Rec.	859,109	(4.8)	6,573,997	(24.5)	19.0
2019 Gov. Rec.	864,844	0.7	6,569,976	(0.1)	19.0
Eleven-Year Change	\$ (1,361,908)	(61.2)%	\$ (11,635,850)	(63.9)%	(4.5)

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Administration	\$ 6,173,398	\$ 4,365,773	\$ 2,156,792	\$ (2,208,981)	(50.6) %	\$ 4,363,560	\$ 2,191,830	\$ (2,171,730)	(49.8) %
Kansas Water Authority	35,270	28,695	28,699	4	0.0	28,695	28,699	4	0.0
Water Supply Contracts	4,180,408	4,314,403	4,404,038	89,635	2.1	4,312,501	4,353,468	40,967	0.9
TOTAL	\$ 10,389,076	\$ 8,708,871	\$ 6,589,529	\$ (2,119,342)	(24.3) %	\$ 8,704,756	\$ 6,573,997	\$ (2,130,759)	(24.5) %
By Major Object of Expenditure:									
Salaries and Wages	\$ 1,371,002	\$ 1,476,968	\$ 1,488,586	\$ 11,618	0.8 %	\$ 1,472,853	\$ 1,473,054	\$ 201	0.0 %
Contractual Services	8,578,184	6,987,236	4,991,076	(1,996,160)	(28.6)	6,987,236	4,991,076	(1,996,160)	(28.6)
Commodities	95,433	19,407	77,646	58,239	300.1	19,407	77,646	58,239	300.1
Capital Outlay	43,797	25,260	32,221	6,961	27.6	25,260	32,221	6,961	27.6
Debt Service	0	0	0	0	0.0	0	0	0	0.0
Subtotal - Operations	\$ 10,088,416	\$ 8,508,871	\$ 6,589,529	\$ (1,919,342)	(22.6) %	\$ 8,504,756	\$ 6,573,997	\$ (1,930,759)	(22.7) %
Aid to Local Units	36,146	0	0	0	--	0	0	0	--
Other Assistance	264,514	200,000	0	(200,000)	(100.0)	200,000	0	(200,000)	(100.0)
TOTAL	\$ 10,389,076	\$ 8,708,871	\$ 6,589,529	\$ (2,119,342)	(24.3) %	\$ 8,704,756	\$ 6,573,997	\$ (2,130,759)	(24.5) %
Financing:									
State General Fund	\$ 1,120,859	\$ 904,576	\$ 824,071	\$ (80,505)	(8.9) %	\$ 902,363	\$ 859,109	\$ (43,254)	(4.8) %
State Water Plan Fund	2,155,884	2,359,534	1,588,699	(770,835)	(32.7)	2,359,534	1,588,699	(770,835)	(32.7)
Water Marketing Fund	3,584,308	3,716,537	3,710,898	(5,639)	(0.2)	3,714,635	3,660,328	(54,307)	(1.5)
Federal Funds	364,097	332,992	0	(332,992)	(100.0)	332,992	0	(332,992)	(100.0)
All Other Funds	3,163,928	1,395,232	465,861	(929,371)	(66.6)	1,395,232	465,861	(929,371)	(66.6)
TOTAL	\$ 10,389,076	\$ 8,708,871	\$ 6,589,529	\$ (2,119,342)	(24.3) %	\$ 8,704,756	\$ 6,573,997	\$ (2,130,759)	(24.5) %

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration	\$ 2,156,792	\$ 2,141,600	\$ (15,192)	(0.7) %	\$ 2,191,830	\$ 2,175,726	\$ (16,104)	(0.7)%
Kansas Water Authority	28,699	28,700	1	0.0	28,699	28,700	1	0.0
Water Supply Contracts	4,404,038	4,417,568	13,530	0.3	4,353,468	4,365,550	12,082	0.3
TOTAL	\$ 6,589,529	\$ 6,587,868	\$ (1,661)	(0.0) %	\$ 6,573,997	\$ 6,569,976	\$ (4,021)	(0.1)%
By Major Object of Expenditure:								
Salaries and Wages	\$ 1,488,586	\$ 1,515,536	\$ 26,950	1.8 %	\$ 1,473,054	\$ 1,497,644	\$ 24,590	1.7 %
Contractual Services	4,991,076	4,957,272	(33,804)	(0.7)	4,991,076	4,957,272	(33,804)	(0.7)
Commodities	77,646	77,800	154	0.2	77,646	77,800	154	0.2
Capital Outlay	32,221	37,260	5,039	15.6	32,221	37,260	5,039	15.6
Debt Service	0	0	0	--	0	0	0	0.0
Subtotal - Operations	\$ 6,589,529	\$ 6,587,868	\$ (1,661)	(0.0) %	\$ 6,573,997	\$ 6,569,976	\$ (4,021)	(0.1)%
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 6,589,529	\$ 6,587,868	\$ (1,661)	(0.0) %	\$ 6,573,997	\$ 6,569,976	\$ (4,021)	(0.1)%
Financing:								
State General Fund	\$ 824,071	\$ 830,718	\$ 6,647	0.8 %	\$ 859,109	\$ 864,844	\$ 5,735	0.7 %
State Water Plan Fund	1,588,699	1,556,282	(32,417)	(2.0)	1,588,699	1,556,282	(32,417)	(2.0)
Water Marketing Fund	3,710,898	3,742,297	31,399	0.8	3,660,328	3,690,279	29,951	0.8
Federal Funds	0	0	0	--	0	0	0	--
All Other Funds	465,861	458,571	(7,290)	(1.6)	465,861	458,571	(7,290)	(1.6)
TOTAL	\$ 6,589,529	\$ 6,587,868	\$ (1,661)	(0.0) %	\$ 6,573,997	\$ 6,569,976	\$ (4,021)	(0.1)%

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

The 2016 Legislature approved a State General Fund budget of \$904,576 for the Kansas Water Office in FY 2017. No adjustments have been made subsequently to that amount.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 904,576	\$ 904,576	\$ 0	\$ 902,363	\$ (2,213)
All Other Funds	8,085,438	7,804,295	(281,143)	7,802,393	(283,045)
TOTAL	\$ 8,990,014	\$ 8,708,871	\$ (281,143)	\$ 8,704,756	\$ (285,258)
FTE Positions	19.0	19.0	0.0	19.0	0.0

The **agency's** revised FY 2017 estimate totals \$8.7 million, including \$904,576 from the State General Fund. The revised FY 2017 estimate is an all funds decrease of \$281,143, or 3.1 percent, below the approved amount. There is no change to the State General Fund estimate. The decrease is attributable to changes in a number of categories of expenditures:

- **Salaries and Wages.** The agency's revised FY 2017 estimate includes salary and wage expenditures of \$1.5 million, an increase of \$3, or less than 0.1 percent, above the approved amount. The revised estimate includes \$793,515

from the State General Fund, an increase of \$31,307, or 4.1 percent, above the approved amount;

- **Contractual Services.** The agency's revised FY 2017 estimate for contractual service expenditures of \$7.0 million, an increase of \$511,069, or 7.9 percent, above the approved amount. This revised estimate includes \$109,324 from the State General Fund, a decrease of \$14,471, or 11.7 percent, below the approved amount. This all funds increase is attributable to

carried forward State Water Plan Fund expenditures in assessment and evaluation and technical assistance to water users where the timing of the expenditure occurred in FY 2017; the timing and categorization of expenditures in the Republican River Basin funded by the settlement from the *Kansas v. Nebraska* interstate litigation; and increases from the receipt of federal funds for the Kansas drought tournament, risk management for limited irrigation, and wetland development;

- **Commodities.** The agency's revised FY 2017 estimate includes commodity expenditures of \$19,407, a decrease of \$713, or 3.5 percent, below the approved amount. This revised estimate includes \$1,737 from the State General Fund, a decrease of \$9,513, or 84.6 percent, below the approved amount. This decrease is largely attributable to decreased expenditures for gasoline, office supplies, and data processing supplies, offset in part by increased expenditures for food related to re-categorizing expenses for the Governor's Water Conference;
- **Capital Outlay.** The agency's revised FY 2017 estimate includes capital outlay expenditures of \$25,260, an increase of \$8,498, or 50.7 percent,

above the approved amount. This revised estimate includes \$0 from the State General Fund, a decrease of \$7,323, or 100.0 percent, below the approved amount. The all funds increase is largely attributable to software upgrades pursuant to the agency's Information Technology Plan; and

- **Other Assistance.** The agency's revised FY 2017 estimate includes other assistance expenditures of \$200,000, all from special revenue funds, a decrease of \$800,000, or 80.0 percent, below the approved amount. The decrease is attributable to decreases in Republican River Basin spending from the *Kansas v. Nebraska* interstate litigation settlement due to categorizing the expenditures as contractual services. This decrease is offset in part by the receipt of a federal EPA wetland development grant.

The **Governor** recommends FY 2017 expenditures of \$8.7 million, including \$902,363 from the State General Fund. This recommendation is an all funds decrease of \$4,115, or less than 0.1 percent, and a State General Fund decrease of \$2,213, or 0.2 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 6,589,529	\$ 6,573,997	\$ (15,532)
FTE Positions	19.0	19.0	0.0
<i>Change from FY 2017:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ (80,505)	\$ (43,254)	
All Other Funds	(2,038,837)	(2,087,505)	
TOTAL	<u>\$ (2,119,342)</u>	<u>\$ (2,130,759)</u>	
<i>Percent Change:</i>			
State General Fund	(8.9) %	(4.8) %	
All Other Funds	(26.1)	(26.8)	
TOTAL	<u>(24.3) %</u>	<u>(24.5) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2018 expenditures of \$6.6 million, including \$824,071 from the State General Fund. The request is an all funds decrease of \$2.1 million, or 24.3 percent, and a State General Fund decrease of \$80,505, or 8.9 percent, below the revised FY 2017 estimate.

Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salary and wage expenditures of \$1.5 million, an increase of \$11,618, or 0.8 percent, above the FY 2017 estimate. The increase is

attributable to employer contributions to fringe benefits;

- **Contractual Services.** The agency requests FY 2018 contractual service expenditures of \$5.0 million, a decrease of \$2.0 million, or 28.6 percent, below the revised FY 2017 estimate. This request includes \$27,127 from the State General Fund, a decrease of \$82,197, or 75.2 percent, below the revised FY 2017 estimate. The decrease is largely attributable to decreased expenditures for State Water Plan Fund projects arising from decreasing revenues into that fund, decreased expenditures for the Republican River Basin due to encumbering funds for an ongoing project in prior fiscal years, the completion of a taste and odor study on the Kansas River, and budgeting federal grants at zero due to not knowing whether the grants will be awarded;
- **Commodities.** The agency requests FY 2018 commodity expenditures of \$77,646, an increase of \$58,239, or 300.1 percent, above the revised FY 2017 estimate. This request includes \$2,846 from the State General Fund, an increase of \$1,109, or 63.8 percent, above the revised FY 2017 estimate. This increase primarily occurs within expenditures for food due to the Governor's Conference which had previously been budgeted as contractual services;

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$32,221, an increase of \$6,961, or 27.6 percent, above the revised FY 2017 estimate. This request includes \$0 from the State General Fund, which is no change from the revised FY 2017 estimate. The all funds increase is attributable to office equipment replacements pursuant to the agency's Information Technology Plan; and
- **Other Assistance.** The agency requests FY 2018 other assistance expenditures of \$0, a decrease of \$200,000, or 100.0 percent, below the revised FY 2017 estimate. The decrease is attributable to uncertainty of federal grants awards.

The **Governor** recommends FY 2018 expenditures of \$6.6 million, including \$859,109 from the State General Fund. The recommendation is an all funds decrease of \$15,532, or 0.2 percent, and a State General Fund increase of \$35,038, or 4.3 percent, from the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$12,721, including \$6,826 from the State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in an all funds reduction of \$2,811, including \$1,508 from the State General Fund. Additionally, the State General Fund increase is attributable to not recommending the agency's reduced resource package, which had paid for some State General Fund rent expenses with the Water Marketing Fund.

FY 2018 Reduced Resources

The Governor has requested that specified agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The information below provides details of the agency's reduced resources budget submission for the State General Fund.

FY 2018 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Allocation of rent expenses	\$ (43,372)	\$ 0	0.0	\$ 0	\$ 0	0.0

The **agency's** FY 2018 budget includes a reduced resources option for \$43,372, all from the State General Fund. The agency's submission would reduce State General Fund expenditures for rent and increase special revenue fund expenditures from the Water Marketing Fund by the same amount.

The **Governor** does not recommend the reduced resource option for FY 2018.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 6,587,868	\$ 6,569,976	\$ (17,892)
FTE Positions	19.0	19.0	0.0
<i>Change from FY 2018:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 6,647	\$ 5,735	
All Other Funds	(8,308)	(9,756)	
TOTAL	<u>\$ (1,661)</u>	<u>\$ (4,021)</u>	
<i>Percent Change:</i>			
State General Fund	0.8 %	0.7 %	
All Other Funds	(0.1)	(0.2)	
TOTAL	<u>(0.0) %</u>	<u>(0.1) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2019 expenditures of \$6.6 million, including \$830,718 from the State General Fund. This request is an all funds decrease of \$1,661, or less than 0.1 percent, and a State General Fund increase of \$6,647, or 0.8 percent, from the FY 2018 request.

Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salary and wage expenditures of \$1.5 million, an increase of \$26,950, or 1.8 percent, above the FY 2018 request. This request includes \$804,531 from the State General Fund,

an increase of \$10,433, or 1.3 percent, above the FY 2018 request. The increase is attributable to employer contributions to fringe benefits;

- **Contractual Services.** The agency requests FY 2019 contractual service expenditures of \$5.0 million, a decrease of \$33,804, or 0.7 percent, below the FY 2018 request. This request includes \$25,254 from the State General Fund, a decrease of \$1,873, or 6.9 percent, below the FY 2018 request. This decrease is largely attributable to decreased State Water Plan Fund expenditures for assessment and evaluation, Geographic Information Systems (GIS) database development, and State Water Plan operation and maintenance, offset in part by increased stream gaging expenditures;
- **Commodities.** The agency requests FY 2019 commodity expenditures of \$77,800, an increase of \$154, or 0.2 percent, above the FY 2018 request. This request includes \$0 from the State General Fund, a decrease of \$2,846, or 100.0 percent, below the approved amount. This all

funds increase is largely attributable to expenditures regarding food, offset in part by decreases in fuel expenses; and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$37,260, an increase of \$5,039, or 15.6 percent, above the FY 2018 request. This request is an increase of \$933 from the State General Fund, or 100.0 percent, above the FY 2018 request. The increase is attributable to office equipment replacements pursuant to the agency's Information Technology Plan.

The **Governor** recommends FY 2019 operating expenditures of \$6.6 million, including \$864,844 from the State General Fund. The recommendation is an all funds decrease of \$17,892, or 0.3 percent, and a State General Fund increase of \$34,126, or 4.1 percent, from the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. Additionally, the State General Fund increase is attributable to not recommending the agency's reduced resource package, which had paid for some State General Fund rent expenses with the Water Marketing Fund.

FY 2019 Reduced Resources

The Governor has requested that specified agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The information below provides details of the agency’s reduced resources budget submission for the State General Fund.

FY 2019 REDUCED RESOURCES						
Item	Agency Submission			Governor’s Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Allocation of rent expenses	\$ (43,722)	\$ 0	0.0	\$ 0	0	0.0

The **agency’s** FY 2019 budget includes a reduced resources option for \$43,722, all from the State General Fund. The agency’s submission would reduce State General Fund expenditures for rent and increase special revenue fund expenditures from the Water Marketing Fund by the same amount.

The **Governor** does not recommend the reduced resources option for FY 2019.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$600, including \$322 from the State General Fund; FY 2018 longevity payments total \$640, including \$341 from the State General Fund; and FY 2019 longevity payments total \$680, including \$361 from the State General Fund.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal

also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$4,115, including \$2,213 from the State General Fund, in FY 2017; by \$12,721, including \$6,826 from the State General Fund, for FY 2018; and by \$17,892, including \$9,596 from the State General Fund, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$2,811, including \$1,508 from the State General Fund, for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State General Fund	12.5 %	13.1 %	12.6 %	13.2 %
State Water Plan Fund	24.1	24.2	23.6	23.7
Water Marketing Fund	56.3	55.7	56.8	56.2
Federal Funds	0.0	0.0	0.0	0.0
All Other Funds	7.1	7.1	7.0	7.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Water Marketing Fund

Under the federal Water Supply Act of 1958, federal reservoirs constructed in Kansas for the purpose of flood control were authorized to include storage space for municipal and industrial water supplies. In 1961, the Legislature provided financial assurance for inclusion of water storage in the federal reservoirs constructed in the State. In 1974, the Legislature enacted the State Water Plan Storage Act, which authorizes the agency to contract with water purchasers for sale of water from any reservoir included in the Kansas Water Marketing program. The Water Marketing Fund was created by the Legislature in 1991.

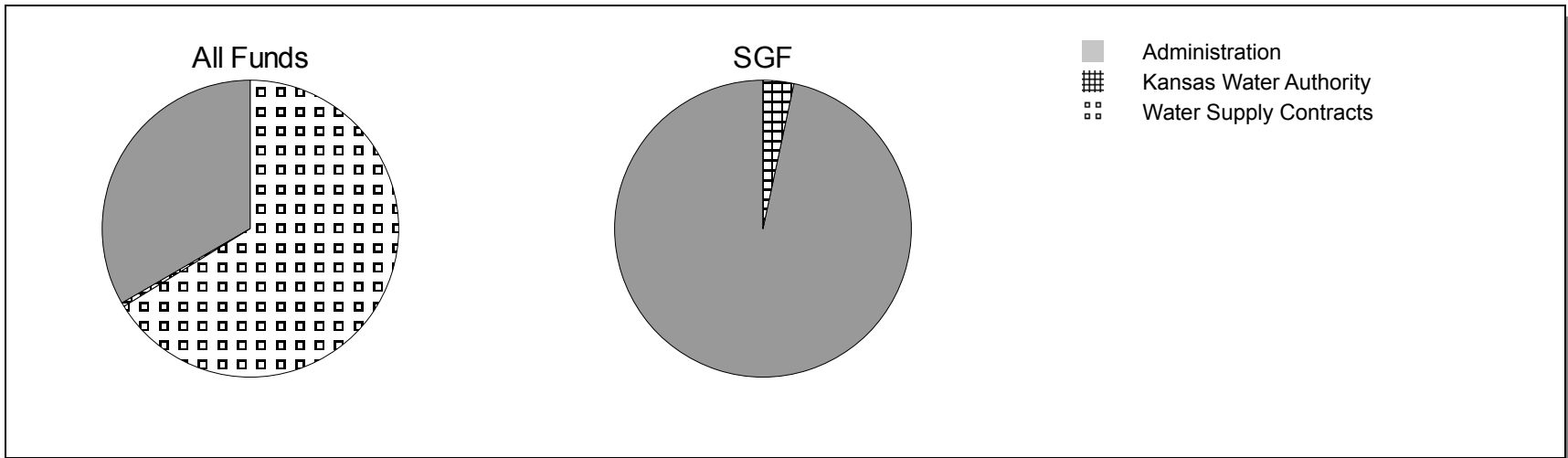
Revenue for the Water Marketing program is generated by the sale of water supplied under contracts with public water

suppliers and industries from state-owned storage in federal lakes purchased from the U.S. Army Corps of Engineers. The price for water is set annually according to an established formula and is not negotiable. The fund is then used to meet the state's contractual water storage obligations to the federal government through transfers to the State Conservation Storage Water Supply Fund and any remaining funds are then transferred to the State General Fund for program administration. The table below summarizes receipts, expenditures, and transfers for the Water Marketing Fund as requested by the agency and as recommended by the Governor.

Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ 4,183,876	\$ 3,742,035	\$ 3,742,035	\$ 2,402,587	\$ 2,404,489	\$ 1,418,558	\$ 1,471,030
Revenue	3,250,591	3,050,591	3,050,591	3,050,591	3,050,591	3,250,591	3,250,591
Transfers in	87,835	91,348	91,348	95,002	95,002	98,802	98,802
Total Funds Available	\$ 7,522,302	\$ 6,883,974	\$ 6,883,974	\$ 5,548,180	\$ 5,550,082	\$ 4,767,951	\$ 4,820,423
Less: Expenditures	3,584,308	3,716,537	3,714,635	3,710,898	3,660,328	3,742,297	3,690,279
Transfers Out	195,959	764,850	764,850	418,724	418,724	419,474	419,474
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	\$ 3,742,035	\$ 2,402,587	\$ 2,404,489	\$ 1,418,558	\$ 1,471,030	\$ 606,180	\$ 710,670
Ending Balance as Percent of Expenditures	104.4%	64.6%	64.7%	38.2%	40.2%	16.2%	19.3%
Month Highest Ending Balance	April \$ 3,842,431	March \$ 3,317,133	March \$ 3,317,133	March \$ 2,708,600	March \$ 2,708,600	April \$ 1,375,727	April \$ 1,426,615
Month Lowest Ending Balance	November \$ 1,015,591	October \$ 311,559	October \$ 311,559	November \$ 1,289	November \$ 1,289	November \$ 402,919	November \$ 417,822

PROGRAM DETAIL

EXPENDITURES BY PROGRAM – GOVERNOR’S FY 2018 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Administration	\$ 2,191,830	33.3 %	\$ 830,410	96.7 %
Kansas Water Authority	28,699	0.4	28,699	3.3
Water Supply Contracts	4,353,468	66.2	0	0.0
TOTAL	\$ 6,573,997	100.0 %	\$ 859,109	100.0 %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

<u>Program</u>	<u>Actual FY 2016</u>	<u>Agency Est. FY 2017</u>	<u>Gov. Rec. FY 2017</u>	<u>Agency Req. FY 2018</u>	<u>Gov. Rec. FY 2018</u>	<u>Agency Req. FY 2019</u>	<u>Gov. Rec. FY 2019</u>
Administration	12.0	11.0	11.0	11.0	11.0	11.0	11.0
Kansas Water Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water Supply Contracts	7.0	8.0	8.0	8.0	8.0	8.0	8.0
TOTAL	19.0	19.0	19.0	19.0	19.0	19.0	19.0

A. Administration

The Kansas Water Office is the water planning, policy, and coordination agency for the State of Kansas. It prepares a state plan of water resources development, management, and conservation, reviews all water laws, and makes recommendations to the Governor and Legislature for new or amendatory legislation. The Office administers the Kansas Water Planning Act, State Water Plan Storage Act, Water

Assurance Program Act, Kansas Weather Modification Act, and portions of the Water Appropriations Act and Water Transfer Act. The agency also is responsible for monitoring conditions related to drought, development of water conservation plan guidelines, and the collection and compilation of data related to water resources at state agencies.

ADMINISTRATION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 807,382	\$ 788,573	\$ 786,360	\$ 789,152	\$ 780,818	\$ 799,585	\$ 789,989
Contractual Services	4,942,417	3,343,442	3,343,442	1,290,973	1,334,345	1,265,223	1,308,945
Commodities	90,889	17,937	17,937	60,846	60,846	61,000	61,000
Capital Outlay	32,050	15,821	15,821	15,821	15,821	15,792	15,792
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 5,872,738</i>	<i>\$ 4,165,773</i>	<i>\$ 4,163,560</i>	<i>\$ 2,156,792</i>	<i>\$ 2,191,830</i>	<i>\$ 2,141,600</i>	<i>\$ 2,175,726</i>
Aid to Local Units	36,146	0	0	0	0	0	0
Other Assistance	264,514	200,000	200,000	0	0	0	0
TOTAL	\$ 6,173,398	\$ 4,365,773	\$ 4,363,560	\$ 2,156,792	\$ 2,191,830	\$ 2,141,600	\$ 2,175,726
Financing:							
State General Fund	\$ 1,091,645	\$ 875,881	\$ 873,668	\$ 795,372	\$ 830,410	\$ 802,018	\$ 836,144
All Other Funds	5,081,753	3,489,892	3,489,892	1,361,420	1,361,420	1,339,582	1,339,582
TOTAL	\$ 6,173,398	\$ 4,365,773	\$ 4,363,560	\$ 2,156,792	\$ 2,191,830	\$ 2,141,600	\$ 2,175,726
FTE Positions	12.0	11.0	11.0	11.0	11.0	11.0	11.0
Non-FTE Uncl.Perm.Pos.	1.5	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	13.5	13.0	13.0	13.0	13.0	13.0	13.0

The **agency** requests FY 2018 expenditures of \$2.2 million for the Administration program, including \$795,372 from the

State General Fund. This is an all funds decrease of \$2.2

million, or 50.6 percent, and a State General Fund decrease of \$80,509, or 9.2 percent, below the revised FY 2017 estimate.

The decrease is attributable to changes in a number of categories of expenditures:

- **Salaries and Wages.** The agency requests FY 2018 salary and wage expenditures of \$789,152, all from the State General Fund, which is an increase of \$579, or 0.1 percent, above the revised FY 2017 estimate. The increase is attributable to employer contributions to fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual service expenditures of \$1.3 million, a decrease of \$2.1 million, or 61.4 percent, below the revised FY 2017 estimate. This request includes \$3,374 from the State General Fund, a decrease of \$82,197, or 96.1 percent, below the revised FY 2017 estimate. The decrease is largely attributable to decreased expenditures for State Water Plan Fund projects arising from decreasing revenues into that fund, decreased expenditures for the Republican River Basin due to encumbering funds for an ongoing project in prior fiscal years, the completion of a taste and odor study on the Kansas River, and budgeting federal grants at zero due to uncertainty regarding federal grant awards;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$60,846, an increase of \$42,909, or 239.2 percent, above the revised FY 2017 estimate. This request includes \$2,846 from the State General Fund, an increase

of \$1,109, or 63.8 percent, above the revised FY 2017 estimate. This increase is largely attributable to expenditures for food from the Governor's Water Conference, which had previously been categorized as contractual services;

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$15,821, which is no change from the revised FY 2017 estimate; and
- **Other Assistance.** The agency requests FY 2018 other assistance expenditures of \$0, a decrease of \$200,000, or 100.0 percent, below the revised FY 2017 estimate. The decrease is attributable to uncertainty regarding federal grant awards.

The **Governor** recommends FY 2018 expenditures of \$2.2 million for the Administration program, including \$830,410 from the State General Fund. This recommendation is an all funds increase of \$35,038, or 1.6 percent, and a State General Fund increase of \$35,038, or 4.4 percent, above the agency request. The increase is attributable to not recommending the agency's reduced resource package for paying for some rent expenses with the Water Marketing Fund, which is budgeted as part of the Water Supply Contracts program. This increase is offset in part by the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$2.1 million for the Administration program, including \$802,018 from the State General Fund. This is an all funds decrease of \$15,192, or

0.7 percent, and a State General Fund increase of \$6,646, or 0.8 percent, from the FY 2018 request.

The change is attributable to changes in a number of categories of expenditures:

- **Salaries and Wages.** The agency requests FY 2019 salary and wage expenditures of \$799,585, all from the State General Fund, an increase of \$10,433, or 1.3 percent, above the FY 2018 request. The increase is attributable to employer contributions to fringe benefits;
- **Contractual Services.** The agency requests FY 2019 contractual service expenditures of \$1.3 million, a decrease of \$25,750, or 2.0 percent, below the FY 2018 request. This request includes \$1,500 from the State General Fund, a decrease of \$1,874, or 55.5 percent, below the FY 2018 request. The decrease is largely attributable to decreased expenditures from the State Water Plan Fund for assessment and evaluation and GIS database development, offset in part by increased funding from the same fund for stream gaging;
- **Commodities.** The agency requests FY 2019 commodity expenditures of \$61,000, all from

special revenue funds, an increase of \$154, or 0.3 percent, above the FY 2018 request. This request includes \$0 from the State General Fund, a decrease of \$2,846, or 100.0 percent, below the FY 2018 request. This increase is attributable to expenditures for food from the Governor's Water Conference, offset in part by decreased fuel expenditures; and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$15,792, a decrease of \$29, or 0.2 percent, below the FY 2018 request. This request includes an increase of \$933, or 100.0 percent, from the State General Fund above the FY 2018 request, which budgeted \$0 from the State General Fund for capital outlay.

The **Governor** recommends FY 2019 expenditures of \$2.2 million for the Administration program, including \$836,144 from the State General Fund. This recommendation is an all funds increase of \$34,126, or 1.6 percent, all from the State General Fund, above the agency request. The increase is attributable to not recommending the agency's reduced resource package for paying for some rent expenses with the Water Marketing Fund, which is budgeted as part of the Water Supply Contracts program. This increase is offset in part by the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

B. Kansas Water Authority

The Kansas Water Authority is statutorily within the Kansas Water Office. The Authority is responsible for advising the Governor, the Legislature, and the Director of the Kansas Water Office on water policy issues for approving the Kansas Water Plan, accounting for and making recommendations on the expenditures of State Water Plan Funds, for approving water

storage sales, water marketing rate setting, federal contracts, administrative regulations, and legislation proposed by the Kansas Water Office. The Authority is comprised of 24 members that represent stakeholder groups and are informed of water-related issues representing water users, water interests, environmental interests, and the general public.

KANSAS WATER AUTHORITY							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 3,648	\$ 4,942	\$ 4,942	\$ 4,946	\$ 4,946	\$ 4,946	\$ 4,946
Contractual Services	30,202	23,753	23,753	23,753	23,753	23,754	23,754
Commodities	1,420	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 35,270</u>	<u>\$ 28,695</u>	<u>\$ 28,695</u>	<u>\$ 28,699</u>	<u>\$ 28,699</u>	<u>\$ 28,700</u>	<u>\$ 28,700</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 35,270</u>	<u>\$ 28,695</u>	<u>\$ 28,695</u>	<u>\$ 28,699</u>	<u>\$ 28,699</u>	<u>\$ 28,700</u>	<u>\$ 28,700</u>
Financing:							
State General Fund	\$ 29,214	\$ 28,695	\$ 28,695	\$ 28,699	\$ 28,699	\$ 28,700	\$ 28,700
All Other Funds	6,056	0	0	0	0	0	0
TOTAL	<u>\$ 35,270</u>	<u>\$ 28,695</u>	<u>\$ 28,695</u>	<u>\$ 28,699</u>	<u>\$ 28,699</u>	<u>\$ 28,700</u>	<u>\$ 28,700</u>
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

The **agency** requests FY 2018 expenditures of \$28,699 for the Kansas Water Authority program, all from the State General Fund. This is an increase of \$4, or less than 0.1 percent, above the revised FY 2017 estimate. The change is attributable to employer contributions to fringe benefits.

The **Governor** concurs with the agency request for the Kansas Water Authority for FY 2018.

The **agency** requests FY 2019 expenditures of \$28,700 for the Kansas Water Authority program, all from the State General Fund. This is an increase of \$1, or less than 0.1 percent, above the FY 2018 request.

The **Governor** concurs with the agency request for the Kansas Water Authority for FY 2019.

C. Water Supply Contracts

The Water Supply Contracts program administers certain municipal and industrial public water supply programs to ensure an adequate supply of water for all Kansans. These programs include the Water Marketing, Water Assurance, and public water supply components of the Multipurpose Small Lakes (MPSL) program (KSA 82a-1601 *et seq.*). The Kansas Water Office negotiates with the federal government for water supply storage

in federal lakes and coordinated reservoir operations to meet multiple uses with that storage benefiting primarily municipal and industrial customers. The Kansas Water Office evaluates proposals for Multipurpose Small Lakes to determine whether the State should build additional storage in lakes to provide water supply for the region.

WATER SUPPLY CONTRACTS							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 559,972	\$ 683,453	\$ 681,551	\$ 694,488	\$ 687,290	\$ 711,005	\$ 702,709
Contractual Services	3,605,565	3,620,041	3,620,041	3,676,350	3,632,978	3,668,295	3,624,573
Commodities	3,124	1,470	1,470	16,800	16,800	16,800	16,800
Capital Outlay	11,747	9,439	9,439	16,400	16,400	21,468	21,468
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 4,180,408</i>	<i>\$ 4,314,403</i>	<i>\$ 4,312,501</i>	<i>\$ 4,404,038</i>	<i>\$ 4,353,468</i>	<i>\$ 4,417,568</i>	<i>\$ 4,365,550</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 4,180,408	\$ 4,314,403	\$ 4,312,501	\$ 4,404,038	\$ 4,353,468	\$ 4,417,568	\$ 4,365,550
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	4,180,408	4,314,403	4,312,501	4,404,038	4,353,468	4,417,568	4,365,550
TOTAL	\$ 4,180,408	\$ 4,314,403	\$ 4,312,501	\$ 4,404,038	\$ 4,353,468	\$ 4,417,568	\$ 4,365,550
FTE Positions	7.0	8.0	8.0	8.0	8.0	8.0	8.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	7.0	8.0	8.0	8.0	8.0	8.0	8.0

The **agency** requests FY 2018 expenditures of \$4.4 million for the Water Supply Contracts program, all from special

revenue funds. This is an increase of \$89,635, or 2.1 percent, above the revised FY 2017 estimate.

The increase is attributable to changes in a number of categories of expenditures:

- **Salaries and Wages.** The agency requests FY 2018 salary and wage expenditures of \$694,488, all from special revenue funds, an increase of \$11,035, or 1.6 percent, above the revised FY 2017 estimate. The increase is attributable to employer contributions to fringe benefits;
- **Contractual Services.** The agency requests FY 2018 contractual service expenditures of \$3.7 million, all from special revenue funds, an increase of \$56,309, or 1.6 percent, above the revised FY 2017 estimate. The increase is largely attributable to decreased expenditures for State Water Plan Fund projects arising from decreasing revenues into that fund, decreased expenditures for the Republican River Basin due to encumbering funds for an ongoing project in prior fiscal years, the completion of a taste and odor study on the Kansas River, and budgeting federal grants at zero due to uncertainty regarding federal grant awards;
- **Commodities.** The agency requests FY 2018 commodity expenditures of \$16,800, all from special revenue funds, an increase of \$15,330, or 1,042.9 percent, above the revised FY 2017 estimate. This request includes \$0 from the State General Fund, which is no change from the revised FY 2017 estimate. This increase is attributable to office supplies, data processing supplies, and fuel; and

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$16,400, all from special revenue funds, an increase of \$6,961, or 73.7 percent, above the revised FY 2017 estimate. The increase is attributable to equipment replacements in accordance with the agency's information technology replacement policy.

The **Governor** recommends FY 2018 expenditures of \$4.4 million for the Water Supply Contracts program, all from special revenue funds. This recommendation is a decrease of \$50,570, or 1.1 percent, below the agency request. The decrease is attributable to not recommending the agency's reduced resource package for paying for some rent expenses with the Water Marketing Fund, which is budgeted as part of the Water Supply Contracts program. There is a corresponding increase in State General Fund expenditures in the Administration program as a result of this change in funding source. Additionally, the decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$4.4 million for the Water Supply Contracts program, all from special revenue funds. This is an all funds increase of \$13,530, or 0.3 percent, above the FY 2018 request.

The change is attributable to changes in a number of categories of expenditures:

- **Salaries and Wages.** The agency requests FY 2019 salary and wage expenditures of \$711,005, all from special revenue funds, an increase of \$16,517, or 2.4 percent, above the FY 2018

request. The increase is attributable to employer contributions to fringe benefits;

- **Contractual Services.** The agency requests FY 2019 contractual service expenditures of \$3.7 million, all from special revenue funds, a decrease of \$8,055, or 0.2 percent, below the FY 2018 request. The decrease is largely attributable to expenditures for the State’s proportional amount of operation and maintenance of Corps of Engineers reservoirs;
- **Commodities.** The agency requests FY 2019 commodity expenditures of \$16,800, all from special revenue funds, which is no change from the FY 2018 request; and
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$21,468, all from

special revenue funds, an increase of \$5,068, or 30.9 percent, above the FY 2018 request. The increase is attributable to equipment replacements in accordance with the agency’s information technology replacement policy.

The **Governor** recommends FY 2019 expenditures of \$4.4 million for the Water Supply Contracts program, all from special revenue funds. This recommendation is a decrease of \$52,018, or 1.2 percent, below the agency request. The decrease is attributable to not recommending the agency’s reduced resource package for paying for some rent expenses with the Water Marketing Fund, which is budgeted as part of the Water Supply Contracts program. There is a corresponding increase in State General Fund expenditures in the Administration program as a result of this change in funding source. Additionally, the decrease is attributable to the Governor’s recommendation to hold KPERs employer contributions at the FY 2016 amount.

PERFORMANCE MEASURES					
Measure	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
Number of water resource technical analyses completed	20	25	23	20	18
Water marketing contracts administered	39	32	32	33	34
Number of citizens served by Water Marketing Program	304,195	304,195	307,064	309,907	312,758

DEPARTMENT OF WILDLIFE, PARKS AND TOURISM

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	57,511,003	61,310,216	61,228,885	66,762,327	66,502,112	67,096,993	66,069,235
TOTAL	\$ 57,511,003	\$ 61,310,216	\$ 61,228,885	\$ 66,762,327	\$ 66,502,112	\$ 67,096,993	\$ 66,069,235
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	12,597,844	12,223,000	12,223,000	11,039,000	11,039,000	10,897,000	10,897,000
TOTAL	\$ 12,597,844	\$ 12,223,000	\$ 12,223,000	\$ 11,039,000	\$ 11,039,000	\$ 10,897,000	\$ 10,897,000
GRAND TOTAL	\$ 70,108,847	\$ 73,533,216	\$ 73,451,885	\$ 77,801,327	\$ 77,541,112	\$ 77,993,993	\$ 76,966,235
Percentage Change:							
Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	0.7	6.6	6.5	8.9	8.6	0.5	(0.7)
FTE Positions	360.0	379.0	379.0	379.0	379.0	379.0	379.0
Non-FTE							
Perm.Uncl.Pos.	62.0	66.0	66.0	66.0	66.0	66.0	66.0
TOTAL	422.0	445.0	445.0	445.0	445.0	445.0	445.0

AGENCY OVERVIEW

The Kansas Department of Wildlife, Parks and Tourism is a cabinet-level agency administered by the Secretary of Wildlife and Parks. The Secretary is appointed by the Governor, subject to confirmation by the Kansas Senate. The Kansas Wildlife and Parks Commission, a seven-member board appointed by the Governor, serves in an advisory role to the Secretary. The Commission has authority to approve the agency's rules and regulations. The Secretary and Assistant Secretary for Administration are located in the Topeka administrative offices, while the Assistant Secretary for Operations is located in Pratt. The agency is administered by staff in the Topeka office and field operations are managed from the Pratt office.

MAJOR ISSUES FROM PRIOR YEARS

The **2010 Legislature** deleted \$527,244 from the agency's State General Fund operating budget and increased the Parks Fee Fund limitation by the same amount in order to offset the recommended State General Fund reduction for FY 2011. The 2010 Legislature also added \$84,000, all from special revenue funds, and 1.0 FTE position for a Natural Resource Officer position for FY 2011. The position is part of the agency's sworn law enforcement personnel with jurisdiction on public and private lands that enforces both state and federal fish and wildlife laws, boating laws, and regulation of public lands.

The **2011 Legislature** approved Executive Reorganization Order No. 36, which transferred the Division of Travel and Tourism Development from the Department of Commerce to the Department of Wildlife and Parks and renamed the agency the "Department of Wildlife, Parks and Tourism." The 2011 Legislature also added \$1.7 million, all from the special revenue funds, for public fishing areas, Rocky Ford Wildlife Area study,

The agency was created through the merger of the Park and Resources Authority (located in Topeka) and the Fish and Game Commission (located in Pratt). The Department of Wildlife and Parks was created by Executive Reorganization Order No. 22, which was issued by Governor Hayden on February 10, 1987, and approved by the 1987 Legislature. In 2011, Governor Brownback issued Executive Reorganization Order No. 36, which transferred the Division of Travel and Tourism Development from the Department of Commerce to the Department of Wildlife and Parks and renamed the agency the "Department of Wildlife, Parks and Tourism."

zebra mussel prevention, dam repair, and walk-in hunting access. Those increases were offset by reductions totaling \$2.2 million, including \$133,994 from the State General Fund, for land acquisition, bottled water, office supplies, and cell phone expenditures; a 5.0 percent information technology reduction; an administration activities reduction; a death and disability contribution moratorium; and an across-the-board reduction.

The **2012 Legislature** eliminated State General Fund support for the agency, which was primarily replaced with Economic Development Initiatives Fund dollars. The Legislature also approved \$1.8 million in Expanded Lottery Act Revenues Fund dollars to retire debt associated with building cabins in State Parks. Additionally, the 2012 Legislature passed HB 2729, which allows an owner of a vehicle to purchase a nontransferable park and recreation motor vehicle permit during the vehicle registration process. The 2012 Legislature also provided \$800,000 in supplemental funding due to a shortage in

fee fund revenue caused by the extreme weather and blue-green algae problem.

The **2013 Legislature** added \$2.1 million from the Wildlife Fee Fund for FY 2014 to allow the agency to lease land for walk-in hunting. The Legislature also added \$800,000 from special revenue funds for FY 2014 and FY 2015 for vehicle replacements and added language to allow the agency to purchase 824 acres of land in Jefferson County. The Legislature also deleted a total of \$2.0 million, including \$893,394 from the Economic Development Initiatives Fund, for FY 2014 and \$1.4 million, including \$234,017 from the Economic Development Initiatives Fund, for reductions to the Parks program and to reflect reduced funding for salaries and wages. The Legislature also reduced the transfer from the State Highway Fund to the Department Access Roads Fund by \$350,000 in FY 2014.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency** estimates FY 2017 operating expenditures of \$61.3 million, all from special revenue funds, an increase of \$123,650, or 0.2 percent, above the approved amount. The increase is attributable to replacing decreases in Economic Development Initiatives Fund (EDIF) funding in prior years with Parks Fee Fund expenditures.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$61.2 million, all from special revenue funds. The recommendation is a decrease of \$81,331, or 0.1 percent, below the agency's revised FY 2017 estimate.

The **2014 Legislature** added \$3.0 million, including \$2.3 million from the Wildlife Restoration Fund and \$750,000 from the Wildlife Fee Fund, to restore the Neosho Wildlife Area for FY 2015.

The **2016 Legislature** added \$100,000 in FY 2016 and FY 2017, all from the Wildlife Fee Fund, for a fish habitat enhancement project. Additionally, the Legislature added \$120,000, all from special revenue funds, in FY 2016 to move a water line for the Region 2 office.

The **2016 Legislature** also transferred \$118,860 from the Bridge Maintenance Fund to the State General Fund, and \$381,140 from the Department Access Roads Fund to the State General Fund, for the Governor's July 30, 2015 allotment in FY 2016.

The FY 2017 revised estimate includes \$12.2 million in capital improvement expenditures, all from special revenue funds, which is an increase of \$3.0 million, or 32.5 percent, above the approved amount. The increase is attributable to repair of a dam at Leavenworth State Fishing Lake (\$1.4 million) and the Flint Hills Nature Trail (\$1.6 million).

The decrease is attributable to the following:

- The Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$70,940;

- The lapse of \$10,391 from the agency's EDIF reappropriation for Kansas City district office debt service; and
- The lapse of \$500,000 from the agency's EDIF funding, while increasing funding from the

agency's Parks Fee Fund by a corresponding \$500,000.

The Governor recommends FY 2017 capital improvements expenditures of \$12.2 million, which is no change from the agency's request.

FY 2018 Agency Request

The **agency** requests FY 2018 operating expenditures of \$66.8 million, all from special revenue funds. This request is an increase of \$5.5 million, or 8.9 percent, above the FY 2017 revised estimate. The increase is primarily attributable to employer contributions to fringe benefits, vehicle replacements, utilities expenses in the parks, gasoline, and the inclusion of agricultural fund expenditures from the public lands division within the budget.

The agency requests FY 2018 capital improvement expenditures of \$11.0 million, all from special revenue funds. This request is a decrease of \$1.2 million, or 9.7 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to the Leavenworth State Fishing Lake dam repair and the Flint Hills Nature Trail being one-time expenditures in FY 2017, offset in part by increased costs for rehabilitation and repair and shooting range development.

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$66.5 million, all from special revenue funds. The recommendation is a decrease of \$260,215, or 0.4 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS

employer contributions at the FY 2016 amount, which results in a reduction of \$212,965, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in a reduction of \$47,250.

FY 2019 Agency Request

The **agency** requests FY 2019 operating expenditures of \$67.1 million, all from special revenue funds. The request is an increase of \$334,666, or 0.5 percent, above the FY 2018 request. The increase is primarily attributable to increased employer contributions for fringe benefits and utilities expenses in the parks.

The agency requests FY 2019 capital improvement expenditures of \$10.9 million, all from special revenue funds. This request is a decrease of \$142,000, or 1.3 percent, below the FY 2018 request. The decrease is primarily attributable to decreased rehabilitation and repair expenses, offset in part by increased spending for federally mandated boating access and the improvement of agricultural land managed by the agency.

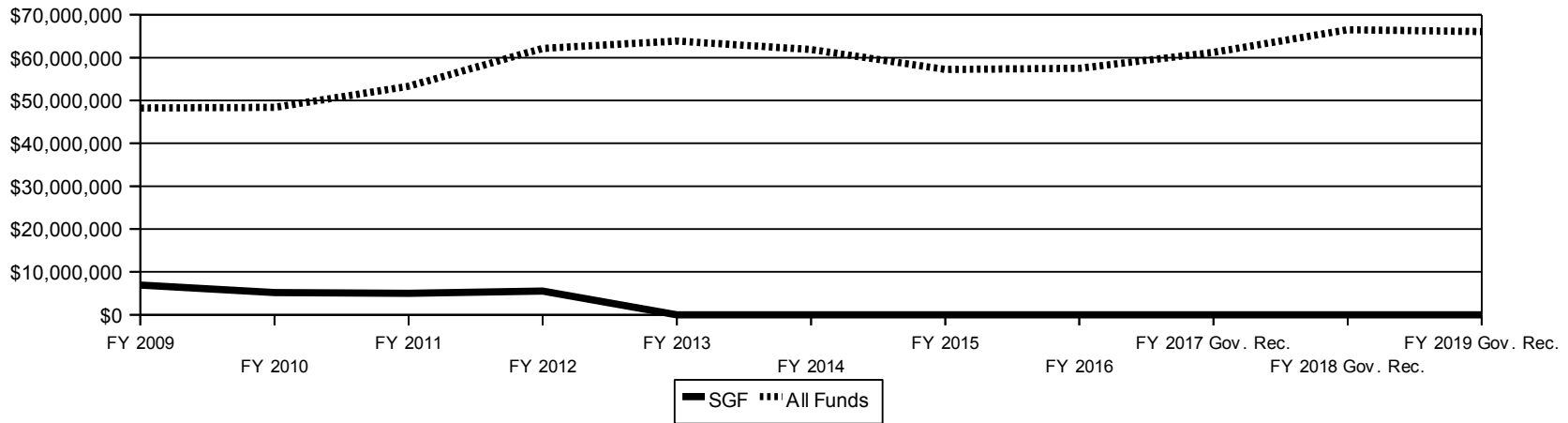
FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$66.1 million, all from special revenue funds. The recommendation is a decrease of \$1.0 million, or 1.5 percent, below the agency's FY 2019 request. The decrease is attributable to the following:

- The Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$447,758;
- The Governor does not recommend the agency's enhancement request of \$140,000, all from special revenue funds, for replacement of trucks utilized for fish stocking for FY 2019; and
- The Governor does not recommend the agency's enhancement request of \$440,000, all from special revenue funds, for replacement of agency vehicles in the Law Enforcement and Public Lands Divisions.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 6,935,417	2.1 %	\$ 48,240,693	0.1 %	416.5
2010	5,181,930	(25.3)	48,389,032	0.3	417.5
2011	4,994,696	(3.6)	53,307,896	10.2	418.5
2012	5,552,494	11.2	62,158,634	16.6	417.5
2013	0	(100.0)	63,857,062	2.7	377.0
2014	0	--	61,884,991	(3.1)	363.0
2015	0	--	57,108,974	(7.7)	333.0
2016	0	--	57,511,003	0.7	360.0
2017 Gov. Rec.	0	--	61,228,885	6.5	379.0
2018 Gov. Rec.	0	--	66,502,112	8.6	379.0
2019 Gov. Rec.	0	--	66,069,235	(0.7)	379.0
Eleven-Year Change	\$ (6,935,417)	(100.0)%	\$ 17,828,542	37.0 %	(37.5)

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Administration	\$ 8,789,319	\$ 9,956,678	\$ 10,364,278	\$ 407,600	4.1 %	\$ 9,945,646	\$ 10,323,766	\$ 378,120	3.8 %
Tourism	3,689,834	4,730,851	4,730,851	0	0.0	4,718,575	4,723,963	5,388	0.1
Ecological Services	1,723,083	1,628,658	2,151,468	522,810	32.1	1,626,605	2,143,967	517,362	31.8
Education	1,622,931	1,931,323	1,931,323	0	0.0	1,929,373	1,924,191	(5,182)	(0.3)
Law Enforcement	6,712,230	7,105,439	7,533,914	428,475	6.0	7,091,434	7,482,666	391,232	5.5
Parks	11,795,007	12,128,951	12,694,990	566,039	4.7	12,112,762	12,635,259	522,497	4.3
Fish & Wildlife	22,585,008	22,290,001	26,037,487	3,747,486	16.8	22,266,175	25,950,284	3,684,109	16.5
Grants	593,591	1,410,000	1,195,000	(215,000)	(15.2)	1,410,000	1,195,000	(215,000)	(15.2)
Debt Service	0	128,315	123,016	(5,299)	(4.1)	128,315	123,016	(5,299)	(4.1)
TOTAL	\$ 57,511,003	\$ 61,310,216	\$ 66,762,327	\$ 5,452,111	8.9 %	\$ 61,228,885	\$ 66,502,112	\$ 5,273,227	8.6 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 27,952,518	\$ 31,248,681	\$ 32,059,681	\$ 811,000	2.6 %	\$ 31,177,741	\$ 31,799,466	\$ 621,725	2.0 %
Contractual Services	19,292,568	18,961,623	22,044,439	3,082,816	16.3	18,951,232	22,097,523	3,146,291	16.6
Commodities	5,171,452	6,715,792	7,994,945	1,279,153	19.0	6,715,792	7,941,861	1,226,069	18.3
Capital Outlay	4,507,084	2,682,737	2,917,846	235,109	8.8	2,682,737	2,917,846	235,109	8.8
Debt Service	0	128,315	123,016	(5,299)	(4.1)	128,315	123,016	(5,299)	(4.1)
Subtotal - Operations	\$ 56,923,622	\$ 59,737,148	\$ 65,139,927	\$ 5,402,779	9.0 %	\$ 59,655,817	\$ 64,879,712	\$ 5,223,895	8.8 %
Aid to Local Units	366,307	1,350,000	1,409,400	59,400	4.4	1,350,000	1,409,400	59,400	4.4
Other Assistance	221,074	223,068	213,000	(10,068)	(4.5)	223,068	213,000	(10,068)	(4.5)
TOTAL	\$ 57,511,003	\$ 61,310,216	\$ 66,762,327	\$ 5,452,111	8.9 %	\$ 61,228,885	\$ 66,502,112	\$ 5,273,227	8.6 %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Economic Development Initiatives Fund	5,181,170	4,965,679	4,935,310	(30,369)	(0.6)	4,447,959	4,908,467	460,508	10.4
Wildlife Fee Fund	24,194,083	25,062,181	30,385,541	5,323,360	21.2	25,022,846	30,244,521	5,221,675	20.9
Federal Funds	12,745,884	13,146,740	12,878,588	(268,152)	(2.0)	13,136,527	12,842,071	(294,456)	(2.2)
All Other Funds	15,389,866	18,135,616	18,562,888	427,272	2.4	18,621,553	18,507,053	(114,500)	(0.6)
TOTAL	\$ 57,511,003	\$ 61,310,216	\$ 66,762,327	\$ 5,452,111	8.9 %	\$ 61,228,885	\$ 66,502,112	\$ 5,273,227	8.6 %

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration	\$ 10,364,278	\$ 10,394,278	\$ 30,000	0.3 %	\$ 10,323,766	\$ 9,879,708	\$ (444,058)	(4.3)%
Tourism	4,730,851	4,730,851	0	0.0	4,723,963	4,719,025	(4,938)	(0.1)
Ecological Services	2,151,468	2,151,468	0	0.0	2,143,967	2,138,061	(5,906)	(0.3)
Education	1,931,323	1,931,414	91	0.0	1,924,191	1,918,655	(5,536)	(0.3)
Law Enforcement	7,533,914	7,543,914	10,000	0.1	7,482,666	7,467,873		
Parks	12,694,990	12,794,990	100,000	0.8	12,635,259	12,684,778	49,519	0.4
Fish and Wildlife	26,037,487	26,237,487	200,000	0.8	25,950,284	25,948,544	(1,740)	(0.0)
Grants	1,195,000	1,195,000	0	0.0	1,195,000	1,195,000	0	0.0
Debt Service	123,016	117,591	(5,425)	(4.4)	123,016	117,591	(5,425)	(4.4)
TOTAL	\$ 66,762,327	\$ 67,096,993	\$ 334,666	0.5 %	\$ 66,502,112	\$ 66,069,235	\$ (432,877)	(0.7)%
By Major Object of Expenditure:								
Salaries and Wages	\$ 32,059,681	\$ 32,259,772	\$ 200,091	0.6 %	\$ 31,799,466	\$ 31,812,014	\$ 12,548	0.0 %
Contractual Services	22,044,439	22,141,305	96,866	0.4	22,097,523	22,194,389	96,866	0.4
Commodities	7,994,945	8,006,129	11,184	0.1	7,941,861	7,953,045	11,184	0.1
Capital Outlay	2,917,846	2,949,796	31,950	1.1	2,917,846	2,369,796	(548,050)	(18.8)
Debt Service	123,016	117,591	(5,425)	(4.4)	123,016	117,591	(5,425)	(4.4)
Subtotal - Operations	\$ 65,139,927	\$ 65,474,593	\$ 334,666	0.5 %	\$ 64,879,712	\$ 64,446,835	\$ (432,877)	(0.7)%
Aid to Local Units	1,409,400	1,409,400	0	0.0	1,409,400	1,409,400	0	0.0
Other Assistance	213,000	213,000	0	0.0	213,000	213,000	0	0.0
TOTAL	\$ 66,762,327	\$ 67,096,993	\$ 334,666	0.5 %	\$ 66,502,112	\$ 66,069,235	\$ (432,877)	(0.7)%
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Economic Development Initiatives Fund	4,935,310	4,935,310	0	0.0	4,908,467	4,886,524	(21,943)	(0.4)
Wildlife Fee Fund	30,385,541	30,576,964	191,423	0.6	30,244,521	29,760,655	(483,866)	(1.6)
Federal Funds	12,878,588	12,912,339	33,751	0.3	12,842,071	12,850,315	8,244	0.1
All Other Funds	18,562,888	18,672,380	109,492	0.6	18,507,053	18,571,741	64,688	0.3
TOTAL	\$ 66,762,327	\$ 67,096,993	\$ 334,666	0.5 %	\$ 66,502,112	\$ 66,069,235	\$ (432,877)	(0.7)%

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised budget does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	70,409,566	73,533,216	3,123,650	73,451,885	3,042,319
TOTAL	\$ 70,409,566	\$ 73,533,216	\$ 3,123,650	\$ 73,451,885	\$ 3,042,319
FTE Positions	395.5	379.0	(16.5)	379.0	(16.5)

The **agency** estimates FY 2017 expenditures of \$73.5 million, all from special revenue funds. This revised estimate is an increase of \$3.1 million, or 4.4 percent, above the FY 2017 approved amount. The revised estimate includes operating expenditures of \$61.3 million, all from special revenue funds, which is an increase of \$123,650, or 0.2 percent, above the FY 2017 approved amount. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency estimates FY 2017 salaries and wages expenditures of \$31.2 million, all from special revenue funds. This

revised estimate is no change from the approved amount;

- **Contractual Services.** The agency estimates FY 2017 contractual services expenditures of \$19.0 million, all from special revenue funds. This revised estimate is an increase of \$123,650, or 0.7 percent, above the FY 2017 approved amount. The increase is attributable to replacing decreases in EDIF funding with Parks Fee Fund expenditures;

- **Commodities.** The agency estimates FY 2017 commodities expenditures of \$6.7 million, all from special revenue funds. This revised estimate is no change from the approved amount;
- **Capital Outlay.** The agency estimates FY 2017 capital outlay expenditures of \$2.7 million, all from special revenue funds. This revised estimate is no change from the approved amount;
- **Debt Service.** The agency estimates FY 2017 debt service expenditures of \$128,315, all from special revenue funds. This revised estimate is no change from the approved amount;
- **Aid to Local Units of Government.** The agency estimates FY 2017 aid to local units of government expenditures of \$1.4 million, all from special revenue funds. This revised estimate is no change from the approved amount; and

- **Other Assistance.** The agency estimates FY 2017 other assistance expenditures of \$223,068, all from special revenue funds. This revised estimate is no change from the approved amount.

The **Governor** recommends FY 2017 operating expenditures of \$61.2 million, all from special revenue funds. The recommendation is a decrease of \$81,331, or 0.1 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the following:

- The Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in a reduction of \$70,940;
- The lapse of \$10,391 from the agency's EDIF reappropriation for Kansas City district office debt service; and
- The lapse of \$500,000 from the agency's EDIF funding, while increasing funding from the agency's Parks Fee Fund by a corresponding \$500,000.

Supplemental Detail

FY 2017 SUPPLEMENTALS									
Supplementals	Agency Estimate			Governor's Recommendation					
	SGF	All Funds	FTE	SGF	All Funds	FTE			
Replacing Decreased EDIF Funding with Parks Fee Fund	\$ 0	\$ 123,650	0.0	\$ 0	\$ 123,650	0.0			

The **agency's** revised FY 2017 estimate includes supplemental requests for \$123,650, all from the Parks Fee Fund. The increase is attributable to replacing decreases in EDIF funding with Parks Fee Fund expenditures.

The **Governor** concurs with the agency's supplemental request in FY 2017.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 66,762,327	\$ 66,502,112	\$ (260,215)
FTE Positions	379.0	379.0	0.0
<i>Change from FY 2017:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	5,452,111	5,273,227	
TOTAL	<u>\$ 5,452,111</u>	<u>\$ 5,273,227</u>	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	8.9	8.6	
TOTAL	<u>8.9 %</u>	<u>8.6 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2018 operating expenditures of \$66.8 million, all from special revenue funds. This request is an increase of \$5.4 million, or 8.9 percent, above the FY 2017 revised estimate.

Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$32.1 million, all from special revenue funds. This request is an increase of \$811,000, or 2.6 percent, above the FY 2017 revised estimate. The increase is attributable to a request for three

new game warden positions and accounting for public lands expenditures within the budget;

- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$22.0 million, all from special revenue funds. This request is an increase of \$3.1 million, or 16.3 percent, above the FY 2017 revised estimate. The increase is largely attributable to including agricultural fund expenditures from the public lands division within the budget. The Public Lands Division raises funds on state and federal property through agricultural leases that must be spent on the property where the funds were earned. Other contractual services increases include financing threatened and endangered species recovery pursuant to 2016 Senate Sub. for HB 2156, utility expenses in the parks, and additional OITS charges;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$8.0 million, all from special revenue funds. This request is an increase of \$1.3 million, or 19.1 percent, above the FY 2017 revised estimate. The increase is largely attributable to accounting for public lands expenditures within the budget, and also includes supplies for parks maintenance and gasoline;
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$2.9 million, all from special revenue funds. This request is an increase of \$235,109, or 8.8 percent, above the

FY 2017 revised estimate. The increase is largely attributable to truck replacements, offset in part by decreased expenditures for agricultural equipment;

- **Debt Service.** The agency requests FY 2018 debt service expenditures of \$123,016, all from special revenue funds. This request is a decrease of \$5,299, or 4.1 percent, below the FY 2017 revised estimate;
- **Aid to Local Units of Government.** The agency requests FY 2018 aid to local units of government expenditures of \$1.4 million, all from special revenue funds. This request is an increase of \$59,400, or 4.4 percent, above the FY 2017 revised estimate; and
- **Other Assistance.** The agency requests FY 2018 other assistance expenditures of \$213,000, all from special revenue funds. This request is a decrease of \$10,068, or 4.5 percent, below the FY 2017 revised estimate.

The **Governor** recommends FY 2018 operating expenditures of \$66.5 million, all from special revenue funds. The recommendation is a decrease of \$260,215, or 0.4 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in a reduction of \$212,965, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in a reduction of \$47,250.

Enhancements Detail

Enhancements	FY 2018 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Ecological Services						
Development of Recovery Plans	\$ 0	\$ 200,000	0.0	\$ 0	\$ 200,000	0.0
Fisheries Heavy Duty Truck Replacements	0	140,000	0.0	0	140,000	0.0
Game Warden Positions	0	311,000	0.0	0	311,000	0.0
Vehicle Replacements	0	410,000	0.0	0	410,000	0.0
Parks Utilities	0	689,689	0.0	0	689,689	0.0
OITS expenditures	0	300,000	0.0	0	300,000	0.0
Public Lands Agricultural Funds	0	3,000,000	0.0	0	3,000,000	0.0
TOTAL	\$ 0	\$ 5,050,689	0.0	\$ 0	\$ 5,050,689	0.0

The **agency** requests FY 2018 enhancements of \$5.1 million, all from special revenue funds. The enhancement requests are detailed below:

- **Ecological Services Development of Recovery Plans.** The agency requests FY 2018 expenditures of \$200,000, all from special revenue funds, for the development of recovery plans for state threatened and endangered species pursuant to 2016 Senate Sub. for HB 2156;
- **Fisheries Heavy Duty Truck Replacements.** The agency requests FY 2018 expenditures of \$140,000, all from special revenue funds, for the

replacement of two trucks used for transporting fish for stocking purposes;

- **Game Warden Positions.** The agency requests FY 2018 expenditures of \$311,000, all from special revenue funds, for three new game warden positions within the Law Enforcement Division. Currently, many officers cover multiple counties, and this request would decrease the average counties covered by an officer to 1.5 counties per officer;
- **Vehicle Replacements.** The agency requests FY 2018 expenditures of \$410,000, all from special revenue funds, for the replacement of 37 vehicles across multiple divisions;

- **Parks Utilities.** The agency requests FY 2018 expenditures of \$689,689, all from special revenue funds, to address rising costs of utility expenses in the state parks;
- **Office of Information Technology Services (OITS) Expenses.** The agency requests FY 2018 expenditures of \$300,000, all from special revenue funds, to address rising costs of KANWIN and other OITS expenses; and

- **Public Lands Agricultural Funds.** The agency requests FY 2018 expenditures of \$3.0 million, all from special revenue funds, for public lands agricultural funds. In previous years, agricultural fund expenditures from the public lands division were not accounted for within the budget. The Public Lands Division raises funds on state and federal property through agricultural leases that must be spent on the property where the funds were earned.

The **Governor** recommends the agency's enhancement requests for FY 2018.

FY 2018 Reduced Resources

The Governor has requested that specified agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The information below provides details of the agency's reduced resources budget submission for the Economic Development Initiatives Fund.

FY 2018 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Parks EDIF Reduction	\$ 0	\$ (119,691)	0.0	\$ 0	\$ 0	0.0
Tourism EDIF Reduction	0	(127,605)	0.0	0	0	0.0
TOTAL	\$ 0	\$ (247,296)	0.0	\$ 0	\$ 0	0.0

The **agency** provides a FY 2018 reduced resources submission totaling reductions of \$247,296, all from the Economic Development Initiatives Fund. The items include reductions for parks operations and tourism state special grants.

The **Governor** does not recommend the reduced resource submission for FY 2018.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 67,096,993	\$ 66,069,235	\$ (1,027,758)
FTE Positions	379.0	379.0	0.0
Change from FY 2018:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	334,666	(432,877)	
TOTAL	\$ 334,666	\$ (432,877)	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	0.5	(0.7)	
TOTAL	0.5 %	(0.7) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2019 operating expenditures of \$67.1 million, all from special revenue funds. This request is an increase of \$334,666, or 0.5 percent, above the FY 2018 request. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$32.3

million, all from special revenue funds. This request is an increase of \$200,091, or 0.6 percent, above the FY 2018 request. The increase is attributable to employer contributions for fringe benefits;

- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$22.1 million, all from special revenue funds. This request is an increase of \$96,866, or 0.4 percent, above the FY 2018 request. The increase is largely attributable to utility expenses in state parks;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$8.0 million, all from special revenue funds. This request is an increase of \$11,184, or 0.1 percent, above the FY 2018 request. The increase is largely attributable to building and grounds materials and vehicle parts;
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$2.9 million, all from special revenue funds. This request is an increase of \$31,950, or 1.1 percent, above the FY 2018 request. The increase is largely attributable to truck replacements;
- **Debt Service.** The agency requests FY 2019 debt service expenditures of \$117,591, all from special revenue funds. This request is a decrease of \$5,425, or 4.4 percent, below the FY 2018 request;
- **Aid to Local Units of Government.** The agency requests FY 2018 aid to local units of

government expenditures of \$1.4 million, all from special revenue funds. This request is no change from the FY 2018 request; and

- **Other Assistance.** The agency requests FY 2018 other assistance expenditures of \$213,000, all from special revenue funds. This request is no change from the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$66.1 million, all from special revenue funds. The recommendation is a decrease of \$1.0 million, or 1.5 percent, below the agency's FY 2019 request. The decrease is attributable to the following:

- The Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$447,758;
- The Governor does not recommend the agency's enhancement request of \$140,000, all from special revenue funds, for replacement of trucks utilized for fish stocking for FY 2019; and
- The Governor does not recommend the agency's enhancement request of \$440,000, all from special revenue funds, for replacement of agency vehicles in the Law Enforcement and Public Lands Divisions.

Enhancements Detail

FY 2019 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Ecological Services						
Development of Recovery Plans	\$ 0	\$ 200,000	0.0	\$ 0	\$ 200,000	0.0
Fisheries Heavy Duty Truck Replacements	0	140,000	0.0	0	0	0.0
Game Warden Positions	0	311,000	0.0	0	311,000	0.0
Vehicle Replacements	0	440,000	0.0	0	0	0.0
Parks Utilities	0	789,689	0.0	0	789,689	0.0
OITS expenditures	0	300,000	0.0	0	300,000	0.0
Public Lands Agricultural Funds	0	3,000,000	0.0	0	3,000,000	0.0
TOTAL	\$ 0	\$ 5,180,689	0.0	\$ 0	\$ 4,600,689	0.0

The **agency** requests FY 2019 enhancements of \$5.2 million, all from special revenue funds. The enhancement requests are detailed below:

- **Ecological Services Development of Recovery Plans.** The agency requests FY 2019 expenditures of \$200,000, all from special revenue funds, for the development of recovery plans for state threatened and endangered species pursuant to 2016 Senate Sub. for HB 2156;
- **Fisheries Heavy Duty Truck Replacements.** The agency requests FY 2018 expenditures of \$140,000, all from special revenue funds, for the

replacement of two trucks used for transporting fish for stocking purposes;

- **Game Warden Positions.** The agency requests FY 2019 expenditures of \$311,000, all from special revenue funds, for six new game warden positions within the Law Enforcement Division. Currently, many officers cover multiple counties, and this request would decrease the average counties covered by an officer to 1.5 counties per officer;
- **Vehicle Replacements.** The agency requests FY 2019 expenditures of \$440,000, all from special

revenue funds, for the replacement of 37 vehicles across multiple divisions;

- **Parks Utilities.** The agency requests FY 2019 expenditures of \$789,689, all from special revenue funds, to address rising costs of utility expenses in the state parks.
- **OITS Expenses.** The agency requests FY 2019 expenditures of \$300,000, all from special revenue funds, to address rising costs of KANWIN and other OITS expenses; and
- **Public Lands Agricultural Funds.** The agency requests FY 2019 expenditures of \$3.0 million, all from special revenue funds, for public lands agricultural funds. In previous years, agricultural fund expenditures from the public lands division were not accounted for within the budget. The

Public Lands Division raises funds on state and federal property through agricultural leases that must be spent on the property where the funds were earned.

The **Governor** recommends FY 2019 enhancements of \$4.6 million, all from special revenue funds. This recommendation includes the following adjustments from the agency's request:

- The Governor does not recommend the agency's enhancement request of \$140,000, all from special revenue funds, for replacement of trucks utilized for fish stocking for FY 2019; and
- The Governor does not recommend the agency's enhancement request of \$440,000, all from special revenue funds, for replacement of agency vehicles in the Law Enforcement and Public Lands Divisions for FY 2019.

FY 2019 Reduced Resources

The Governor has requested that specified agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The information below provides details of the agency's reduced resources budget submission for the Economic Development Initiatives Fund.

Item	FY 2019 REDUCED RESOURCES					
	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Parks EDIF Reduction	\$ 0	\$ (119,691)	0.0	\$ 0	\$ 0	0.0
Tourism EDIF Reduction	0	(127,605)	0.0	0	0	0.0
TOTAL	\$ 0	\$ (247,296)	0.0	\$ 0	\$ 0	0.0

The **agency** provides a FY 2019 reduced resources submission totaling reductions of \$247,296, all from the Economic Development Initiatives Fund. The items include reductions for parks operations and tourism state special grants.

The **Governor** does not recommend the agency's reduced resource submission for FY 2019.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$120,676, all from special revenue funds; FY 2018 longevity payments total \$128,676, all from special revenue funds; and FY 2019 longevity payments total \$128,676, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal

also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$70,940, all from special revenue funds, in FY 2017; by \$212,965, all from special revenue funds, for FY 2018; and by \$447,758, all from special revenue funds, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$47,250, all from special revenue funds, for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Economic Development Initiatives Fund	6.4	6.3	6.3	6.4
Wildlife Fee Fund	41.9	41.8	41.7	41.2
Federal Funds	22.3	22.3	22.5	22.7
All Other Funds	29.5	29.5	29.5	29.8
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Parks Fee Fund

The Park Fee Fund is the depository for moneys received from state park permit fees, tolls, rentals, and charges derived from the use, lease, or operation of state parks. The Department establishes fees for the use of state parks by rules and regulations and upon review by the Kansas Wildlife, Parks and Tourism Commission.

Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ 3,162,988	\$ 3,574,454	\$ 3,574,454	\$ 3,466,240	\$ 2,974,589	\$ 2,635,839	\$ 2,175,011
Revenue	7,653,732	9,040,000	9,040,000	9,340,000	9,340,000	9,340,000	9,340,000
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 10,816,720	\$ 12,614,454	\$ 12,614,454	\$ 12,806,240	\$ 12,314,589	\$ 11,975,839	\$ 11,515,011
Less: Expenditures	7,192,410	9,148,214	9,639,865	10,170,401	10,139,578	10,279,901	10,222,894
Transfers Out	49,835	0	0	0	0	0	0
Off Budget Expenditures	21	0	0	0	0	0	0
Ending Balance	\$ 3,574,454	\$ 3,466,240	\$ 2,974,589	\$ 2,635,839	\$ 2,175,011	\$ 1,695,938	\$ 1,292,117
Ending Balance as Percent of Expenditures	49.7%	37.9%	30.9%	25.9%	21.5%	16.5%	12.6%
Month Highest Ending Balance	November \$ 4,402,346	November \$ 4,975,038	November \$ 4,975,038	November \$ 4,824,422	November \$ 4,140,127	November \$ 3,688,644	November \$ 3,027,249
Month Lowest Ending Balance	May \$ 3,196,569	June \$ 3,466,240	June \$ 2,974,589	June \$ 2,635,839	June \$ 2,175,011	June \$ 1,695,938	June \$ 1,292,117

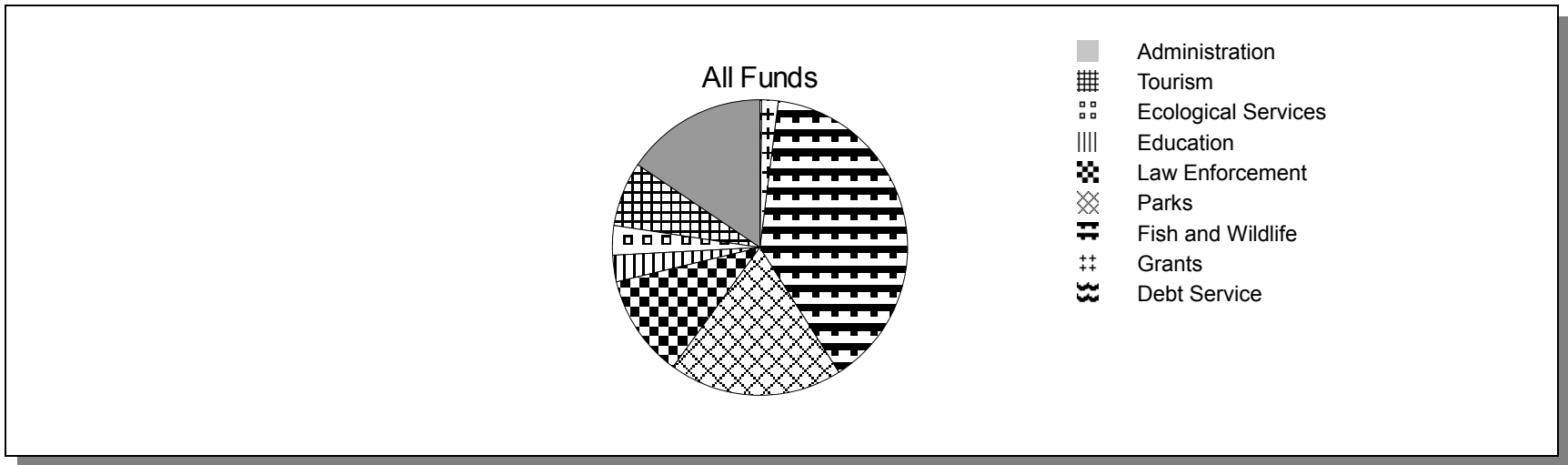
Wildlife Fee Fund

The major sources of receipts to the Wildlife Fee Fund are from the sale of hunting, fishing, and trapping licenses. The fees to be collected from the issuance of such licenses are established by the Kansas Wildlife, Parks and Tourism Commission through the approval of rules and regulations submitted by the Secretary of the Department.

Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ 6,047,831	\$ 9,331,550	\$ 9,331,550	\$ 17,542,762	\$ 17,582,097	\$ 21,859,364	\$ 22,039,719
Revenue	29,575,615	36,821,000	36,821,000	36,821,000	36,821,000	36,821,000	36,821,000
Transfers in	73,142	75,000	75,000	75,000	75,000	75,000	75,000
Total Funds Available	\$ 35,696,588	\$ 46,227,550	\$ 46,227,550	\$ 54,438,762	\$ 54,478,097	\$ 58,755,364	\$ 58,935,719
Less: Expenditures	25,765,038	28,684,788	28,645,453	32,579,398	32,438,378	32,515,821	31,699,512
Transfers Out	600,000	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	\$ 9,331,550	\$ 17,542,762	\$ 17,582,097	\$ 21,859,364	\$ 22,039,719	\$ 26,239,543	\$ 27,236,207
Ending Balance as Percent of Expenditures	36.2%	61.2%	61.4%	67.1%	67.9%	80.7%	85.9%

PROGRAM DETAIL

EXPENDITURES BY PROGRAM – GOVERNOR’S FY 2018 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Administration	\$ 10,323,766	15.5 %	\$ 0	0.0 %
Tourism	4,723,963	7.1	0	0.0
Ecological Services	2,143,967	3.2	0	0.0
Education	1,924,191	2.9	0	0.0
Law Enforcement	7,482,666	11.3	0	0.0
Parks	12,635,259	19.0	0	0.0
Fish and Wildlife	25,950,284	39.0	0	0.0
Grants	1,195,000	1.8	0	0.0
Debt Service	123,016	0.2	0	0.0
TOTAL	\$ 66,502,112	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

<u>Program</u>	<u>Actual FY 2016</u>	<u>Agency Est. FY 2017</u>	<u>Gov. Rec. FY 2017</u>	<u>Agency Req. FY 2018</u>	<u>Gov. Rec. FY 2018</u>	<u>Agency Req. FY 2019</u>	<u>Gov. Rec. FY 2019</u>
Administration	60.0	61.0	61.0	61.0	61.0	61.0	61.0
Tourism	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Ecological Services	0.0	7.0	7.0	7.0	7.0	7.0	7.0
Education	0.0	11.0	11.0	11.0	11.0	11.0	11.0
Law Enforcement	80.0	82.0	82.0	82.0	82.0	82.0	82.0
Parks	93.0	103.0	103.0	103.0	103.0	103.0	103.0
Fish & Wildlife	116.0	104.0	104.0	104.0	104.0	104.0	104.0
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>360.0</u>	<u>379.0</u>	<u>379.0</u>	<u>379.0</u>	<u>379.0</u>	<u>379.0</u>	<u>379.0</u>

A. Administration

The Administration program includes the Office of the Secretary and is divided between Topeka and Pratt, with each location supervised by an assistant secretary. The Topeka office includes planning, legal, budget, and engineering sections. The Pratt office includes operations, environmental services, human

resources, information technology, and education sections. The program also includes the Wildlife, Parks and Tourism Commission. The Pratt office also includes support services of aircraft operations, accounting, business management, licensing and permitting, purchasing, and facility maintenance operations.

ADMINISTRATION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 4,413,180	\$ 5,203,420	\$ 5,192,388	\$ 5,203,420	\$ 5,162,908	\$ 5,203,420	\$ 5,128,850
Contractual Services	3,133,479	3,420,338	3,420,338	3,436,860	3,436,860	3,425,216	3,425,216
Commodities	223,413	391,372	391,372	357,823	357,823	355,017	355,017
Capital Outlay	1,006,701	939,033	939,033	1,366,175	1,366,175	1,410,625	970,625
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 8,776,773</i>	<i>\$ 9,954,163</i>	<i>\$ 9,943,131</i>	<i>\$ 10,364,278</i>	<i>\$ 10,323,766</i>	<i>\$ 10,394,278</i>	<i>\$ 9,879,708</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	12,546	2,515	2,515	0	0	0	0
TOTAL	<u>\$ 8,789,319</u>	<u>\$ 9,956,678</u>	<u>\$ 9,945,646</u>	<u>\$ 10,364,278</u>	<u>\$ 10,323,766</u>	<u>\$ 10,394,278</u>	<u>\$ 9,879,708</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	8,789,319	9,956,678	9,945,646	10,364,278	10,323,766	10,394,278	9,879,708
TOTAL	<u>\$ 8,789,319</u>	<u>\$ 9,956,678</u>	<u>\$ 9,945,646</u>	<u>\$ 10,364,278</u>	<u>\$ 10,323,766</u>	<u>\$ 10,394,278</u>	<u>\$ 9,879,708</u>
FTE Positions	60.0	61.0	61.0	61.0	61.0	61.0	61.0
Non-FTE Uncl.Perm.Pos.	6.0	8.0	8.0	8.0	8.0	8.0	8.0
TOTAL	<u>66.0</u>	<u>69.0</u>	<u>69.0</u>	<u>69.0</u>	<u>69.0</u>	<u>69.0</u>	<u>69.0</u>

The **agency** requests FY 2018 expenditures of \$10.4 million for the Administration program, all from special revenue funds. This request is an increase of \$407,600, or 4.1 percent, above the FY 2017 revised estimate. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$5.2 million, all from special revenue funds, which is no change from the FY 2017 revised estimate;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$3.4 million for the Administration program, which is an increase of \$16,522, or 0.5 percent, above the FY 2017 revised estimate;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$357,823 for the Administration program, a decrease of \$33,549, or 8.6 percent, below the FY 2017 revised estimate. The decrease is largely attributable to professional and office supplies; and
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$1.4 million for the Administration program, an increase of \$427,142, or 45.5 percent, above the FY 2017 revised estimate. The increase is largely attributable to vehicle replacements.

The **Governor** recommends FY 2018 expenditures for the Administration program of \$10.3 million, all from special revenue funds. The recommendation is a decrease of \$40,512, or 0.4 percent, below the agency request and is attributable to the

Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$10.4 million for the Administration program, all from special revenue funds. This request is an increase of \$30,000, or 0.3 percent, above the FY 2018 request. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$5.2 million, all from special revenue funds, which is no change from the FY 2018 request;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$3.4 million for the Administration program, which is a decrease of \$11,644, or 0.3 percent, below the FY 2018 request;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$355,017 for the Administration program, which is a decrease of \$2,806, or 0.8 percent, below the FY 2018 request. The decrease is largely attributable to aircraft fuel; and
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$1.4 million for the Administration program, which is an increase of \$44,450, or 3.3 percent, above the FY 2018 request. The increase is largely attributable to vehicle replacements.

The **Governor** recommends FY 2019 expenditures for the Administration program of \$9.9 million, all from special revenue funds. The recommendation is a decrease of \$514,570, or 5.0 percent, below the agency request and is attributable to the

Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to not recommend the agency requested enhancement for replacement of agency vehicles in the Law Enforcement and Public Lands Divisions.

B. Tourism

The Tourism Division promotes Kansas to travel media, groups, tour market, leisure travelers, and the international travel community. The Division uses marketing initiatives, creates opportunities for leveraging limited marketing dollars, and supports numerous state and local tourism promotion efforts. This is all done in an effort to increase Kansas tourism and travel. The division administers the Belle Plaine and Goodland Travel Information Centers. This division operates the

Attraction Development Grant program and Marketing Grant program. The Division also has worked extensively with group and international tour operators to attract tours to Kansas and has created the Flint Hills Development Initiative to help realize the tourism potential of the Flint Hills. The division maintains the official State of Kansas tourism website, produces the Kansas Visitor's Guide, Calendar of Events, and KANSAS! Magazine.

TOURISM							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 601,827	\$ 823,329	\$ 821,444	\$ 823,329	\$ 816,441	\$ 823,329	\$ 811,503
Contractual Services	3,066,099	3,696,522	3,686,131	3,719,700	3,719,700	3,719,700	3,719,700
Commodities	16,795	62,000	62,000	39,822	39,822	39,822	39,822
Capital Outlay	4,113	6,000	6,000	5,000	5,000	5,000	5,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 3,688,834</i>	<i>\$ 4,587,851</i>	<i>\$ 4,575,575</i>	<i>\$ 4,587,851</i>	<i>\$ 4,580,963</i>	<i>\$ 4,587,851</i>	<i>\$ 4,576,025</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	1,000	143,000	143,000	143,000	143,000	143,000	143,000
TOTAL	\$ 3,689,834	\$ 4,730,851	\$ 4,718,575	\$ 4,730,851	\$ 4,723,963	\$ 4,730,851	\$ 4,719,025
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,689,834	4,730,851	4,718,575	4,730,851	4,723,963	4,730,851	4,719,025
TOTAL	\$ 3,689,834	\$ 4,730,851	\$ 4,718,575	\$ 4,730,851	\$ 4,723,963	\$ 4,730,851	\$ 4,719,025
FTE Positions	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Non-FTE Uncl.Perm.Pos.	0.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	11.0	12.0	12.0	12.0	12.0	12.0	12.0

The **agency** requests FY 2018 expenditures of \$4.7 million for the Tourism program, all from special revenue funds. This total request is no change from the FY 2017 revised estimate.

Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$823,329 for the Tourism program, which is no change from the FY 2017 revised estimate;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$3.7 million, an increase of \$23,178, or 0.6 percent, above the FY 2017 revised estimate. Contractual services expenditures in the Tourism program are for advertising and marketing, as well as education, outreach, research, and strategic planning;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$39,822, which is a decrease of \$22,178, or 35.8 percent, below the FY 2017 revised estimate. Commodities expenditures include supplies and promotional items;
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$5,000, a decrease of \$1,000, or 16.7 percent, below the FY 2017 revised estimate. Capital outlay expenditures are for technology replacements; and
- **Other Assistance.** The agency requests FY 2018 other assistance expenditures of \$143,000,

which is no change from the FY 2017 revised estimate. This category includes the Attraction Development Grant program, which provides funding for developing new tourist attractions or enhancing existing attractions.

The **Governor** recommends FY 2018 expenditures for the Tourism program of \$4.7 million, all from special revenue funds. The recommendation is a decrease of \$6,888, or 0.1 percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$4.7 million for the Tourism program, all from special revenue funds. This total request is no change from the FY 2018 request. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$823,329 for the Tourism program, which is no change from the FY 2018 request;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$3.7 million, which is no change from the 2018 request. Contractual services expenditures in the Tourism program are for advertising and marketing, as well as education, outreach, research, and strategic planning;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$39,822, which is no change from the 2018 request. Commodities

expenditures include supplies and promotional items;

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$5,000, which is no change from the 2018 request. Capital outlay expenditures are for technology replacements; and
- **Other Assistance.** The agency requests FY 2019 other assistance expenditures of \$143,000,

which is no change from the FY 2018 request. This category includes the Attraction Development Grant program, which provides funding for developing new tourist attractions or enhancing existing attractions.

The **Governor** recommends FY 2019 expenditures for the Tourism program of \$4.7 million, all from special revenue funds. The recommendation is a decrease of \$11,826, or 0.2 percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

C. Ecological Services

The Ecological Services program is responsible for the protection, research, management, and recovery of all non-game species in the State, representing approximately 98.0 percent of aquatic and terrestrial fauna in Kansas. In Kansas, the administration, operations, management, and implementation of resources include: statutory and regulatory authority for reviewing and permitting impacts to Kansas' non-game species and associated habitats; research, development, and implementation of non-game species management, mitigation, and recovery plans; renewable energy, oil, and gas landscape development avoidance, minimization, regulation, and compliance; review, interpretation, issuance, and compliance of non-game species collection permits;

identification and prioritization of non-game species data needs and associated research, consultation, and partnerships; coordination and management of state and federal grants for non-game species conservation; consultant to private and publicly funded habitat projects; biological and ecological outreach *via* classes, seminars, and literature pertaining to natural resource education, management, and conservation; and nonprofit organizations, state, and federal agency research collaboration and cooperation within the political boundaries of Kansas.

Prior to FY 2017, the Ecological Services program was budgeted within the Fish and Wildlife program.

ECOLOGICAL SERVICES							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 797,621	\$ 942,226	\$ 940,173	\$ 942,226	\$ 934,725	\$ 942,226	\$ 928,819
Contractual Services	821,692	624,169	624,169	1,146,979	1,146,979	1,146,979	1,146,979
Commodities	42,008	48,563	48,563	48,563	48,563	48,563	48,563
Capital Outlay	61,762	13,700	13,700	13,700	13,700	13,700	13,700
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,723,083</u>	<u>\$ 1,628,658</u>	<u>\$ 1,626,605</u>	<u>\$ 2,151,468</u>	<u>\$ 2,143,967</u>	<u>\$ 2,151,468</u>	<u>\$ 2,138,061</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,723,083</u>	<u>\$ 1,628,658</u>	<u>\$ 1,626,605</u>	<u>\$ 2,151,468</u>	<u>\$ 2,143,967</u>	<u>\$ 2,151,468</u>	<u>\$ 2,138,061</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,723,083	1,628,658	1,626,605	2,151,468	2,143,967	2,151,468	2,138,061
TOTAL	<u>\$ 1,723,083</u>	<u>\$ 1,628,658</u>	<u>\$ 1,626,605</u>	<u>\$ 2,151,468</u>	<u>\$ 2,143,967</u>	<u>\$ 2,151,468</u>	<u>\$ 2,138,061</u>
FTE Positions	0.0	7.0	7.0	7.0	7.0	7.0	7.0
Non-FTE Uncl.Perm.Pos.	0.0	5.0	5.0	5.0	5.0	5.0	5.0
TOTAL	<u>0.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>

The **agency** requests FY 2018 expenditures of \$2.2 million for the Ecological Services program, all from special revenue funds. This request is an increase of \$522,810, or 32.1 percent, above the FY 2017 revised estimate. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$942,226 for the Ecological Services program, which is no change from the FY 2017 revised estimate;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$1.1 million, an increase of \$522,810, or 83.8 percent, above the FY 2017 revised estimate. This increase includes an enhancement request for the development of recovery plans for state threatened and endangered species pursuant to 2016 Senate Sub. for HB 2156;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$48,563, which is no change from the FY 2017 revised estimate. Commodities expenditures include scientific equipment, fuel, office supplies, and field clothing; and
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$13,700, which is no change from the FY 2017 revised estimate. Capital outlay expenditures include technology expenses.

The **Governor** recommends FY 2018 expenditures for the Ecological Services program of \$2.1 million, all from special revenue funds. The recommendation is a decrease of \$7,501, or 0.3 percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$2.2 million for the Ecological Services program, all from special revenue funds. This request is no change from the FY 2018 request. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$942,226, which is no change from the FY 2018 request;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$1.1 million, which is no change from the FY 2018 request. Contractual services expenditures include the development of recovery plans for state threatened and endangered species pursuant to 2016 Senate Sub. for HB 2156;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$48,563, which is no change from the FY 2018 request. Commodities expenditures include scientific equipment, fuel, office supplies, and field clothing; and

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$13,700, which is no change from the FY 2018 request. Capital outlay expenditures include technology expenses.

The **Governor** recommends FY 2019 expenditures for the Ecological Services program of \$2.1 million, all from special revenue funds. The recommendation is a decrease of \$13,407, or 0.6 percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

D. Education

The Education program is responsible for outdoors-related educational programs that help citizens learn about, use, and enjoy the Kansas outdoors and Kansas fish and wildlife resources. The program offers outdoor skills workshops, training, and activities. In addition, the program operates five nature centers and offers environmental education programs and outreach designed to enhance knowledge, understanding, and appreciation of Kansas natural resources.

The program is divided into three components: Wildlife Education, Hunter Education, and Boating Education.

Prior to FY 2017, the Education program was budgeted within the Fish and Wildlife program.

EDUCATION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 881,885	\$ 908,250	\$ 906,300	\$ 908,250	\$ 901,118	\$ 908,341	\$ 895,582
Contractual Services	488,698	620,899	620,899	606,799	606,799	610,309	610,309
Commodities	210,813	328,019	328,019	338,219	338,219	339,709	339,709
Capital Outlay	41,535	64,155	64,155	58,655	58,655	53,655	53,655
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,622,931</u>	<u>\$ 1,921,323</u>	<u>\$ 1,919,373</u>	<u>\$ 1,911,923</u>	<u>\$ 1,904,791</u>	<u>\$ 1,912,014</u>	<u>\$ 1,899,255</u>
Aid to Local Units	0	10,000	10,000	19,400	19,400	19,400	19,400
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,622,931</u>	<u>\$ 1,931,323</u>	<u>\$ 1,929,373</u>	<u>\$ 1,931,323</u>	<u>\$ 1,924,191</u>	<u>\$ 1,931,414</u>	<u>\$ 1,918,655</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,622,931	1,931,323	1,929,373	1,931,323	1,924,191	1,931,414	1,918,655
TOTAL	<u>\$ 1,622,931</u>	<u>\$ 1,931,323</u>	<u>\$ 1,929,373</u>	<u>\$ 1,931,323</u>	<u>\$ 1,924,191</u>	<u>\$ 1,931,414</u>	<u>\$ 1,918,655</u>
FTE Positions	0.0	11.0	11.0	11.0	11.0	11.0	11.0
Non-FTE Uncl.Perm.Pos.	0.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	<u>0.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>

The **agency** requests FY 2018 expenditures of \$1.9 million for the Education program, all from special revenue funds. The total request is no change from the FY 2017 revised estimate.

Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests \$908,250 for FY 2018 salaries and wages expenditures in the Education program, which is no change from the FY 2017 revised estimate;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$606,799, a decrease of \$14,100, or 2.3 percent, below the FY 2017 revised estimate. Contractual services expenditures in the Education program, including advertising, other contractual services, and general printing and advertising;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$338,219, an increase of \$10,200, or 3.1 percent, above the FY 2017 revised estimate. The increase is largely attributable to fuel expenses; and
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$58,655, a decrease of \$5,500, or 8.6 percent, below the FY 2017 revised estimate. Capital outlay expenses in the Education program include technology replacements, professional equipment, and building improvements.

The **Governor** recommends FY 2018 expenditures for the Education program of \$1.9 million, all from special revenue funds. The recommendation is a decrease of \$7,132, or 0.4 percent, below the agency request and is attributable to the

Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$1.9 million for the Education program, all from special revenue funds. The request is an increase of \$91, or less than 0.1 percent, above the FY 2018 request. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests \$908,341 for FY 2019 salaries and wages expenditures in the Education program, which is an increase of \$91, or less than 0.1 percent, above the FY 2018 request;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$610,309, an increase of \$3,510, or 0.6 percent, above the FY 2018 request. The increase is largely attributable to advertising and marketing and electricity;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$339,709, an increase of \$1,490, or 0.4 percent, above the FY 2018 request; and
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$53,655, a decrease of \$5,000, or 8.5 percent, below the FY 2018 request. The decrease is attributable to software.

The **Governor** recommends FY 2019 expenditures for the Education program of \$1.9 million, all from special revenue funds. The recommendation is a decrease of \$12,759, or 0.7

percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

E. Law Enforcement

The Law Enforcement program is responsible for statewide enforcement of both state and federal fish and wildlife laws, boating laws, and regulation of public lands. The program is comprised of Natural Resource Officers who are sworn law

enforcement personnel with jurisdiction on public and private lands. These officers also provide assistance to other federal, state, and local law enforcement agencies when requested.

LAW ENFORCEMENT							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 4,986,045	\$ 5,358,053	\$ 5,344,048	\$ 5,669,053	\$ 5,617,805	\$ 5,669,053	\$ 5,593,012
Contractual Services	523,594	551,637	551,637	705,361	705,361	711,361	711,361
Commodities	543,939	816,475	816,475	736,000	736,000	747,500	747,500
Capital Outlay	652,378	376,749	376,749	423,500	423,500	416,000	416,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 6,705,956</u>	<u>\$ 7,102,914</u>	<u>\$ 7,088,909</u>	<u>\$ 7,533,914</u>	<u>\$ 7,482,666</u>	<u>\$ 7,543,914</u>	<u>\$ 7,467,873</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,274	2,525	2,525	0	0	0	0
TOTAL	<u>\$ 6,712,230</u>	<u>\$ 7,105,439</u>	<u>\$ 7,091,434</u>	<u>\$ 7,533,914</u>	<u>\$ 7,482,666</u>	<u>\$ 7,543,914</u>	<u>\$ 7,467,873</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	6,712,230	7,105,439	7,091,434	7,533,914	7,482,666	7,543,914	7,467,873
TOTAL	<u>\$ 6,712,230</u>	<u>\$ 7,105,439</u>	<u>\$ 7,091,434</u>	<u>\$ 7,533,914</u>	<u>\$ 7,482,666</u>	<u>\$ 7,543,914</u>	<u>\$ 7,467,873</u>
FTE Positions	80.0	82.0	82.0	82.0	82.0	82.0	82.0
Non-FTE Uncl.Perm.Pos.	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	<u>81.0</u>	<u>83.0</u>	<u>83.0</u>	<u>83.0</u>	<u>83.0</u>	<u>83.0</u>	<u>83.0</u>

The **agency** requests FY 2018 expenditures of \$7.5 million for the Law Enforcement program, all from special revenue funds. This request is an increase of \$428,475, or 6.0 percent, above the FY 2017 revised estimate.

Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$5.7 million, an increase of \$311,000, or 5.8 percent, above the FY 2017 revised estimate. This increase is attributable to an enhancement request for three new game warden positions within the Law Enforcement Division. Currently, many officers cover multiple counties, and this request would decrease the average counties covered by an officer to 1.5 counties per officer;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$705,361, an increase of \$153,724, or 27.9 percent, above the FY 2017 revised estimate;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$736,000, a decrease of \$80,475, or 9.9 percent, below the FY 2017 revised estimate. This decrease is largely attributable to decreased fuel costs; and
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$423,500, an increase of \$46,751, or 12.4 percent, above the FY 2017 revised estimate. The increase is largely attributable to truck replacements.

The **Governor** recommends FY 2018 expenditures for the Law Enforcement program of \$7.5 million, all from special revenue funds. The recommendation is a decrease of \$51,248, or 0.7 percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer

contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$7.5 million for the Law Enforcement program, all from special revenue funds. This request is an increase of \$10,000, or 0.1 percent, above the FY 2018 request. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$5.7 million, which is no change from the FY 2018 request;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$711,361, an increase of \$6,000, or 0.9 percent, above the FY 2018 request;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$747,500, an increase of \$11,500, or 1.6 percent, above the FY 2018 request. This increase is largely attributable to building and grounds materials; and
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$416,000, a decrease of \$7,500, or 1.8 percent, below the FY 2018 request. The decrease is largely attributable to radio equipment, offset in part by increased expenditures for truck replacements.

The **Governor** recommends FY 2018 expenditures for the Law Enforcement program of \$7.5 million, all from special revenue funds. The recommendation is a decrease of \$76,041, or 1.0 percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

F. Parks

The State Parks program manages the 25 state parks and the Prairie Spirit Rail Trail. The following 25 parks have been designated as part of the state park system: Mushroom Rock State Park (Ellsworth Co.); Cross Timbers State Park at Toronto Lake (Woodson Co.); Fall River State Park (Greenwood Co.); Cedar Bluff State Park (Trego Co.); Tuttle Creek State Park (Pottawatomie Co. and Riley Co.); Pomona State Park (Osage Co.); Cheney State Park (Kingman Co. and Reno Co.); Lake Crawford State Park (Crawford Co.); Lovewell State Park (Jewell Co.); Lake Meade State Park (Meade Co.); Prairie Dog

State Park (Norton Co.); Webster State Park (Rooks Co.); Wilson State Park (Russell Co.); Milford State Park (Geary Co.); Lake Scott State Park (Scott Co.); Elk City State Park (Montgomery Co.); Perry State Park (Jefferson Co.); Glen Elder State Park (Mitchell Co.); El Dorado State Park (Butler Co.); Eisenhower State Park (Osage Co.); Clinton State Park (Douglas Co.); Sand Hills State Park (Reno Co.); Hillsdale State Park (Miami Co.); Kaw River State Park (Shawnee Co.); and Kanopolis State Park (Ellsworth Co.).

PARKS							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 6,777,483	\$ 7,692,261	\$ 7,676,072	\$ 7,692,261	\$ 7,632,530	\$ 7,692,261	\$ 7,582,049
Contractual Services	3,319,044	2,899,446	2,899,446	3,474,320	3,527,404	3,573,320	3,626,404
Commodities	1,131,670	1,387,244	1,387,244	1,378,409	1,325,325	1,379,409	1,326,325
Capital Outlay	560,536	150,000	150,000	150,000	150,000	150,000	150,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 11,788,733</u>	<u>\$ 12,128,951</u>	<u>\$ 12,112,762</u>	<u>\$ 12,694,990</u>	<u>\$ 12,635,259</u>	<u>\$ 12,794,990</u>	<u>\$ 12,684,778</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,274	0	0	0	0	0	0
TOTAL	<u>\$ 11,795,007</u>	<u>\$ 12,128,951</u>	<u>\$ 12,112,762</u>	<u>\$ 12,694,990</u>	<u>\$ 12,635,259</u>	<u>\$ 12,794,990</u>	<u>\$ 12,684,778</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	11,795,007	12,128,951	12,112,762	12,694,990	12,635,259	12,794,990	12,684,778
TOTAL	<u>\$ 11,795,007</u>	<u>\$ 12,128,951</u>	<u>\$ 12,112,762</u>	<u>\$ 12,694,990</u>	<u>\$ 12,635,259</u>	<u>\$ 12,794,990</u>	<u>\$ 12,684,778</u>
FTE Positions	93.0	103.0	103.0	103.0	103.0	103.0	103.0
Non-FTE Uncl.Perm.Pos.	9.0	9.0	9.0	9.0	9.0	9.0	9.0
TOTAL	<u>102.0</u>	<u>112.0</u>	<u>112.0</u>	<u>112.0</u>	<u>112.0</u>	<u>112.0</u>	<u>112.0</u>

The **agency** requests FY 2018 expenditures of \$12.7 million for the Parks program, all from special revenue funds. This request is an increase of \$566,039, or 4.7 percent, above the FY 2017 revised estimate. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$7.7 million, which is no change from the FY 2017 revised estimate;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$3.5 million, an increase of \$574,874, or 19.8 percent, above the FY 2017 revised estimate. The increase is largely attributable to rising utility expenses in the state parks;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$1.4 million, a decrease of \$8,835, or 0.6 percent, below the FY 2017 revised estimate. The decrease is largely attributable to fuel expenses; and
- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$150,000, which is no change from the FY 2017 revised estimate.

The **Governor** recommends FY 2018 expenditures for the Parks program of \$12.6 million, all from special revenue funds. The recommendation is a decrease of \$59,731, or 0.5 percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures of \$12.8 million for the Parks program, all from special revenue funds. This request is an increase of \$100,000, or 0.8 percent, above the FY 2018 request. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$7.7 million, which is no change from the FY 2018 request;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$3.6 million, an increase of \$99,000, or 2.8 percent, above the FY 2018 request. The increase is largely attributable to rising utility expenses in the state parks;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$1.4 million, an increase of \$1,000, or 0.1 percent, above the FY 2018 request. The increase is largely attributable to vehicle parts; and
- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$150,000, which is no change from the FY 2018 request.

The **Governor** recommends FY 2019 expenditures for the Parks program of \$12.7 million, all from special revenue funds. The recommendation is a decrease of \$110,212, or 0.9 percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

G. Fish and Wildlife

The Fish and Wildlife program is divided into three sections: Fisheries, Wildlife, and Public Lands. The Fisheries section is responsible for three activities: fish culture, fisheries management, and fisheries research and surveys. The Wildlife

section conducts research, surveys, and wildlife management. The Public Lands section is responsible for the habitat management of 373,000 acres of public land and water.

FISH AND WILDLIFE SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 9,494,477	\$ 10,321,142	\$ 10,297,316	\$ 10,821,142	\$ 10,733,939	\$ 11,021,142	\$ 10,872,199
Contractual Services	7,889,278	7,148,612	7,148,612	8,954,420	8,954,420	8,954,420	8,954,420
Commodities	3,002,814	3,682,119	3,682,119	5,096,109	5,096,109	5,096,109	5,096,109
Capital Outlay	2,180,059	1,133,100	1,133,100	900,816	900,816	900,816	760,816
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 22,566,628</i>	<i>\$ 22,284,973</i>	<i>\$ 22,261,147</i>	<i>\$ 25,772,487</i>	<i>\$ 25,685,284</i>	<i>\$ 25,972,487</i>	<i>\$ 25,683,544</i>
Aid to Local Units	0	0	0	265,000	265,000	265,000	265,000
Other Assistance	18,380	5,028	5,028	0	0	0	0
TOTAL	<u>\$ 22,585,008</u>	<u>\$ 22,290,001</u>	<u>\$ 22,266,175</u>	<u>\$ 26,037,487</u>	<u>\$ 25,950,284</u>	<u>\$ 26,237,487</u>	<u>\$ 25,948,544</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	22,585,008	22,290,001	22,266,175	26,037,487	25,950,284	26,237,487	25,948,544
TOTAL	<u>\$ 22,585,008</u>	<u>\$ 22,290,001</u>	<u>\$ 22,266,175</u>	<u>\$ 26,037,487</u>	<u>\$ 25,950,284</u>	<u>\$ 26,237,487</u>	<u>\$ 25,948,544</u>
FTE Positions	116.0	104.0	104.0	104.0	104.0	104.0	104.0
Non-FTE Uncl.Perm.Pos.	46.0	40.0	40.0	40.0	40.0	40.0	40.0
TOTAL	<u>162.0</u>	<u>144.0</u>	<u>144.0</u>	<u>144.0</u>	<u>144.0</u>	<u>144.0</u>	<u>144.0</u>

The **agency** requests FY 2018 Fish and Wildlife expenditures of \$26.0 million, all from special revenue funds.

This request is an increase of \$3.7 million, or 16.8 percent, above the FY 2017 revised estimate.

Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$10.8 million, an increase of \$500,000, or 4.8 percent, above the FY 2017 revised estimate. The increase is attributable to including public lands agricultural funds within the budget. In previous years, agricultural fund expenditures from the public lands division were not accounted for within the budget. The Public Lands Division raises funds on state and federal property through agricultural leases that must be spent on the property where the funds were earned;
- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$9.0 million, an increase of \$1.8 million, or 25.3 percent, above the FY 2017 revised estimate. The increase is largely attributable to including public lands agricultural funds within the budget. In previous years, agricultural fund expenditures from the public lands division were not accounted for within the budget. The Public Lands Division raises funds on state and federal property through agricultural leases that must be spent on the property where the funds were earned. The increase also includes expenditures for increased Office of Information Technology Services (OITS) expenses;
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$5.1 million, an increase of \$1.4 million, or 38.4 percent, above the FY 2017 revised estimate. The increase is largely attributable to including public lands

agricultural funds within the budget. In previous years, agricultural fund expenditures from the public lands division were not accounted for within the budget. The Public Lands Division raises funds on state and federal property through agricultural leases that must be spent on the property where the funds were earned;

- **Capital Outlay.** The agency requests FY 2018 capital outlay expenditures of \$900,816, a decrease of \$232,284, or 20.5 percent, below the FY 2017 revised estimate. The decrease is attributable to decreased expenditures for agricultural equipment and machinery and road and highway equipment, offset in part by increased expenditures for truck replacements; and
- **Aid to Local Units of Government.** The agency requests FY 2018 aid to local units of government expenditures of \$265,000, an increase of \$265,000, or 100.0 percent, above the FY 2017 revised estimate.

The **Governor** recommends FY 2018 expenditures for the Fish and Wildlife program of \$26.0 million, all from special revenue funds. The recommendation is a decrease of \$87,203, or 0.3 percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 Fish and Wildlife expenditures of \$26.2 million, all from special revenue funds. This request is an increase of \$200,000, or 0.8 percent, above

the FY 2018 request. Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$11.0 million, an increase of \$200,000, or 1.8 percent, above the FY 2018 request. The increase is attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$9.0 million, which is no change from the FY 2018 request;
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$5.1 million, which is no change from the FY 2018 request;

- **Capital Outlay.** The agency requests FY 2019 capital outlay expenditures of \$900,816, which is no change from the FY 2018 request; and
- **Aid to Local Units of Government.** The agency requests FY 2019 aid to local units of government expenditures of \$265,000, which is no change from the FY 2018 request.

The **Governor** recommends FY 2019 expenditures for the Fish and Wildlife program of \$25.9 million, all from special revenue funds. The recommendation is a decrease of \$288,943, or 1.1 percent, below the agency request and is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to not recommend the agency's enhancement request of \$140,000, all from special revenue funds, for replacement of trucks utilized for fish stocking for FY 2019.

H. Grants

The Grants program administers a number of local aid and assistance programs to encourage local units of government to improve outdoor recreation opportunities. There are two federal grant programs: the National Rails to Trails Grant program and the Land and Water Conservation Fund Grant program. The Grants program also administers four state grant programs:

Community Lake Assistance, Outdoor Wildlife Learning Sites; Shooting Ranges, and Boating Access. The Grants program includes funding for projects and programs for local units of government and for organizations. The agency serves as the entity administering the distribution of state and federal funds related to wildlife, parks, and recreation.

GRANTS							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	50,684	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 50,684</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
Aid to Local Units	366,307	1,340,000	1,340,000	1,125,000	1,125,000	1,125,000	1,125,000
Other Assistance	176,600	70,000	70,000	70,000	70,000	70,000	70,000
TOTAL	<u>\$ 593,591</u>	<u>\$ 1,410,000</u>	<u>\$ 1,410,000</u>	<u>\$ 1,195,000</u>	<u>\$ 1,195,000</u>	<u>\$ 1,195,000</u>	<u>\$ 1,195,000</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	593,591	1,410,000	1,410,000	1,195,000	1,195,000	1,195,000	1,195,000
TOTAL	<u>\$ 593,591</u>	<u>\$ 1,410,000</u>	<u>\$ 1,410,000</u>	<u>\$ 1,195,000</u>	<u>\$ 1,195,000</u>	<u>\$ 1,195,000</u>	<u>\$ 1,195,000</u>
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

The **agency** requests FY 2018 expenditures for the Grants program of \$1.2 million, all from special revenue funds. This request is a decrease of \$215,000, or 15.2 percent, below the FY 2017 revised estimate.

The **Governor** recommends \$1.2 million, all from special revenue funds, for the Grants program for FY 2018. This recommendation is no change from the agency request.

The **agency** requests FY 2019 expenditures for the Grants program of \$1.2 million, all from special revenue funds. This request is no change from the FY 2018 request.

The **Governor** recommends \$1.2 million, all from special revenue funds, for the Grants program for FY 2019. This recommendation is no change from the agency request.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS						
	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Rehabilitation and Repair	\$ 4,260,000	\$ 4,260,000	\$ 5,264,750	\$ 5,264,750	\$ 4,760,000	\$ 4,760,000
Land Acquisition	400,000	400,000	400,000	400,000	400,000	400,000
Cabin Site Preparation	300,000	300,000	300,000	300,000	300,000	300,000
Trails Development	400,000	400,000	400,000	400,000	400,000	400,000
Shooting Range Development	250,000	250,000	1,200,000	1,200,000	1,200,000	1,200,000
River Access	100,000	100,000	100,000	100,000	100,000	100,000
Wetlands						
Acquisition/Development	650,000	650,000	650,000	650,000	650,000	650,000
Federally Mandated Boating						
Access	1,398,000	1,398,000	1,355,000	1,355,000	1,635,000	1,635,000
State and Federal Ag Funds	775,000	775,000	679,250	679,250	752,000	752,000
Coast Guard	200,000	200,000	200,000	200,000	200,000	200,000
Land and Water Conservation						
Development	375,000	375,000	375,000	375,000	375,000	375,000
Bond Principal	115,000	115,000	115,000	115,000	125,000	125,000
Leavenworth State Fishing						
Lake Dam Repair	1,400,000	1,400,000	0	0	0	0
Flint Hills Nature Trail	1,600,000	1,600,000	0	0	0	0
TOTAL	\$ 12,223,000	\$ 12,223,000	\$ 11,039,000	\$ 11,039,000	\$ 10,897,000	\$ 10,897,000
Financing:						
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	12,223,000	12,223,000	11,039,000	11,039,000	10,897,000	10,897,000
TOTAL	\$ 12,223,000	\$ 12,223,000	\$ 11,039,000	\$ 11,039,000	\$ 10,897,000	\$ 10,897,000

Current Year Agency Estimate

FY 2017–Current Year. The agency estimates FY 2017 capital improvements expenditures of \$12.2 million, all from special revenue funds. This request is an increase of \$3.0 million, or 32.5 percent, above the FY 2017 approved amount. The increase is attributable to the Leavenworth State Fishing Lake dam repair and the Flint Hills Nature Trail. This request includes the following projects:

- **Rehabilitation and Repair.** The agency estimates \$4.3 million for rehabilitation and repair;
- **Land Acquisition.** The agency estimates \$400,000 for land acquisition for outdoor recreation as well as for habitat management and preservation;
- **Cabin Site Development.** The agency estimates \$300,000 for construction of foundations for cabins as well as connecting utilities to those cabins;
- **Trails Development.** The agency estimates \$400,000 for increasing and improving trails;
- **Shooting Range Development.** The agency estimates \$250,000 for development of shooting ranges;
- **River Access.** The agency estimates \$100,000 for increasing access to rivers;
- **Wetlands Acquisition/Development.** The agency estimates \$650,000 for acquisition and development of wetlands acreage;
- **Federally Mandated Boating Access.** The agency estimates \$1.4 million in federal funds for motorboat access projects as directed by the U.S. Fish and Wildlife Service (USFWS);
- **State and Federal Agriculture Funds.** The agency estimates \$775,000, all from the sale of crops on agricultural land managed by the agency, for the improvement of the same land;
- **Coast Guard.** The agency estimates \$200,000 for construction of boat storage related to law enforcement on the water;
- **Land and Water Conservation Development.** The agency estimates \$375,000 for increasing and improving outdoor development and acquisition for recreation activities in the State;
- **Leavenworth State Fishing Lake Dam Repair.** The agency estimates \$1.4 million, all from special revenue funds, to repair the dam at Leavenworth State Fishing Lake; and
- **Flint Hills Nature Trail.** The agency estimates \$1.6 million, all from special revenue funds, for development of the Flint Hills Nature Trail.

Current Year Governor Recommendation

The **Governor** concurs with the agency request in FY 2017.

Budget Year Agency Request

FY 2018–Budget Year. The agency requests FY 2018 capital improvements expenditures of \$11.0 million, all from special revenue funds. This request is a decrease of \$1.2 million, or 9.7 percent, below the FY 2017 revised estimate. The decrease is attributable to one-time expenses in FY 2017 for the Leavenworth State Fishing Lake dam repair and the Flint Hills Nature Trail, offset in part by increases for rehabilitation and repair and shooting range development. This request includes the following projects:

- **Rehabilitation and Repair.** The agency requests \$5.3 million for rehabilitation and repair;
- **Land Acquisition.** The agency requests \$400,000 for land acquisition for outdoor recreation as well as for habitat management and preservation;
- **Cabin Site Development.** The agency requests \$300,000 for construction of foundations for cabins as well as connecting utilities to those cabins;
- **Trails Development.** The agency requests \$400,000 for increasing and improving trails;
- **Shooting Range Development.** The agency requests \$1.2 million for development of shooting ranges;
- **River Access.** The agency requests \$100,000 for increasing access to rivers;
- **Wetlands Acquisition/Development.** The agency requests \$650,000 for acquisition and development of wetlands acreage;
- **Federally Mandated Boating Access.** The agency requests \$1.4 million in federal funds for motorboat access projects as directed by the USFWS;
- **State and Federal Agriculture Funds.** The agency requests \$679,250, all from the sale of crops on agricultural land managed by the agency, for the improvement of the same land;
- **Coast Guard.** The agency requests \$200,000 for construction of boat storage related to law enforcement on the water; and
- **Land and Water Conservation Development.** The agency requests \$375,000 for increasing and improving outdoor development and acquisition for recreation activities in the State.

Budget Year Governor Recommendation

The **Governor** concurs with the agency request for FY 2018.

Budget Year Agency Request

FY 2019–Budget Year. The agency requests FY 2019 capital improvements expenditures of \$10.9 million, all from special revenue funds. This request is a decrease of \$142,000, or 1.3 percent, below the FY 2018 request. The decrease is attributable to rehabilitation and repair, offset in part by increases in federally mandated boating access. This request includes the following projects:

- **Rehabilitation and Repair.** The agency requests \$4.8 million for rehabilitation and repair;
- **Land Acquisition.** The agency requests \$400,000 for land acquisition for outdoor recreation as well as for habitat management and preservation;
- **Cabin Site Development.** The agency requests \$300,000 for construction of foundations for cabins as well as connecting utilities to those cabins;
- **Trails Development.** The agency requests \$400,000 for increasing and improving trails;
- **Shooting Range Development.** The agency requests \$1.2 million for development of shooting ranges;

- **River Access.** The agency requests \$100,000 for increasing access to rivers;
- **Wetlands Acquisition/Development.** The agency requests \$650,000 for acquisition and development of wetlands acreage;
- **Federally Mandated Boating Access.** The agency requests \$1.6 million in federal funds for motorboat access projects as directed by the USFWS;
- **State and Federal Agriculture Funds.** The agency requests \$752,000, all from the sale of crops on agricultural land managed by the agency, for the improvement of the same land;
- **Coast Guard.** The agency requests \$200,000 for construction of boat storage related to law enforcement on the water; and
- **Land and Water Conservation Development.** The agency requests \$375,000 for increasing and improving outdoor development and acquisition for recreation activities in the State.

Budget Year Governor Recommendation

The **Governor** concurs with the agency request for FY 2019.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
Number of new wildlife habitat projects reviewed	2,200	1,635	2,000	2,200	2,400
Number of deer permits and licenses issued	171,593	208,476	210,000	210,000	210,000
Number of fishing permits and licenses issued	270,974	258,043	270,000	270,000	270,000
Number of hunting permits and licenses issued	239,221	126,624	130,000	130,000	130,000
Number of annual park use permits issued	73,333	123,581	125,000	125,000	125,000
Number of students certified through education programs in hunting	10,750	8,739	9,750	9,750	9,750
Number of students certified through education programs in boating	1,800	1,720	1,800	1,800	1,800
Number of students certified through education programs in furharvester	1,550	1,179	1,300	1,300	1,300
<i>Kansas!</i> magazine circulation	30,000	29,500	29,732	30,000	30,000
Grants awarded	5	2	5	5	5
Travel Information Center visitation	250,000	226,593	240,000	250,000	250,000
Magazine revenue	\$730,000	\$548,509	\$554,178	\$560,000	\$570,000
Number of contacts with sportsmen	43,800	36,740	40,200	42,000	42,000
Number of wildlife license, boating safety, and registration checks per conservation officer	600	647	700	700	700
Compliance rate with laws and regulations for wildlife	90.0%	95.6%	95.0%	95.0%	95.0%
Compliance rate with laws and regulations for boating	70.0%	62.7%	65.0%	70.0%	75.0%
Percent of campers satisfied with overall camping experience	75.0%	82.0%	82.0%	84.0%	84.0%
Percent of campers satisfied with overall day use experience	75.0%	81.0%	82.0%	84.0%	84.0%
Percent of campsites utilized	80.0%	75.0%	78.0%	78.0%	80.0%
Number of days parks open	280	275	300	300	325
Number of volunteer hours	55,800	54,000	55,000	58,000	60,800
Number of surveys conducted for wildlife population	30	30	30	30	30
Number of surveys conducted for hunters	10	10	10	10	10
Number of surveys conducted for landowners	5	5	5	5	5
Number of surveys conducted for anglers	10	10	10	10	10
Percent of deer hunters satisfied with management program	80.0%	80.0%	80.0%	80.0%	80.0%

Measure	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
Percent of landowners satisfied with management program (deer)	70.0%	50.0%	60.0%	70.0%	70.0%
Percent of turkey hunters satisfied with management program	85.0%	85.0%	85.0%	85.0%	85.0%
Percent of landowners satisfied with management program (turkey)	70.0%	65.0%	70.0%	70.0%	70.0%
Percent of anglers satisfied with management program	70.0%	68.0%	70.0%	70.0%	70.0%
Number of acres affected by Upland Gamebird Habitat Program	120,000	95,000	115,000	135,000	145,000
Number of acres in Walk-in Hunting Program	1,200,000	1,050,000	1,100,000	1,150,000	1,250,000
Number of new campsites constructed	n/a	10	10	10	10
Number of dams repaired	n/a	60.0%	70.0%	80.0%	85.0%
Number of new boat ramps constructed	n/a	2	2	2	2
Number of bridges repaired or replaced	4	1	1	1	1

KANSAS STATE FAIR

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 285,942	\$ 263,550	\$ 263,550	\$ 390,150	\$ 240,150	\$ 365,750	\$ 215,750
Other Funds	4,885,905	5,056,203	5,050,866	4,938,312	4,918,415	5,001,653	4,977,895
TOTAL	\$ 5,171,847	\$ 5,319,753	\$ 5,314,416	\$ 5,328,462	\$ 5,158,565	\$ 5,367,403	\$ 5,193,645
Capital Improvements:							
State General Fund	\$ 560,000	\$ 585,000	\$ 585,000	\$ 610,000	\$ 610,000	\$ 6,747,878	\$ 640,000
Other Funds	263,864	506,997	506,997	506,997	506,997	506,997	506,997
TOTAL	\$ 823,864	\$ 1,091,997	\$ 1,091,997	\$ 1,116,997	\$ 1,116,997	\$ 7,254,875	\$ 1,146,997
GRAND TOTAL	\$ 5,995,711	\$ 6,411,750	\$ 6,406,413	\$ 6,445,459	\$ 6,275,562	\$ 12,622,278	\$ 6,340,642
Percentage Change:							
Operating Expenditures							
State General Fund	(7.6) %	(7.8) %	(7.8) %	48.0 %	(8.9) %	(6.3) %	(10.2) %
All Funds	(3.8)	2.9	2.8	0.2	(2.9)	0.7	0.7
FTE Positions	25.0	33.0	33.0	33.0	33.0	33.0	33.0
Non-FTE							
Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	25.0	33.0	33.0	33.0	33.0	33.0	33.0

AGENCY OVERVIEW

The mission of the Kansas State Fair is to promote and showcase Kansas agriculture, industry, and culture; create opportunity for commercial activity; and provide an educational and entertaining experience that is the pride of all Kansans. The annual State Fair is organized and administered by the 13-member State Fair Board. The State Fairgrounds are located in Reno County within the City of Hutchinson. The Fairgrounds consist of approximately 280 acres, with 75 buildings and nearly 24 acres under roof. The State Fair starts on the Friday

following Labor Day in September and runs for ten days. This makes the State Fair the state's largest single event, attracting more than 350,000 people, plus an estimated 200,000 people to the nearly 400 non-Fair events held throughout the year on the Fairgrounds. The agency operates with 25.0 full-time employees, 551 part-time and temporary employees in addition to contract plumbers and electricians, and inmate labor from the Hutchinson Correctional Facility.

MAJOR ISSUES FROM PRIOR YEARS

The **2006 Legislature** added \$2,375,727 from the State General Fund in FY 2007 for the construction of a sheep and swine barn.

The **2007 Legislature** added funding from the Economic Development Initiatives Fund (EDIF) in FY 2008 for marketing and promotion of the State Fair (\$50,000), an economic impact and demographic study of the State Fair and all non-Fair activities taking place on the State Fairgrounds (\$40,000), and competitive exhibit premiums (\$20,000). In addition, the Legislature added \$25,000 from the State General Fund to add electrical sub-metering equipment in order to monitor electrical use at individual buildings on the State Fairgrounds.

The **2008 Legislature** added funding from the EDIF in FY 2009 for marketing and promotion of the State Fair (\$50,000) and competitive exhibit premiums (\$20,000). In addition, the Legislature added \$20,792, all from the State Fair Fee Fund, to increase part-time seasonal employees' wages. The Legislature also converted 1.0 non-FTE position to a 1.0 FTE position.

The **2009 Legislature** did not add funding from the EDIF in FY 2010 for marketing and promotion of the State Fair or for competitive exhibit premiums. In addition, the Legislature suspended the statutory transfer from the State General Fund to the State Fair Capital Improvements Fund in FY 2010.

The **2010 Legislature** deleted the transfer of \$300,000 from the State General Fund to the State Fair Capital Improvements Fund for FY 2010 and FY 2011. The Legislature also transferred an additional \$50,000 from the State Fair Fee Fund to the State Fair Capital Improvements Fund for FY 2011 and to make the transfer on or before March 1, 2011. The State Fair Capital Improvements Fund is used to pay the agency's debt service payments and to fund general maintenance and repair at the State Fairgrounds in Hutchinson.

The **2011 Legislature** added 1.0 FTE position and \$39,749, all from special revenue funds, for an administrative assistant position in the Competitive Exhibits department and also added \$376,950, all from special revenue funds, for roof replacement projects. The Legislature also made reductions totaling \$23,130,

all from special revenue funds, for cell phone expenditures, information technology expenditures, a death and disability moratorium, and an across-the-board reduction.

The **2012 Legislature** added \$25,000, all from the Economic Development Initiatives Fund, for FY 2013 for enhanced marketing of the State Fair's Centennial celebration, which was subsequently vetoed by the Governor. The Legislature also approved adding \$11,182,256, all from the Expanded Lottery and Revenue Fund, for increasing debt service payments to call the bonds for debt service for FY 2013, which will reduce future payments for future debt service.

The **2013 Legislature** added \$250,000, all from the State General Fund, for the State's statutorily required match to the State Fair Capital Improvements Fund for FY 2014. The match was not to be made for FY 2015.

The **2014 Legislature** added \$400,000, all from the State Fair Capital Improvements Fund, for capital improvement projects.

The **2015 Legislature** transferred \$100,000 in both FY 2016 and FY 2017, all from the State General Fund, to the State Fair Capital Improvements Fund to match a portion of the agency's contribution.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency** estimates FY 2017 total expenditures of \$6.4 million, a decrease of \$417,672, or 6.1 percent, below the approved amount. This revised estimate includes \$848,550 from the State General Fund, which is no change from the approved amount.

The agency estimates operating expenditures of \$5.3 million, a decrease of \$288,669, or 5.1 percent, below the approved amount. The revised estimate includes \$263,550 from the State General Fund, which is no change from the approved amount. The decrease is largely attributable to accounting for some operating expenses within the capital improvements program.

The agency estimates capital improvements expenditures of \$1.1 million, a decrease of \$129,003, or 10.6 percent, below the approved amount. The revised estimate includes \$585,000 from the State General Fund, which is no change from the approved amount. The decrease is largely attributable to decreases for rehabilitation and repair.

The agency estimates 33.0 FTE positions. The agency indicates that this submission was in error; they intended to submit a budget of 25.0 FTE positions, which is no change from the approved amount.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$5.3 million, including \$263,550 from the State General Fund. The recommendation is an all funds decrease of \$5,337, or 0.1 percent, below the agency's revised FY 2017 estimate. The Governor's recommendation does not include any changes to State General Fund expenditures from the agency

request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

The Governor concurs with the agency's capital improvements request in FY 2017.

FY 2018 Agency Request

The **agency** requests total FY 2018 expenditures of \$6.4 million, an increase of \$33,709, or 0.5 percent, above the FY 2017 revised request. The request includes \$1.0 million from the State General Fund, an increase of \$151,600, or 17.9 percent, above the FY 2017 revised request.

attributable to utilities and employer contributions to fringe benefits.

The agency requests FY 2018 capital improvements expenditures of \$1.1 million, an increase of \$25,000, or 2.3 percent, above the FY 2017 revised estimate.

The agency requests FY 2018 operating expenditures of \$5.3 million, an increase of \$8,709, or 0.2 percent, above the FY 2017 revised estimate. The request includes \$390,150 from the State General Fund, an increase of \$126,600, or 48.0 percent, above the FY 2017 revised estimate. The increase is largely

The agency budget request includes 33.0 FTE positions. The agency indicates that this submission was in error; they intended to submit a budget of 25.0 FTE positions, which is no change from the prior amount.

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$5.2 million, including \$240,150 from the State General Fund. The recommendation is an all funds decrease of \$169,897, or 3.2 percent, and a State General Fund decrease of \$150,000, or 38.4 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for additional utility expenditures from the State General Fund, as well as the Governor's recommendation to hold KPERS employer

contributions at the FY 2016 amount, which results in a reduction of \$16,296, all from special revenue funds, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in a reduction of \$3,601, all from special revenue funds.

The Governor concurs with the agency's capital improvements request for FY 2018.

FY 2019 Agency Request

The **agency** requests total FY 2019 expenditures of \$12.6 million, an increase of \$6.2 million, or 95.8 percent, above the FY 2018 request. The request includes \$7.1 million from the State General Fund, an increase of \$6.1 million, or 611.3 percent, above the FY 2018 request.

The agency requests FY 2019 operating expenditures of \$5.4 million, an increase of \$38,941, or 0.7 percent, above the FY 2018 request. The request includes \$365,750 from the State General Fund, a decrease of \$24,400, or 6.3 percent, below the FY 2018 request. The increase is largely attributable to employer contributions to fringe benefits and salary increases.

FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$5.2 million, including \$215,750 from the State General Fund. The recommendation is an all funds decrease of \$173,758, or 3.2 percent, and a State General Fund decrease of \$150,000, or 41.0 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for additional utility expenditures from the State General Fund, as well as the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

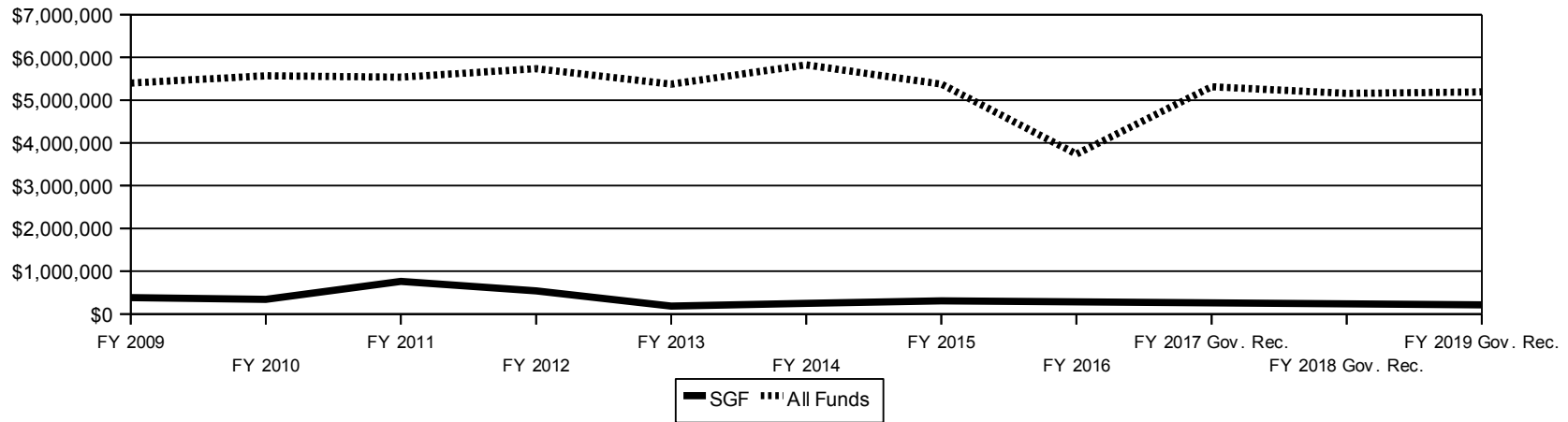
The agency requests FY 2019 capital improvements expenditures of \$7.3 million, an increase of \$6.1 million, or 549.5 percent, above the FY 2018 request. The request includes \$6.7 million from the State General Fund, an increase of \$6.1 million, or 1,006.2 percent, above the FY 2018 request. The increase is largely attributable to a request to replace the Expo Center building.

The agency budget request includes 33.0 FTE positions. The agency indicates that this submission was in error; they intended to submit a budget of 25.0 FTE positions, which is no change from the prior amount.

The Governor recommends FY 2019 capital improvements expenditures of \$1.1 million, including \$640,000 from the State General Fund. The recommendation is an all funds decrease of \$6.1 million, or 84.2 percent, all from the State General Fund, below the agency request. The decrease is attributable to the Governor not recommending the agency's enhancement request for replacing the Expo Center.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 383,980	(52.9)%	\$ 5,400,457	(1.9)%	24.0
2010	341,861	(11.0)	5,570,115	3.1	24.0
2011	764,711	123.7	5,537,889	(0.6)	24.0
2012	540,422	(29.3)	5,736,223	3.6	25.0
2013	182,165	(66.3)	5,374,945	(6.3)	25.0
2014	247,751	36.0	5,824,490	8.4	25.0
2015	309,566	25.0	5,375,425	(7.7)	25.0
2016	285,942	(7.6)	5,171,847	(3.8)	25.0
2017 Gov. Rec.	263,550	(7.8)	5,314,416	2.8	33.0
2018 Gov. Rec.	240,150	(8.9)	5,158,565	(2.9)	33.0
2019 Gov. Rec.	215,750	(10.2)	5,193,645	0.7	33.0
Eleven-Year Change	\$ (168,230)	(43.8)%	\$ (206,812)	(3.8)%	9.0

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Administration	\$ 3,454,163	\$ 3,511,081	\$ 3,500,651	\$ (10,430)	(0.3) %	\$ 3,507,658	\$ 3,487,895	\$ (19,763)	(0.6)%
Facilities Management	1,431,742	1,545,122	1,587,661	42,539	2.8	1,543,208	1,430,520	(112,688)	(7.3)
Debt Service	285,942	263,550	240,150	(23,400)	(8.9)	263,550	240,150	(23,400)	(8.9)
TOTAL	\$ 5,171,847	\$ 5,319,753	\$ 5,328,462	\$ 8,709	0.2 %	\$ 5,314,416	\$ 5,158,565	\$ (155,851)	(2.9)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 1,789,652	\$ 1,935,056	\$ 1,945,379	\$ 10,323	0.5 %	\$ 1,929,719	\$ 1,925,482	\$ (4,237)	(0.2)%
Contractual Services	2,744,177	2,817,273	2,838,031	20,758	0.7	2,817,273	2,688,031	(129,242)	(4.6)
Commodities	315,123	303,874	304,902	1,028	0.3	303,874	304,902	1,028	0.3
Capital Outlay	36,953	0	0	0	--	0	0	0	--
Debt Service	285,942	263,550	240,150	(23,400)	(8.9)	263,550	240,150	(23,400)	(8.9)
Subtotal - Operations	\$ 5,171,847	\$ 5,319,753	\$ 5,328,462	\$ 8,709	0.2 %	\$ 5,314,416	\$ 5,158,565	\$ (155,851)	(2.9)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 5,171,847	\$ 5,319,753	\$ 5,328,462	\$ 8,709	0.2 %	\$ 5,314,416	\$ 5,158,565	\$ (155,851)	(2.9)%
Financing:									
State General Fund	\$ 285,942	\$ 263,550	\$ 390,150	\$ 126,600	48.0 %	\$ 263,550	\$ 240,150	\$ (23,400)	(8.9)%
All Other Funds	4,885,905	5,056,203	4,938,312	(117,891)	(2.3)	5,050,866	4,918,415	(132,451)	(2.6)
TOTAL	\$ 5,171,847	\$ 5,319,753	\$ 5,328,462	\$ 8,709	0.2 %	\$ 5,314,416	\$ 5,158,565	\$ (155,851)	(2.9)%

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration	\$ 3,500,651	\$ 3,537,202	\$ 36,551	1.0 %	\$ 3,487,895	\$ 3,522,291	\$ 34,396	1.0 %
Facilities Management	1,587,661	1,614,451	26,790	1.7	1,430,520	1,455,604	25,084	1.8
Debt Service	240,150	215,750	(24,400)	(10.2)	240,150	215,750	(24,400)	(10.2)
TOTAL	\$ 5,328,462	\$ 5,367,403	\$ 38,941	0.7 %	\$ 5,158,565	\$ 5,193,645	\$ 35,080	0.7 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 1,945,379	\$ 2,008,720	\$ 63,341	3.3 %	\$ 1,925,482	\$ 1,984,962	\$ 59,480	3.1 %
Contractual Services	2,838,031	2,838,031	0	0.0	2,688,031	2,688,031	0	0.0
Commodities	304,902	304,902	0	0.0	304,902	304,902	0	0.0
Capital Outlay	0	0	0	--	0	0	0	--
Debt Service	240,150	215,750	(24,400)	(10.2)	240,150	215,750	(24,400)	(10.2)
Subtotal - Operations	\$ 5,328,462	\$ 5,367,403	\$ 38,941	0.7 %	\$ 5,158,565	\$ 5,193,645	\$ 35,080	0.7 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 5,328,462	\$ 5,367,403	\$ 38,941	0.7 %	\$ 5,158,565	\$ 5,193,645	\$ 35,080	0.7 %
Financing:								
State General Fund	\$ 390,150	\$ 365,750	\$ (24,400)	(6.3) %	\$ 240,150	\$ 215,750	\$ (24,400)	(10.2) %
All Other Funds	4,938,312	5,001,653	63,341	1.3	4,918,415	4,977,895	59,480	1.2
TOTAL	\$ 5,328,462	\$ 5,367,403	\$ 38,941	0.7 %	\$ 5,158,565	\$ 5,193,645	\$ 35,080	0.7 %

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

The 2016 Legislature approved a State General Fund budget of \$263,550 for the Kansas State Fair in FY 2017. No adjustments have been made subsequently to that amount.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 263,550	\$ 848,550	\$ 585,000	\$ 848,550	\$ 585,000
All Other Funds	5,344,872	5,563,200	218,328	5,557,863	212,991
TOTAL	\$ 5,608,422	\$ 6,411,750	\$ 803,328	\$ 6,406,413	\$ 797,991
FTE Positions	25.0	33.0	8.0	33.0	8.0

The **agency** estimates FY 2017 operating expenditures of \$5.3 million, a decrease of \$288,669, or 5.1 percent, below the approved amount. The revised estimate includes \$263,550 from the State General Fund, which is no change from the approved amount. The decrease is largely attributable to accounting for some operating expenses within the capital improvements program.

Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency estimates FY 2017 salaries and wages expenditures of \$1.9 million, a decrease of \$32,046, or 1.6 percent, below the approved amount. The decrease is largely attributable to decreases in salary expenditures;
- **Contractual Services.** The agency estimates FY 2017 contractual services expenditures of \$2.8

million, a decrease of \$25,782, or 0.9 percent, below the approved amount. The decrease is largely attributable to accounting for some contractual services expenditures within capital improvements, offset in part by increased utility expenditures;

- **Commodities.** The agency estimates FY 2017 commodities expenditures of \$303,874, a decrease of \$161,241, or 34.7 percent, below the approved amount. The decrease is largely attributable to accounting for some commodities expenditures within capital improvements instead of operating expenses; and
- **Capital Outlay.** The agency estimates FY 2017 capital outlay expenditures of \$0, a decrease of \$69,600, or 100.0 percent, below the approved

amount. The decrease is largely attributable to accounting for capital outlay expenditures within capital improvements.

The agency estimates 33.0 FTE positions. The agency indicates that this submission was in error; they intended to submit a budget of 25.0 FTE positions, which is no change from the approved amount.

The **Governor** recommends FY 2017 operating expenditures of \$5.3 million, including \$263,550 from the State General Fund. The recommendation is an all funds decrease of \$5,337, or 0.1 percent, below the agency's revised FY 2017 estimate. The Governor's recommendation does not include any changes to State General Fund expenditures from the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 5,328,462	\$ 5,158,565	\$ (169,897)
FTE Positions	33.0	33.0	0.0
Change from FY 2017:			
<i>Dollar Change:</i>			
State General Fund	\$ 126,600	\$ (23,400)	
All Other Funds	(117,891)	(132,451)	
TOTAL	<u>\$ 8,709</u>	<u>\$ (155,851)</u>	
<i>Percent Change:</i>			
State General Fund	48.0 %	(8.9) %	
All Other Funds	(2.3)	(2.6)	
TOTAL	<u>0.2 %</u>	<u>(2.9) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2018 operating expenditures of \$5.3 million, an increase of \$8,709, or 0.2 percent, above the FY 2017 revised estimate. The request includes \$390,150 from the State General Fund, an increase of \$126,600, or 48.2 percent, above the FY 2017 revised estimate. Major areas of expenditures are detailed below:

- **Salaries and Wages.** The agency requests FY 2018 salaries and wages expenditures of \$1.9 million, an increase of \$10,323, or 0.5 percent, above the FY 2017 revised estimate. The

increase is largely attributable to employer contributions for fringe benefits;

- **Contractual Services.** The agency requests FY 2018 contractual services expenditures of \$2.8 million, an increase of \$20,758, or 0.7 percent, above the FY 2017 revised estimate. The increase is largely attributable to increased utility expenditures; and
- **Commodities.** The agency requests FY 2018 commodities expenditures of \$304,902, an

increase of \$1,028, or 0.3 percent, above the FY 2017 revised estimate. The increase is largely attributable to food.

The agency budget request includes 33.0 FTE positions. The agency indicates that this submission was in error; they intended to submit a budget of 25.0 FTE positions, which is no change from the prior amount.

The **Governor** recommends FY 2018 operating expenditures of \$5.2 million, including \$240,150 from the State

General Fund. The recommendation is an all funds decrease of \$169,897, or 3.2 percent, and a State General Fund decrease of \$150,000, or 38.4 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for additional utility expenditures from the State General Fund, as well as the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$16,296, all from special revenue funds, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in a reduction of \$3,601, all from special revenue funds.

Enhancements Detail

Enhancements	FY 2018 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Utility Increases	\$ 150,000	\$ 150,000	0.0	\$ 0	\$ 0	0.0

The **agency** requests \$150,000, all from the State General Fund, for increased water and electricity utility expenses for FY 2018.

The **Governor** does not recommend the agency's enhancement request for FY 2018.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 5,367,403	\$ 5,193,645	\$ (173,758)
FTE Positions	33.0	33.0	0.0
<i>Change from FY 2018:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ (24,400)	\$ (24,400)	
All Other Funds	63,341	59,480	
TOTAL	<u>\$ 38,941</u>	<u>\$ 35,080</u>	
<i>Percent Change:</i>			
State General Fund	(6.3) %	(10.2) %	
All Other Funds	1.3	1.2	
TOTAL	<u>0.7 %</u>	<u>0.7 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2019 operating expenditures of \$5.4 million, an increase of \$38,941, or 0.7 percent, above the FY 2018 request. The request includes \$365,750 from the State General Fund, a decrease of \$24,400, or 6.3 percent, below the FY 2018 request.

Major areas of expenditure are detailed below:

- **Salaries and Wages.** The agency requests FY 2019 salaries and wages expenditures of \$2.0 million, an increase of \$63,341, or 3.3 percent, above the FY 2018 request. The increase is largely attributable to an increase in unclassified

salaries and employer contributions for fringe benefits;

- **Contractual Services.** The agency requests FY 2019 contractual services expenditures of \$2.8 million, which is no change from the FY 2018 request; and
- **Commodities.** The agency requests FY 2019 commodities expenditures of \$304,902, which is no change from the FY 2018 request.

The agency budget request includes 33.0 FTE positions. The agency indicates that this submission was in error; they

intended to submit a budget of 25.0 FTE positions, which is no change from the prior amount.

The **Governor** recommends FY 2019 operating expenditures of \$5.2 million, including \$215,750 from the State General Fund. The recommendation is an all funds decrease of \$173,758, or 3.2 percent, and a State General Fund decrease of \$150,000, or 41.0 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for additional utility expenditures from the State General Fund, as well as the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

Enhancements Detail

Enhancements	FY 2019 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Utility Increases	\$ 150,000	\$ 150,000	0.0	\$ 0	\$ 0	0.0

The **agency** requests \$150,000, all from the State General Fund, for increased water and electricity utility expenses for FY 2019.

The **Governor** does not recommend the agency's enhancement request for FY 2019.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$4,160, all from special revenue funds; FY 2018 longevity payments total \$4,400, all from special revenue funds; and FY 2019 longevity payments total \$4,400, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal

also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$5,337, all from special revenue funds, in FY 2017; by \$16,296, all from special revenue funds, for FY 2018; and by \$23,758, all from special revenue funds, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$3,601, all from special revenue funds, for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State General Fund	15.5 %	13.5 %	56.4 %	13.5 %
State Fair Capital Improvements Fund	7.9	8.1	4.0	8.0
State Fair Fee Fund	76.7	78.4	39.6	78.5
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

State Fair Fee Fund

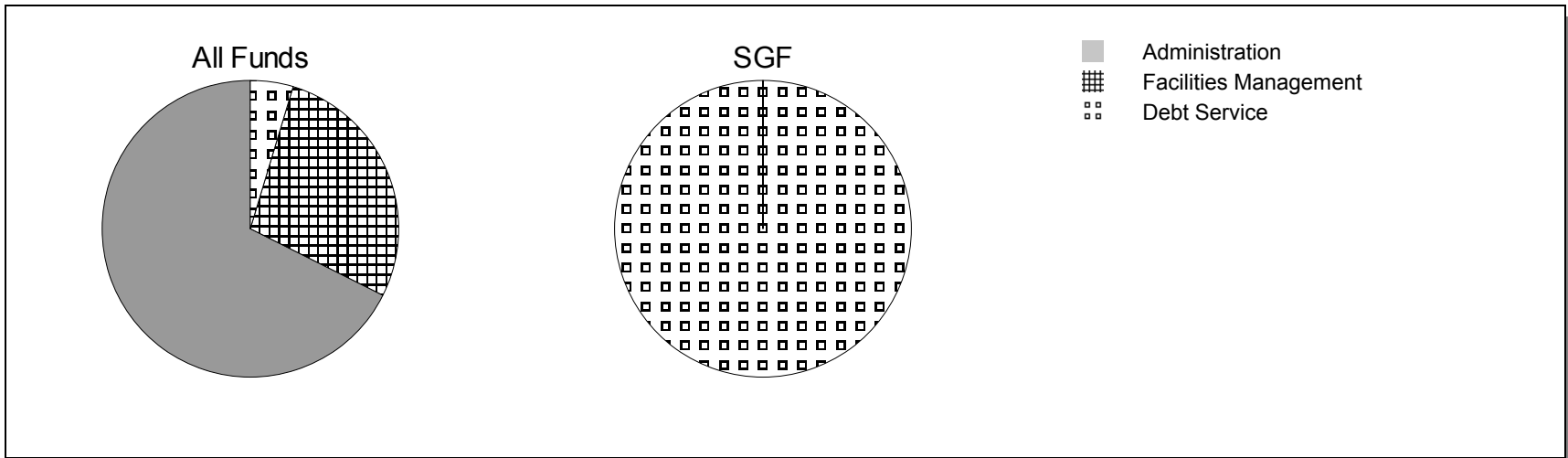
Revenues for the agency come from both State Fair and non-Fair activities on the State Fairgrounds and are deposited into the State Fair Fee Fund. Revenue sources include admission fees to the State Fair and grandstand entertainment, premium book advertising, building rentals, sales and

concessions, and parking fees. The State Fair generates over 90.0 percent of the agency's total receipts. The State estimates total non-Fair use of the State Fairgrounds at nearly 400 events throughout the year.

Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ 667,844	\$ 900,405	\$ 900,405	\$ 544,879	\$ 550,216	\$ 313,252	\$ 338,486
Revenue	5,612,085	5,181,548	5,181,548	5,186,685	5,186,685	5,176,685	5,176,685
Transfers in	0	708,549	708,549	0	0	0	0
Total Funds Available	\$ 6,279,929	\$ 6,790,502	\$ 6,790,502	\$ 5,731,564	\$ 5,736,901	\$ 5,489,937	\$ 5,515,171
Less: Expenditures	4,885,905	5,056,203	5,050,866	4,938,312	4,918,415	5,001,653	4,977,895
Transfers Out	300,000	1,008,549	1,008,549	300,000	300,000	300,000	300,000
Off Budget Expenditures	193,619	180,871	180,871	180,000	180,000	180,000	180,000
Ending Balance	<u>\$ 900,405</u>	<u>\$ 544,879</u>	<u>\$ 550,216</u>	<u>\$ 313,252</u>	<u>\$ 338,486</u>	<u>\$ 8,284</u>	<u>\$ 57,276</u>
Ending Balance as Percent of Expenditures	18.4%	10.8%	10.9%	6.3%	6.9%	0.2%	1.2%

PROGRAM DETAIL

EXPENDITURES BY PROGRAM – GOVERNOR’S FY 2018 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Administration	\$ 3,487,895	67.6 %	\$ 0	0.0 %
Facilities Management	1,430,520	27.7	0	0.0
Debt Service	240,150	4.7	240,150	100.0
TOTAL	\$ 5,158,565	100.0 %	\$ 240,150	100.0 %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

<u>Program</u>	<u>Actual FY 2016</u>	<u>Agency Est. FY 2017</u>	<u>Gov. Rec. FY 2017</u>	<u>Agency Req. FY 2018</u>	<u>Gov. Rec. FY 2018</u>	<u>Agency Req. FY 2019</u>	<u>Gov. Rec. FY 2019</u>
Administration	13.0	19.0	19.0	19.0	19.0	19.0	19.0
Facilities Management	12.0	14.0	14.0	14.0	14.0	14.0	14.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	25.0	33.0	33.0	33.0	33.0	33.0	33.0

A. Administration

The Administration program of the Kansas State Fair provides for the administration of the agency as well as the planning, marketing, and advertising of the State Fair. The

Administration program also markets non-Fair use of the State Fairgrounds in Hutchinson.

ADMINISTRATION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,144,773	\$ 1,214,550	\$ 1,211,127	\$ 1,220,775	\$ 1,208,019	\$ 1,257,326	\$ 1,242,415
Contractual Services	2,068,288	2,078,915	2,078,915	2,061,267	2,061,267	2,061,267	2,061,267
Commodities	207,305	217,616	217,616	218,609	218,609	218,609	218,609
Capital Outlay	33,797	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 3,454,163</i>	<i>\$ 3,511,081</i>	<i>\$ 3,507,658</i>	<i>\$ 3,500,651</i>	<i>\$ 3,487,895</i>	<i>\$ 3,537,202</i>	<i>\$ 3,522,291</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 3,454,163</u>	<u>\$ 3,511,081</u>	<u>\$ 3,507,658</u>	<u>\$ 3,500,651</u>	<u>\$ 3,487,895</u>	<u>\$ 3,537,202</u>	<u>\$ 3,522,291</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,454,163	3,511,081	3,507,658	3,500,651	3,487,895	3,537,202	3,522,291
TOTAL	<u>\$ 3,454,163</u>	<u>\$ 3,511,081</u>	<u>\$ 3,507,658</u>	<u>\$ 3,500,651</u>	<u>\$ 3,487,895</u>	<u>\$ 3,537,202</u>	<u>\$ 3,522,291</u>
FTE Positions	13.0	19.0	19.0	19.0	19.0	19.0	19.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>13.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>

The **agency** requests FY 2018 expenditures for the Administration program of \$3.5 million, all from special revenue funds. This request is a decrease of \$10,430, or 0.3 percent, below the FY 2017 revised estimate. Major areas of expenditure are outlined below:

- **Salaries and Wages.** The agency requests \$1.2 million for salaries and wages for the Administration program for FY 2018. This request is an increase of \$6,225, or 0.5 percent, above the FY 2017 revised estimate. The increase is attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests \$2.1 million for contractual services for the Administration program for FY 2018. This request is a decrease of \$17,648, or 0.8 percent, below the FY 2017 revised estimate. The increase is largely attributable to non-employee awards and other contractual services; and
- **Commodities.** The agency requests \$218,609 for commodities expenditures for the Administration program for FY 2018. This request is an increase of \$993, or 0.5 percent, above the FY 2017 revised estimate. The increase is largely attributable to food expenditures.

The **Governor** recommends \$3.5 million, all from special revenue funds, for the Administration program for FY 2018. This is a decrease of \$12,756, or 0.4 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's

recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures for the Administration program of \$3.5 million, all from special revenue funds. This request is an increase of \$36,551, or 1.0 percent, above the FY 2018 request. Major areas of expenditure are outlined below:

- **Salaries and Wages.** The agency requests \$1.3 million for salaries and wages for the Administration program for FY 2019. This request is an increase of \$36,551, or 3.0 percent, above the FY 2018 request. The increase is largely attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests \$2.1 million for contractual services for the Administration program for FY 2019. This request is no change from the FY 2018 request; and
- **Commodities.** The agency requests \$218,609 for commodities expenditures for the Administration program for FY 2019. This request is no change from the FY 2018 request.

The **Governor** recommends \$3.5 million, all from special revenue funds, for the Administration program for FY 2019. This is a decrease of \$14,911, or 0.4 percent, below the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

B. Facilities Management

The Facilities Management program, previously named the Physical Plant and Central Services program, of the Kansas State Fair works to provide convenient, safe, and attractive buildings and grounds to patrons of the State Fair and non-Fair activities on the State Fairgrounds. The Facilities Management

program is staffed by 12.0 FTE positions, along with contract plumbers and electricians and inmate labor from the Hutchinson Correctional Facility that includes painting, cleaning, mowing, carpentry projects, and other maintenance jobs.

FACILITIES MANAGEMENT SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 644,879	\$ 720,506	\$ 718,592	\$ 724,604	\$ 717,463	\$ 751,394	\$ 742,547
Contractual Services	675,889	738,358	738,358	776,764	626,764	776,764	626,764
Commodities	107,818	86,258	86,258	86,293	86,293	86,293	86,293
Capital Outlay	3,156	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,431,742</u>	<u>\$ 1,545,122</u>	<u>\$ 1,543,208</u>	<u>\$ 1,587,661</u>	<u>\$ 1,430,520</u>	<u>\$ 1,614,451</u>	<u>\$ 1,455,604</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,431,742</u>	<u>\$ 1,545,122</u>	<u>\$ 1,543,208</u>	<u>\$ 1,587,661</u>	<u>\$ 1,430,520</u>	<u>\$ 1,614,451</u>	<u>\$ 1,455,604</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,431,742	1,545,122	1,543,208	1,587,661	1,430,520	1,614,451	1,455,604
TOTAL	<u>\$ 1,431,742</u>	<u>\$ 1,545,122</u>	<u>\$ 1,543,208</u>	<u>\$ 1,587,661</u>	<u>\$ 1,430,520</u>	<u>\$ 1,614,451</u>	<u>\$ 1,455,604</u>
FTE Positions	12.0	14.0	14.0	14.0	14.0	14.0	14.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>12.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>

The **agency** requests FY 2018 expenditures for the Facilities Management program of \$1.6 million, an increase of \$42,539, or 2.8 percent, above the FY 2017 revised estimate. The request includes \$150,000 from the State General Fund, an increase of \$150,000, or 100.0 percent, above the FY 2017 revised estimate. Major areas of expenditure are outlined below:

- **Salaries and Wages.** The agency requests \$724,604 for salaries and wages for the Facilities Management program for FY 2018. This request is an increase of \$4,098, or 0.6 percent, above the FY 2017 revised estimate. The increase is attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests \$776,764 for contractual services for the Facilities Management program for FY 2018. This request is an increase of \$38,406, or 5.2 percent, above the FY 2017 revised estimate. The increase is largely attributable to increased utility expenditures; and
- **Commodities.** The agency requests \$86,293 for commodities expenditures for the Facilities Management program for FY 2018. This request is an increase of \$35, or less than 0.1 percent, above the FY 2017 revised estimate. The increase is largely attributable to fuel.

The **Governor** recommends \$1.4 million, all from special revenue funds, for the Facilities Management program for FY 2018. This is an all funds decrease of \$157,141, or 9.9 percent, and a State General Fund decrease of \$150,000, or 100.0 percent, below the FY 2018 agency request. The decrease is attributable to the Governor not recommending the agency's enhancement request for additional utility expenditures from the State General Fund, as well as the Governor's recommendation

to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 expenditures for the Facilities Management program of \$1.6 million, an increase of \$26,790, or 1.7 percent, above the FY 2018 request. The request includes \$150,000 from the State General Fund, which is no change from the FY 2018 request. Major areas of expenditure are outlined below:

- **Salaries and Wages.** The agency requests \$751,394 for salaries and wages for the Facilities Management program for FY 2019. This request is an increase of \$26,790, or 3.7 percent, above the FY 2018 request. The increase is largely attributable to employer contributions for fringe benefits;
- **Contractual Services.** The agency requests \$776,794 for contractual services for the Facilities Management program for FY 2019. This request is no change from the FY 2018 request; and
- **Commodities.** The agency requests \$86,293 for commodities expenditures for the Facilities Management program for FY 2019. This request is no change from the FY 2018 request.

The **Governor** recommends \$1.5 million, all from special revenue funds, for the Facilities Management program for FY 2019. This is an all funds decrease of \$158,847, or 9.8 percent, and a State General Fund decrease of \$150,000, or 100.0 percent, below the FY 2019 agency request. The decrease is attributable to the Governor not recommending the agency's enhancement request for additional utility expenditures from the State General Fund, as well as the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS						
	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Maintenance and Repair	\$ 506,997	\$ 506,997	\$ 506,997	\$ 506,997	\$ 506,997	\$ 506,997
Expo Center Replacement	0	0	0	0	6,107,878	0
Debt Service Principal	585,000	585,000	610,000	610,000	640,000	640,000
TOTAL	\$ 1,091,997	\$ 1,091,997	\$ 1,116,997	\$ 1,116,997	\$ 7,254,875	\$ 1,146,997
Financing:						
State General Fund	\$ 585,000	\$ 585,000	\$ 610,000	\$ 610,000	\$ 6,747,878	\$ 640,000
All Other Funds	506,997	506,997	506,997	506,997	506,997	506,997
TOTAL	\$ 1,091,997	\$ 1,091,997	\$ 1,116,997	\$ 1,116,997	\$ 7,254,875	\$ 1,146,997

Current Year Agency Estimate

FY 2017–Current Year. The agency estimates FY 2017 capital improvements expenditures of \$1.1 million, including \$585,000 from the State General Fund. This revised estimate is a decrease of \$129,003, or 10.6 percent, below the FY 2017 approved amount. This revised estimate includes the following project:

- **Maintenance and Repair.** The agency requests \$506,997 for rehabilitation and repair of the

fairgrounds. These repairs are funded by the State Fair Capital Improvements Fund to maintain the facilities in an adequate, safe, and usable condition for hosting the fair and other events. This rehabilitation includes projects for asphalt repair.

Current Year Governor Recommendation

The **Governor** concurs with the agency request for FY 2017.

Budget Year Agency Request

FY 2018–Budget Year. The agency requests FY 2018 capital improvements expenditures of \$1.1 million, including \$610,000 from the State General Fund. This request is an increase of \$25,000, or 2.3 percent, above the FY 2017 revised estimate. The increase is attributable to increases in debt service principal and includes the following project:

- **Maintenance and Repair.** The agency requests \$506,997 for rehabilitation and repair of the fairgrounds. These repairs are funded by the State Fair Capital Improvements Fund to

maintain the facilities in an adequate, safe, and usable condition for hosting the fair and other events. This rehabilitation includes projects for asphalt repair.

The agency requests a State General Fund transfer of \$100,000 to the State Fair Capital Improvements Fund for FY 2018. KSA 2-223 mandates that the State General Fund will match State Fair Fee Fund transfers to the State Fair Capital Improvements Fund up to \$300,000. This provision was previously adjusted by proviso to reduce the matching transfer to \$100,000 in FY 2016 and FY 2017.

Budget Year Governor Recommendation

The **Governor** concurs with the agency's requested capital improvements budget, but does not recommend the matching

transfer of \$100,000 from the State General Fund to the State Fair Capital Improvements Fund.

Budget Year Agency Request

FY 2019–Budget Year. The agency requests FY 2019 capital improvements expenditures of \$7.3 million, including \$6.7 million from the State General Fund. The request is an increase of \$6.1 million, or 549.5 percent, above the FY 2018 request.

The request includes the following projects:

- **Maintenance and Repair.** The agency requests \$506,997 for rehabilitation and repair of the fairgrounds. These repairs are funded by the State Fair Capital Improvements Fund to maintain the facilities in an adequate, safe, and usable condition for hosting the fair and other

events. This rehabilitation includes projects for asphalt repair; and

- **Expo Center Replacement.** The agency requests \$6.1 million, all from the State General Fund, to replace the Expo Center building on the fairgrounds.

The agency requests a State General Fund transfer of \$100,000 to the State Fair Capital Improvements Fund for FY 2019. KSA 2-223 mandates that the State General Fund will match State Fair Fee Fund transfers to the State Fair Capital Improvements Fund up to \$300,000. This provision was previously adjusted by proviso to reduce the matching transfer to \$100,000 in FY 2016 and 2017.

Budget Year Governor Recommendation

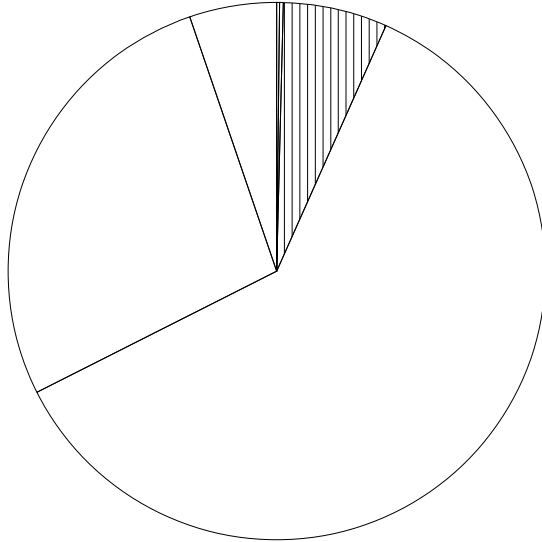
The **Governor** recommends FY 2019 capital improvements expenditures of \$1.1 million, including \$640,000 from the State General Fund. The recommendation is an all funds decrease of \$6.1 million, or 84.2 percent, all from the State General Fund, below the agency request. The decrease is attributable to the

Governor not recommending the agency enhancement request for replacing the Expo Center. Additionally, the Governor does not recommend the requested matching transfer of \$100,000 from the State General Fund to the State Fair Capital Improvements Fund.

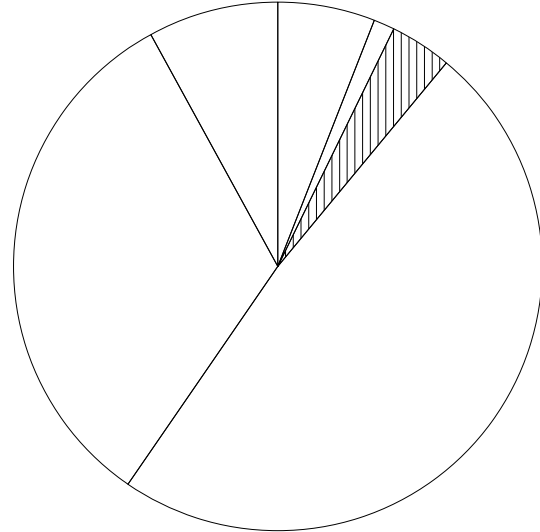
Measure	PERFORMANCE MEASURES				
	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
Grandstand attendance	30,000	37,218	24,887	24,000	24,000
Fair week attendance	346,538	369,322	359,808	347,014	347,014
Non-Fair events	425	404	430	430	430
Non-Fair number of event days	800	805	850	850	850

PUBLIC SAFETY

State General Fund



All Funds



Public Safety provides safety and security to Kansas citizens. This function includes law enforcement agencies and correctional facilities including the Adjutant General’s Department, the Kansas Bureau of Investigation, the Kansas Commission on Peace Officers’ Standards and Training, the Emergency Medical Services Board, the State Fire Marshal, the Highway Patrol, the Sentencing Commission, and the Department of Corrections and its eight adult facilities and two juvenile facilities.

The Governor’s FY 2018 recommendation for the Public Safety function totals \$579.5 million from all funding sources, including \$392.4 million from the State General Fund.

Agencies in this Function:

<i>Department of Corrections</i>	219
<i>Lansing Correctional Facility</i>	283
<i>Hutchinson Correctional Facility</i>	285
<i>El Dorado Correctional Facility</i>	287
<i>Norton Correctional Facility</i>	290
<i>Topeka Correctional Facility</i>	292
<i>Kansas Juvenile Correctional Facility</i>	295
<i>Ellsworth Correctional Facility</i>	298
<i>Winfield Correctional Facility</i>	301
<i>Larned Correctional Mental Health Facility</i>	303
<i>Larned Juvenile Correctional Facility</i>	306
<i>Adjutant General's Department</i>	315
<i>Kansas Bureau of Investigation</i>	370
<i>Kansas Commission on Peace Officers' Standards and Training</i>	417
<i>Emergency Medical Services Board</i>	436
<i>State Fire Marshal</i>	460
<i>Kansas Highway Patrol</i>	483
<i>Kansas Sentencing Commission</i>	535

The FY 2018 recommendation represents a State General Fund decrease of \$6.6 million, or 1.7 percent, below the FY 2017 recommendation. Expenditures from all funds is a decrease of \$3.2 million, or 0.5 percent, below the FY 2017 recommendation.

A total of 4,664.0 FTE positions are recommended by the Governor for the Public Safety function in FY 2018, a decrease of 36.5 FTE positions from FY 2017. Of all state FTE positions, 12.6 percent are in this function.

Agencies in this function comprise 6.2 percent of the total State General Fund budget in FY 2018, which is unchanged from FY 2017. They comprise 3.8 percent of expenditures from all funding sources in FY 2018, down 0.5 percent from FY 2017.

The Governor’s FY 2019 recommendation for the Public Safety function totals \$577.6 million from all funding sources, including \$397.8 million from the State General Fund.

The FY 2019 recommendation represents a State General Fund decrease of \$5.4 million, or 1.4 percent, below the FY 2018 recommendation. Expenditures from all funds decrease of \$1.9 million, or 0.3 percent, below the FY 2018 recommendation.

A total of 4,664.0 FTE positions are recommended by the Governor for the Public Safety function in FY 2019, which is no change from FY 2018. Of all state FTE positions, 12.6 percent are in this function.

Agencies in this function comprise 6.5 percent of the total State General Fund budget in FY 2019, up from 3.0 percent from FY 2018. They comprise 3.6 percent of expenditures from all funding sources in FY 2019, down 0.5 percent from FY 2018.

DEPARTMENT OF CORRECTIONS

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 346,331,858	\$ 361,135,815	\$ 358,978,591	\$ 371,111,101	\$ 354,363,088	\$ 375,236,926	\$ 360,316,890
Other Funds	34,157,737	36,490,156	36,270,407	31,500,212	34,362,636	31,020,816	32,732,433
TOTAL	\$ 380,489,595	\$ 397,625,971	\$ 395,248,998	\$ 402,611,313	\$ 388,725,724	\$ 406,257,742	\$ 393,049,323
Capital Improvements:							
State General Fund	\$ 449,837	\$ 370,000	\$ 370,000	\$ 27,631,181	\$ 410,000	\$ 730,703	\$ 450,000
Other Funds	13,103,449	13,609,058	13,494,058	10,476,807	9,475,113	10,154,493	8,750,000
TOTAL	\$ 13,553,286	\$ 13,979,058	\$ 13,864,058	\$ 38,107,988	\$ 9,885,113	\$ 10,885,196	\$ 9,200,000
GRAND TOTAL	\$ 394,042,881	\$ 411,605,029	\$ 409,113,056	\$ 440,719,301	\$ 398,610,837	\$ 417,142,938	\$ 402,249,323
Percentage Change:							
Operating Expenditures							
State General Fund	(2.4) %	4.3 %	3.7 %	2.8 %	(1.3) %	1.1 %	1.7 %
All Funds	(1.3)	4.5	3.9	1.3	(1.7)	0.9	1.1
FTE Positions	3,451.5	3,455.5	3,455.5	3,441.5	3,441.5	3,441.5	3,441.5
Non-FTE							
Perm.Uncl.Pos.	218.0	214.0	214.0	209.0	209.0	209.0	209.0
TOTAL	3,669.5	3,669.5	3,669.5	3,650.5	3,650.5	3,650.5	3,650.5

AGENCY OVERVIEW

The Kansas Department of Corrections (DOC) provides supervision to adult felony offenders in the state, including inmates incarcerated in one of the eight correctional facilities, post-release supervision (parole), and community-based supervision (probation and treatment-oriented sentencing). The system consists of the DOC Central Office and eight adult correctional facilities. While all nine components are independent agencies, the system structure allows for some

commonly utilized items to be budgeted in a central location (e.g. the inmate health care contract). In FY 2014, the DOC added two juvenile correctional facilities into its system and abolished the Juvenile Justice Authority (JJA). The annual appropriations bill grants the Secretary of Corrections the authority to transfer State General Fund dollars between the facilities and the Central Office.

MAJOR ISSUES FROM PRIOR YEARS

The **2013 Legislature** approved Executive Reorganization Order No. 42, abolishing the Juvenile Justice Authority (JJA) and moving all functions, duties, and commissioner of the JJA into the Department of Corrections underneath the Secretary of Corrections. Executive Reorganization Order No. 42 added \$63.8 million, including \$48.8 million from the State General Fund, and 18.0 FTE positions for FY 2014.

The **2016 Legislature** passed SB 367 and HB 2447; both were signed by the Governor. SB 367 changed the law in several ways, one of which was creating the Kansas Juvenile Justice Improvement Fund. The Fund is to be used for the development and implementation of evidence-based community programs and practices for juvenile offenders and their families by community supervision offices, including juvenile intake and assessment, court services, and community corrections. On or

before June 30 of each year, the Secretary of Corrections (the Secretary) must determine and certify to the Director of Accounts and Reports the amount in each account of the State General Fund of a state agency that the Secretary has determined is an actual or projected cost savings due to cost avoidance from decreased reliance on incarceration in a Juvenile Correctional Facility or youth residential center, with a baseline calculated on the cost of incarceration and placement in FY 2015.

HB 2447 increased the maximum number of days an inmate's sentence may be shortened for earning program credits from 90 to 120 days. The Kansas Sentencing Commission estimated that HB 2447 will save 115 prison beds in the current fiscal year.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency** estimates revised FY 2017 total expenditures for the Department of Corrections (DOC) System of \$411.6 million, including \$361.5 million from the State General Fund. The estimate is an all funds increase of \$7.1 million, or 1.8 percent, including a State General Fund increase of \$575,994, or 0.2 percent, above the approved amount. The all funds increase is primarily due to increased expenditures associated with the establishment of programs within 2016 SB 367, increased capital improvements, increased contractual services, and reduced shrinkage, offset by a reduction in salaries and wages, other assistance, and commodities. The estimate includes 3,455.5 FTE positions and 214.0 non-FTE positions. The estimate is an increase of 4.0 FTE positions and a decrease of 3.0 non-FTE positions, for a net increase of 1.0 position, which is attributable to Kansas Correctional Industries (KCI) removing 1.0 FTE position for a Microfilm Correctional Industries Manager and Larned Correctional Mental Health Facility adding 2.0 non-FTE positions for its deputy warden and warden.

The agency estimates revised FY 2017 capital improvement expenditures totaling \$14.0 million, including \$370,000 from the State General Fund. The revised estimate includes \$4.3 million, including \$370,000 from the State General Fund, for debt service principal payments on the three projects.

The agency estimates revised FY 2017 total expenditures for the DOC Central Office of \$210.4 million, including \$168.0 million from the State General Fund. The estimate is an all funds decrease of \$1.4 million, or 0.6 percent, including a State General Fund decrease of \$2.3 million, or 1.4 percent, below the approved amount. The decrease is primarily due to a \$2.3

million reduction in capital improvements and a \$2.5 million transfer to DOC facilities for a corrections officer pay increase, offset by increased expenditures of Title II (federal) awards, spent to assist in the implementation of 2016 SB 367. The estimate includes a supplemental request of \$124,571, all from the State General Fund, to fund 4.8 mental health staff (under the Corizon health care contract), who will provide mental health care to 60 inmates who were moved from Larned State Hospital to DOC in FY 2016 to decrease mandatory overtime and reduce posts at Larned State Hospital.

Absent the supplemental, the agency's State General Fund estimate is \$167.9 million. The estimate includes 297.0 FTE positions and 177.0 non-FTE positions, which is a decrease of 1.0 FTE position below the approved amount.

The agency estimates revised FY 2017 total expenditures for all DOC facilities of \$201.2 million, including \$193.5 million from the State General Fund. The estimate is an increase of \$41,476, or less than 0.1 percent, including a State General Fund decrease of \$5.5 million, or 2.8 percent, from the approved amount. The State General Fund decrease is primarily attributable to reduced employer contributions to employee health care, reductions in classified overtime, and classified holiday pay, offset by reduced shrinkage and increased expenditures for capital outlay and commodities. The all funds increase is primarily attributable to the capital improvement expenditures based on the five-year plan. Winfield Correctional Facility has made two supplemental requests totaling \$371,674. One supplement is for increased gas and electric utility bills that it attributes to the Kansas Veterans' Home increasing its use of those utilities (\$156,004). The other

supplement is to replace five vehicles and computer equipment (\$215,670).

Absent the supplemental requests, the agency's State General Fund estimate is \$193.2 million. The estimate includes 3,158.5 FTE positions and 37.0 non-FTE positions, which is a decrease of 131.0 FTE-positions and 7.0 non-FTE positions below the approved.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 total expenditures for the Department of Corrections System of \$409.1 million, including \$359.3 million from the State General Fund. The recommendation is an all funds decrease of \$2.5 million, or 0.6 percent, including a State General Fund decrease of \$2.2 million, or 0.6 percent, below the agency's FY 2017 revised estimate. The decrease is attributable to:

- The Governor deleting \$1.1 million, all from the State General Fund, that was generated from graduated sanctions savings. The funds were originally budgeted to start Functional Family Therapy programs in seven judicial districts;
- The Governor not recommending any agency enhancements totaling \$496,245, all from the State General Fund, throughout the DOC System;

- Deleting \$489,032, including \$474,868 from the State General Fund, due to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount;
- Deleting \$300,151, including \$96,866 from the State General Fund, to reflect the consensus reached at the fall human services caseload meeting; and
- Deleting \$117,300, all from the Correctional Institutions Building Fund, to refinance the agency's debt service on State Facilities Improvement Program.

FY 2018 Agency Request

The **agency** requests FY 2018 total expenditures for the DOC System of \$440.7 million, including \$398.7 million from the State General Fund. The request is an all funds increase of \$29.1 million, or 7.1 percent, including a State General Fund increase of \$37.2 million, or 10.3 percent, above the FY 2017

estimate. The estimate includes 3,441.5 FTE positions and 209.0 non-FTE positions.

The agency requests FY 2018 capital improvement expenditures totaling \$38.1 million, including \$27.6 million from the State General Fund. The revised estimate includes \$4.5

million, including \$410,000 from the State General Fund, for debt service principal payments on the three projects.

The agency requests FY 2018 total expenditures for the DOC Central Office of \$245.4 million, including \$205.3 million from the State General Fund. The estimate is an increase of \$35.0 million, or 16.6 percent, including a State General Fund increase of \$37.4 million, or 22.2 percent, above the FY 2017 estimate. The increase is primarily attributable to the agency requesting \$27.2 million in bonding authority, all from the State General Fund, for the construction of two cell houses at the El Dorado Correctional Facility and other enhancements totaling \$12.2 million, all from the State General Fund, offset by reductions in aid to local units of government and other assistance.

Absent the enhancements, the agency requests \$233.2 million, including \$193.2 million from the State General Fund. The request is an increase of \$4.4 million, or 2.1 percent, including a State General Fund decrease of \$2.1 million, or 1.2

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$388.7 million, including \$354.4 million from the State General Fund. The recommendation is an all funds decrease of \$13.9 million, or 3.4 percent, including a State General Fund decrease of \$16.7 million, or 4.5 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1.5 million, including \$1.4 million from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$321,628, including \$312,245

percent, below the FY 2017 estimate. The request includes 297.0 FTE positions and 177.0 non-FTE positions, which is unchanged from the FY 2017 estimate.

The agency requests FY 2018 total expenditures for all DOC facilities of \$195.3 million, including \$193.4 million from the State General Fund. The request is an all funds decrease of \$5.9 million, or 2.9 percent, including a State General Fund decrease of \$120,315, or 0.1 percent, below the FY 2017 estimate. The decrease is primarily attributable to one-time capital improvement requests for FY 2017. The request includes \$3.8 million for enhancements, all from the State General Fund.

Absent the enhancements, the request is \$191.6 million, including \$189.6 million from the State General Fund. The request is an all funds decrease of \$9.7 million, or 4.8 percent, including a State General Fund decrease of \$3.9 million, or 2.0 percent, below the FY 2017 estimate. The request includes 3,144.5 FTE positions, a decrease of 14.0 positions, and 32.0 non-FTE positions, a decrease of 5.0 positions, from the FY 2017 estimate.

from the State General Fund, as well as due to the Governor not recommending \$12.1 million in enhancements.

The Governor recommends FY 2018 capital improvement expenditures of \$9.9 million, including \$410,000 from the State General Fund. The recommendation is a decrease of \$28.2 million, or 74.1 percent, including a State General Fund decrease of \$27.2 million, or 98.5 percent, below the FY 2018 request. The decrease is attributable to the Governor not recommending the construction of two housing units at El Dorado Correctional Facility for \$27.2 million, all from the State General Fund, and also attributable to a reduction of \$1.0 million, all from the Correctional Institutions Building Fund, due to constraints on the fund.

FY 2019 Agency Request

The **agency** requests FY 2019 total expenditures for the DOC System of \$417.1 million, including \$376.0 million from the State General Fund. The request is an all funds decrease of \$23.6 million, or 5.3 percent, including a State General Fund decrease of \$22.8 million, or 5.7 percent, below the FY 2018 request. The estimate includes 3,441.5 FTE positions and 209.0 non-FTE positions, which is no change from the FY 2018 request.

The agency requests FY 2019 capital improvement expenditures totaling \$10.9 million, including \$730,703 from the State General Fund. The revised estimate includes \$4.7 million, including \$450,000 from the State General Fund, for debt service principal payments on the three projects.

The agency requests FY 2019 total expenditures for the DOC Central Office of \$220.9 million, including \$181.6 million from the State General Fund. The request is a decrease of \$24.5 million, or 10.0 percent, including a State General Fund decrease of \$23.7 million, or 11.5 percent, below the FY 2018 request. The decrease is primarily attributable to the agency's FY 2018 request for \$27.2 million in bonding authority for the construction of two cell houses at the El Dorado Correctional Facility. The request is primarily offset by increased expenditures in commodities; contractual services; \$280,703, all from the State General Fund, for a capital improvement project for the expansion of the Hutchinson Correctional Facility Visiting Center expansion; and enhancements totaling \$15.2 million, all from the State General Fund.

Absent the enhancements, the agency requests \$205.8 million, including \$166.5 million from the State General Fund. The request is an all funds decrease of \$27.8 million, or 14.5 percent, and a State General Fund increase of \$244,186, or 0.1 percent, from the FY 2018 State General Fund request, less the enhancements. The request includes 297.0 FTE positions and 177.0 non-FTE positions, which is unchanged from the FY 2018 request.

The agency requests FY 2019 total expenditures for all DOC facilities of \$196.2 million, including \$194.3 million from the State General Fund. The request is an increase of \$883,504, or 0.5 percent, including a State General Fund increase of \$929,665, or 0.5 percent, above the FY 2018 request. The increase is primarily attributable to increases in salaries and wages related to increased employer contributions to KPERs and employee health insurance plans, offset by increased shrinkage, reduced capital outlay expenditures, and reduced expenditures for commodities. The request includes \$3.2 million, all from the State General Fund, for enhancements for El Dorado Correctional Facility, Ellsworth Correctional Facility, Hutchinson Correctional Facility, Lansing Correctional Facility, Larned Correctional Mental Health Facility, Topeka Correctional Facility, and Winfield Correctional Facility.

Absent the enhancements, the agency requests \$193.0 million, including \$191.1 million from the State General Fund. The request is an increase of \$1.5 million, or 0.7 percent, including a State General Fund increase of \$1.5 million, or 0.8 percent, above the FY 2018 request, less the enhancements. The request includes 3,144.5 FTE positions and 32.0 non-FTE positions, which is unchanged from the FY 2018 request.

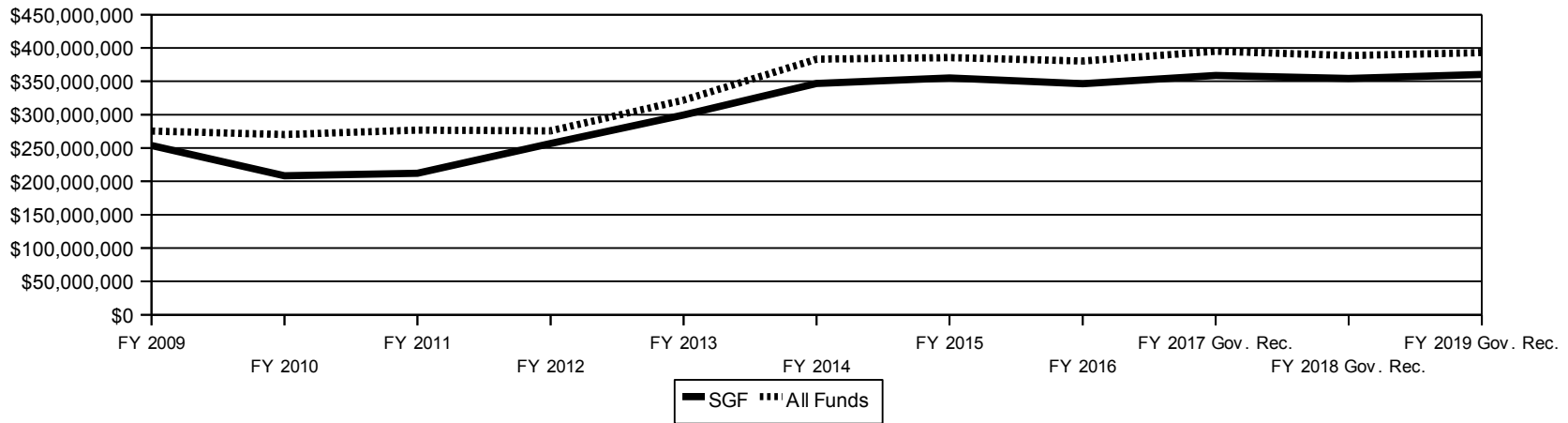
FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$393.0 million, including \$360.3 million from the State General Fund. The recommendation is an all funds decrease of \$13.2 million, or 3.3 percent, including a State General Fund decrease of \$14.9 million, or 4.0 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$2.0 million, including \$1.9 million from the State General Fund, as well as due to the Governor not recommending \$12.1 million in enhancements.

The Governor recommends FY 2019 capital improvement expenditures of \$9.2 million, including \$450,000 from the State General Fund. The recommendation is an all funds decrease of \$1.7 million, or 15.5 percent, including a State General Fund decrease of \$280,703, or 38.4 percent, below the FY 2019 request. The decrease is attributable to a \$1.0 million capital improvement expenditure reduction, all from the Correctional Institutions Building Fund, due to: constraints on the fund; the Governor not recommending funding the expansion of the south unit visiting room at Hutchinson Correctional Facility (\$280,703, all from the State General Fund); and a State Institutions Building Fund reduction due to the closing of Larned Juvenile Correctional Facility.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 253,923,933	(3.0)%	\$ 275,546,239	(2.2)%	3,109.7
2010	208,460,697	(17.9)	270,330,091	(1.9)	3,039.7
2011	212,063,412	1.7	276,852,271	2.4	3,050.5
2012	256,993,688	21.2	275,770,501	(0.4)	3,013.5
2013	299,408,983	16.5	321,795,284	16.7	3,496.5
2014	346,709,721	15.8	383,248,969	19.1	3,493.0
2015	354,863,864	2.4	385,648,455	0.6	3,492.5
2016	346,331,858	(2.4)	380,489,595	(1.3)	3,451.5
2017 Gov. Rec.	358,978,591	3.7	395,248,998	3.9	3,455.5
2018 Gov. Rec.	354,363,088	(1.3)	388,725,724	(1.7)	3,441.5
2019 Gov. Rec.	360,316,890	1.7	393,049,323	1.1	3,441.5
Eleven-Year Change	\$ 106,392,957	41.9 %	\$ 117,503,084	42.6 %	331.8

Summary of Systemwide Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Central Office	\$ 191,910,632	\$ 202,133,829	\$ 207,277,186	\$ 5,143,357	2.5 %	\$ 200,771,340	\$ 198,665,975	\$ (2,105,365)	(1.0)%
Lansing CF	40,037,308	41,440,910	41,674,752	233,842	0.6	41,350,833	40,301,047	(1,049,786)	(2.5)
Hutchinson CF	30,426,924	31,439,257	31,041,168	(398,089)	(1.3)	31,374,043	30,553,733	(820,310)	(2.6)
El Dorado CF	27,709,091	28,616,410	28,343,278	(273,132)	(1.0)	28,553,715	27,857,743	(695,972)	(2.4)
Norton CF	15,157,547	15,880,011	15,842,737	(37,274)	(0.2)	15,844,621	15,412,502	(432,119)	(2.7)
Topeka CF	14,784,982	15,318,509	16,527,975	1,209,466	7.9	15,283,632	15,056,511	(227,121)	(1.5)
Kansas Juvenile CC	14,770,887	15,236,446	23,329,944	8,093,498	53.1	16,418,513	23,172,507	6,753,994	41.1
Ellsworth CF	14,099,673	14,512,524	14,375,694	(136,830)	(0.9)	14,481,488	14,211,421	(270,067)	(1.9)
Winfield CF	12,965,559	13,755,394	13,427,327	(328,067)	(2.4)	13,355,872	13,037,196	(318,676)	(2.4)
Larned Correctional MHF	10,400,535	10,722,082	10,771,252	49,170	0.5	10,697,317	10,457,089	(7,117,624)	(66.5)
Larned Juvenile CF	8,226,457	8,570,599	0	(8,570,599)	(100.0)	7,117,624	0	(7,117,624)	(100.0)
TOTAL	\$ 380,489,595	\$ 397,625,971	\$ 402,611,313	\$ 4,985,342	1.3 %	\$ 395,248,998	\$ 388,725,724	\$ (6,523,274)	(1.7)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 184,269,901	\$ 191,610,780	\$ 192,387,579	\$ 776,799	0.4 %	\$ 191,121,748	\$ 187,199,753	\$ (3,921,995)	(2.1)%
Contractual Services	111,152,927	117,181,619	120,959,274	3,777,655	3.2	115,811,799	119,606,621	3,794,822	3.3
Commodities	14,741,150	15,116,537	15,054,173	(62,364)	(0.4)	15,116,537	14,742,918	(373,619)	(2.5)
Capital Outlay	3,776,574	1,790,353	7,639,767	5,849,414	326.7	1,574,683	605,912	(968,771)	(61.5)
Debt Service	1,925,260	865,462	656,212	(209,250)	(24.2)	863,162	656,212	(206,950)	(24.0)
Subtotal - Operations	\$ 315,865,812	\$ 326,564,751	\$ 336,697,005	\$ 10,132,254	3.1 %	\$ 324,487,929	\$ 322,811,416	\$ (1,676,513)	(0.5)%
Aid to Local Units	45,729,970	50,067,360	48,489,939	(1,577,421)	(3.2)	50,067,360	48,489,939	(1,577,421)	(3.2)
Other Assistance	18,893,813	20,993,860	17,424,369	(3,569,491)	(17.0)	20,693,709	17,424,369	(3,269,340)	(15.8)
TOTAL	\$ 380,489,595	\$ 397,625,971	\$ 402,611,313	\$ 4,985,342	1.3 %	\$ 395,248,998	\$ 388,725,724	\$ (6,523,274)	(1.7)%
Financing:									
State General Fund	\$ 346,331,858	\$ 361,135,815	\$ 371,111,101	\$ 9,975,286	2.8 %	\$ 358,978,591	\$ 354,363,088	\$ (4,615,503)	(1.3)%
Federal Funds	7,960,157	10,166,439	5,270,406	(4,896,033)	(48.2)	9,960,842	5,261,918	(4,698,924)	(47.2)
Correctional Industries	9,354,144	10,440,332	10,002,582	(437,750)	(4.2)	10,431,724	9,970,979	(460,745)	(4.4)
All Other Funds	16,843,436	15,883,385	16,227,224	343,839	2.2	15,877,841	19,129,739	3,251,898	20.5
TOTAL	\$ 380,489,595	\$ 397,625,971	\$ 402,611,313	\$ 4,985,342	1.3 %	\$ 395,248,998	\$ 388,725,724	\$ (6,523,274)	(1.7)%

Summary of Systemwide Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Central Office	\$ 207,277,186	\$ 210,040,111	\$ 2,762,925	1.3 %	\$ 198,665,975	\$ 201,791,550	\$ 3,125,575	1.6 %
Lansing CF	41,674,752	41,843,581	168,829	0.4	40,301,047	40,565,220	264,173	0.7
Hutchinson CF	31,041,168	31,277,914	236,746	0.8	30,553,733	30,746,983	193,250	0.6
El Dorado CF	28,343,278	28,571,368	228,090	0.8	27,857,743	28,056,534	198,791	0.7
Norton CF	15,842,737	15,629,314	(213,423)	(1.3)	15,412,502	15,494,141	81,639	0.5
Topeka CF	16,527,975	16,657,389	129,414	0.8	15,056,511	15,144,845	88,334	0.6
Kansas Juvenile CC	23,329,944	23,482,565	152,621	0.7	23,172,507	23,300,802	128,295	0.6
Ellsworth CF	14,375,694	14,471,754	96,060	0.7	14,211,421	14,298,396	86,975	0.6
Winfield CF	13,427,327	13,520,570	93,243	0.7	13,037,196	13,121,828	84,632	0.6
Larned Correctional MHF	10,771,252	10,763,176	(8,076)	(0.1)	10,457,089	10,529,024	71,935	0.7
Larned Juvenile CF	0	0	0	--	0	0	0	--
TOTAL	\$ 402,611,313	\$ 406,257,742	\$ 3,646,429	0.9 %	\$ 388,725,724	\$ 393,049,323	\$ 4,323,599	1.1 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 192,387,579	\$ 193,831,026	\$ 1,443,447	0.8 %	\$ 187,199,753	\$ 188,418,976	\$ 1,219,223	0.7 %
Contractual Services	120,959,274	124,018,285	3,059,011	2.5	119,606,621	123,039,262	3,432,641	2.9
Commodities	15,054,173	15,188,286	134,113	0.9	14,742,918	15,008,851	265,933	1.8
Capital Outlay	7,639,767	7,127,775	(511,992)	(6.7)	605,912	489,864	(116,048)	(19.2)
Debt Service	656,212	437,306	(218,906)	(33.4)	656,212	437,306	(218,906)	(33.4)
Subtotal - Operations	\$ 336,697,005	\$ 340,602,678	\$ 3,905,673	1.2 %	\$ 322,811,416	\$ 327,394,259	\$ 4,582,843	1.4 %
Aid to Local Units	48,489,939	48,230,695	(259,244)	(0.5)	48,489,939	48,230,695	(259,244)	(0.5)
Other Assistance	17,424,369	17,424,369	0	0.0	17,424,369	17,424,369	0	0.0
TOTAL	\$ 402,611,313	\$ 406,257,742	\$ 3,646,429	0.9 %	\$ 388,725,724	\$ 393,049,323	\$ 4,323,599	1.1 %
Financing:								
State General Fund	\$ 371,111,101	\$ 375,236,926	\$ 4,125,825	1.1 %	\$ 354,363,088	\$ 360,316,890	\$ 5,953,802	1.7 %
Federal Funds	5,270,406	5,018,842	(251,564)	(4.8)	5,262,017	5,009,844	(252,173)	(4.8)
Correctional Industries	10,002,582	10,431,771	429,189	4.3	9,970,979	10,399,053	428,074	4.3
All Other Funds	16,227,224	15,570,203	(657,021)	(4.0)	19,129,640	17,323,536	(1,806,104)	(9.4)
TOTAL	\$ 402,611,313	\$ 406,257,742	\$ 3,646,429	0.9 %	\$ 388,725,724	\$ 393,049,323	\$ 4,323,599	1.1 %

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

The 2016 Legislature approved a State General Fund budget of \$360,929,821 for the Department of Corrections System in FY 2017. One adjustment has been made subsequently to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made:

- An increase of \$84,140, based on the reappropriation of FY 2016 funding which was not spent in FY 2016 and has shifted to FY 2017.

This adjustment changes the FY 2017 approved State General Fund to \$361,013,961. That amount is reflected in the table below as the currently approved FY 2017 State General Fund amount. The agency's budget was submitted after the Governor's July allotment, but prior to the November allotment, so the agency's revised budget estimates do not incorporate the second allotment.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 361,013,961	\$ 361,505,815	\$ 491,854	\$ 359,348,591	\$ (1,665,370)
All Other Funds	43,547,554	50,099,214	6,551,660	49,764,465	6,216,911
TOTAL	\$ 404,561,515	\$ 411,605,029	\$ 7,043,514	\$ 409,113,056	\$ 4,551,541
FTE Positions	3,451.5	3,455.5	4.0	3,455.5	4.0

The **agency** estimates revised FY 2017 total expenditures for the Department of Corrections System of \$411.6 million,

including \$361.5 million from the State General Fund. The estimate is an increase of \$7.0 million, or 1.7 percent, including

a State General Fund increase of \$491,854, or 0.1 percent, above the approved amount. The all funds increase was attributable to several factors, including increased expenditures from Title II (federal) awards spent to assist in the implementation of 2016 SB 367 (\$3.3 million), an increase in capital improvement expenditures (\$3.3 million), increased capital outlay expenditures (\$1.2 million), increased contractual service expenditures (\$1.9 million), and supplementals totaling \$496,245 for the DOC Central Office and Winfield Correctional Facility, partially offset by reductions in classified holiday and overtime pay (\$2.2 million).

The revised estimate includes 3,455.5 FTE positions and 214.0 non-FTE positions. The estimate is an increase of 4.0 FTE positions and a decrease of 3.0 non-FTE positions, for a net increase of 1.0 positions, which is attributable to Kansas Correctional Industries (KCI) removing 1.0 FTE position for a Microfilm Correctional Industries Manager and Larned Correctional Mental Health Facility adding 2.0 non-FTE positions for its deputy warden and warden.

The agency estimates revised FY 2017 capital improvement expenditures totaling \$14.0 million, an increase of \$3.3 million, or 31.4 percent, above the approved budget, including \$370,000 from the State General Fund, which is no change from the approved amount. The increase is attributable to increased expenditures from the Correctional Institutions Building Fund (\$2.8 million) and the State Institutions Building Fund (\$1.8 million), offset by a \$1.2 million decrease from the Correctional Industries Fund below the approved amount. The revised estimate includes \$4.3 million, including \$370,000 from the State General Fund, for debt service principal payments on three projects. Those projects include:

- The construction of the Kansas Juvenile Correctional Complex and the Larned Juvenile

Correctional Facility (2013B Juvenile Correctional Facilities);

- The rehabilitation and repair projects for adult correctional facilities (2007K Infrastructure Projects for Correctional Facilities); and
- The design of two new cell houses at El Dorado Correctional Facility for a 512-bed expansion (2009L-4 Capacity Expansion Projects).

The **Governor** recommends FY 2017 total expenditures for the Department of Corrections System of \$409.1 million, including \$359.3 million from the State General Fund. The recommendation is an all funds decrease of \$2.5 million, or 0.6 percent, including a State General Fund decrease of \$2.2 million, or 0.6 percent, below the agency's FY 2017 revised estimate. The decrease is attributable to the Governor:

- Deleting \$1.1 million, all from the State General Fund, that was generated from graduated sanctions savings. The funds were originally budgeted to start Functional Family Therapy programs in seven judicial districts;
- Not recommending any agency enhancements totaling \$496,245, all from the State General Fund, throughout the Department of Corrections System;
- Deleting \$489,032, including \$474,868 from the State General Fund, due to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount;

- Deleting \$300,151, including \$96,866 from the State General Fund, to reflect the consensus reached at the fall human services caseload meeting; and

- Deleting \$117,300, all from the Correctional Institutions Building Fund, to refinance the agency's debt service on State Facilities Improvement Program.

Supplemental Detail

Supplementals	FY 2017 SUPPLEMENTALS					
	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Inmate Health Care Services	\$ 124,571	\$ 124,571	0.0	\$ 0	\$ 0	0.0
Winfield Utilities	156,004	156,004	0.0	0	0	0.0
Winfield Computer parts	95,170	95,170	0.0	0	0	0.0
Winfield Vehicle Replacement	120,500	120,500	0.0	0	0	0.0
TOTAL	\$ 496,245	\$ 496,245	0.0	\$ 0	\$ 0	0.0

The **agency** estimates supplementals total \$496,245, all from the State General Fund. The supplemental requests in FY 2017 are outlined below by facility.

Central Office. The agency requests a supplemental of \$124,571, all from the State General Fund, for inmate health care services. The supplement would fund 4.8 contracted positions that will care for 60 mentally ill inmates who were housed at Larned State Hospital but were placed back with DOC due to overtime and staffing challenges at Larned State Hospital.

Winfield Correctional Facility. The agency requests three supplementals totaling \$371,674, all from the State General Fund, to pay for rising gas and electricity utility costs (\$156,004), to purchase four new passenger cars (\$98,200) and a new truck (\$22,300), and to replace a quarter of the agency's computer equipment (\$95,170). At present, Winfield Correctional Facility pays its own gas and electric utilities, as well as the gas and electric utilities for the Kansas Veterans' Home located in Winfield. The agency asserts that its utilities will rise as the Kansas Veterans' Home increases its use of utilities without an incentive to conserve its own use.

The **Governor** does not recommend the agency's supplemental requests.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 402,611,313	\$ 388,725,724	\$ (13,885,589)
FTE Positions	3,441.5	3,441.5	0.0
<i>Change from FY 2017:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 9,975,286	\$ (4,615,503)	
All Other Funds	(4,989,944)	(1,907,771)	
TOTAL	<u>\$ 4,985,342</u>	<u>\$ (6,523,274)</u>	
<i>Percent Change:</i>			
State General Fund	2.8 %	(1.3) %	
All Other Funds	(13.7)	(5.3)	
TOTAL	<u>1.3 %</u>	<u>(1.7) %</u>	
Change in FTE Positions	(14.0)	(14.0)	

The **agency** requests FY 2018 operating expenditures of \$402.6 million, including \$371.1 million from the State General Fund. The request is an increase of \$5.0 million, or 1.3 percent, including a State General Fund increase of \$10.0 million, or 2.8 percent, above the FY 2017 estimate. The increase is primarily attributable to 17 enhancements totaling \$15.9 million, all from the State General Fund. This increase includes nine

enhancements totaling \$12.2 million for the DOC Central Office and eight requests totaling \$3.8 million for various DOC facilities, offset by reductions for salaries and wages due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017 and reductions based on one-time Title II expenditures needed to implement 2016 SB 367 programs (\$3.3 million).

Absent the enhancements, the agency's request is \$386.7 million, including \$355.2 million from the State General Fund. This is a State General Fund decrease of \$6.0 million, or 1.7 percent, below the FY 2017 estimate. The request includes 3,441.5 FTE positions and 209.0 non-FTE positions, which is 14.0 FTE positions and 5.0 non-FTE positions less than the FY 2017 estimate. The decrease in FTE and non-FTE positions is primarily attributable to the closure of Larned Juvenile Correctional Facility (136.0 FTE positions and 4.0 non-FTE positions), offset by corresponding hiring at the Kansas Juvenile Correctional Complex (123.0 FTE positions) and staff adjustments through the corrections system.

The **Governor** recommends FY 2018 operating expenditures of \$388.7 million, including \$354.4 million from the

State General Fund. The recommendation is an all funds decrease of \$13.9 million, or 3.4 percent, including a State General Fund decrease of \$16.7 million, or 4.5 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1.5 million, including \$1.4 million from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$321,628, including \$312,245 from the State General Fund, as well as due to the Governor not recommending \$12.1 million in enhancements, offset by the Governor's recommendation to approve two enhancement requests for the payment of medical contract funding and the food service contract.

Enhancements Detail

FY 2018 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Central Office						
Statewide Cloud-Based E-mail Conversion	\$ 1,117,546	\$ 1,117,546	0.0	\$ 0	\$ 0	0.0
TOADS Replacement	2,148,200	2,148,200	0.0	0	0	0.0
Corrections KPERS Parole	720,000	720,000	0.0	0	0	0.0
Corrections KPERS Juvenile	1,220,000	1,220,000	0.0	0	0	0.0
Medical Contract Funding	3,506,411	3,506,411	0.0	2,006,411	3,506,411	0.0
Food Service Contract Funding	396,283	396,283	0.0	0	324,980	0.0
Server Replacements	1,222,540	1,222,540	0.0	0	0	0.0
Upgrade and Replace IT Equipment	1,794,674	1,794,674	0.0	0	0	0.0
Vehicle Replacement	54,900	54,900	0.0	0	0	0.0
EI Dorado CF	255,100	255,100	0.0	0	0	0.0
Ellsworth CF	51,646	51,646		0	0	0.0
Hutchinson CF	246,100	246,100	0.0	0	0	0.0
Lansing CF	1,048,099	1,048,099	0.0	0	0	0.0
LCMHF	224,350	224,350	0.0	0	0	0.0
Norton CF	302,600	302,600	0.0	0	0	0.0
Topeka CF	1,343,705	1,343,705	0.0	0	0	0.0
Winfield CF	288,804	288,804	0.0	0	0	0.0
TOTAL	\$ 15,940,958	\$ 15,940,958	0.0	\$ 2,006,411	\$ 3,831,391	0.0

The **agency** requests enhancements totaling \$15.9 million, all from the State General Fund. The enhancement requests for FY 2018 are outlined below by facility.

Central Office. The agency requests enhancements totaling \$12.2 million, all from the State General Fund. The request includes enhancements for statewide cloud-based e-mail conversion (\$1.2 million), Total Offender Automated

Documentation System (TOADS) information processing equipment replacement (\$2.1 million), the replacement of servers (\$1.2 million), the replacement of IT equipment within the Information Services program (\$1.8 million), increased employer contributions for correctional officers retirement within the Parole Services program (\$720,000), an increase for medical contract funding for inmate health care (\$3.5 million), an increase in correctional officers retirement employer contributions within the Juvenile Services program (\$1.2 million), the replacement of three vehicles (\$54,900), and an increase in food service costs (\$396,283).

El Dorado Correctional Facility. The agency requests enhancements totaling \$255,100, all from the State General Fund. The request includes enhancements for vehicle replacements (\$70,500), security equipment (\$40,100), and IT equipment (\$144,500).

Ellsworth Correctional Facility. The agency requests enhancements totaling \$51,646, all from the State General Fund. The request includes enhancements for security equipment (\$16,646), new vehicles (\$24,700), and computer equipment to purchase a spare network switch (\$10,300).

Hutchinson Correctional Facility. The agency requests enhancements totaling \$246,100, all from the State General Fund. The request includes enhancements for four vehicles (\$131,000) and IT equipment (\$115,000).

Lansing Correctional Facility. The agency requests enhancements totaling \$1.0 million, all from the State General Fund. The request includes enhancements for utilities (\$453,439), vehicle replacements (\$169,200), security enhancements (\$144,500), and IT equipment replacement (\$280,500).

Larned Correctional Mental Health Facility. The agency requests enhancements totaling \$224,350, all from the State

General Fund. The request includes enhancements for the replacement of 1/4th of the agency's IT assets (\$55,850), a package scanner for the supply/sally port entrance (\$35,000), a 40-key position key watcher box (\$8,500), and vehicle replacements for perimeter control (\$125,000).

Norton Correctional Facility. The agency requests enhancements totaling \$302,600, all from the State General Fund. The request includes the replacement of five high mileage vehicles and a work pickup (\$98,000), IT equipment for the replacement of 1/4th of the IT assets for the facility (\$188,000), and security equipment (\$16,100).

Topeka Correctional Facility. The agency requests enhancements totaling \$1.3 million, all from the State General Fund. The request includes the replacement of five aging vehicles (\$105,600), the replacement of bureau of prison contract revenue (\$630,820), an enhancement to continue the employment of 14.0 correctional officer positions (\$567,060), and to replace 1/4th of the facility's IT equipment (\$40,225).

Winfield Correctional Facility. The agency requests enhancements totaling \$288,804, all from the State General Fund. The request includes the replacement of the agency's trash truck (\$125,000) and increased costs associated with higher utilities (\$163,804).

The **Governor** does not recommend the agency's enhancement requests with two exceptions:

- Funding the medical contract shortfall for \$3.5 million, with \$2.0 million from the State General Fund and \$1.5 million from the Correctional Industries Fund; and
- Funding the food service contracts shortfall for \$324,980, all from the Correctional Industries Fund.

FY 2018 Reduced Resources

The Governor has requested that agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The information below provides details of the Department of Corrections' reduced resources budget submission from the

State General Fund. It should be noted these reductions occur only within the DOC Central Office, although the value of the recommendations is equal to 5.0 percent of DOC systemwide expenditures. DOC structured its reduced resources package so that, if enacted, the safety at its facilities would not be impacted.

FY 2018 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Eliminate Adult Residential Center	\$ (2,068,048)	\$ (2,068,048)	0.0	\$ 0	\$ 0	0.0
Eliminate Juvenile Prevention Grants	(1,761,049)	(1,761,049)	0.0	0	0	0.0
Eliminate Vocational Education, Mental Health Assistance, Transitional Housing, and Program Providers	(2,546,572)	(2,546,572)	0.0	0	0	0.0
Eliminate Mentoring Program	(600,516)	(600,516)	0.0	0	0	0.0
Eliminate Batterers Intervention Program	(390,431)	(390,431)	0.0	0	0	0.0
Community Corrections Reduction	(6,048,682)	(6,048,682)	0.0	0	0	0.0
Parole Reduction	(848,391)	(848,391)	(13.0)	0	0	0.0
Eliminate Victim Services	(354,220)	(354,220)	(1.0)	0	0	0.0
SB 123 Substance Abuse Treatment	(1,600,000)	(1,600,000)	0.0	0	0	0.0
Parole Violator Local Jail Payments	(800,000)	(800,000)	0.0	0	0	0.0
TOTAL	\$ (17,017,909)	\$ (17,017,909)	(14.0)	\$ 0	\$ 0	0.0

The **agency** submitted reduced resources items totaling \$17.0 million, or 5.0 percent, of FY 2018 State General Fund expenditures. The agency would reduce expenditures in nine specific areas of its budget, which are detailed in the above table. The \$6.0 million reduction of the Community Corrections program; the \$2.5 million reduction resulting from the elimination of the vocational education, mental health assistance, transitional housing, and program providers; and the \$2.1 million reduction resulting from the elimination of the adult residential center are the largest drivers of expenditure reductions. The agency states the 13.0 FTE positions would be eliminated with reductions in parole services and 1.0 FTE position would be lost as a consequence of the elimination of victims' services. The agency also states that 2.0 non-FTE housing specialists, 22.8 non-FTE program provider positions within DOC facilities, 13.0 non-FTE mental health assistance providers, 12.0 non-FTE positions within the Mentoring Program, 6.0 non-FTE positions within the Batters Intervention Program, and 13.0 non-FTE

positions within the Victim Services would be eliminated due to elimination of the programs contained in the reduced resource package.

The agency asserts that reductions in reentry and offender programs will impact bed space subsequent to the cuts, and cost a minimum of \$3.8 million in contract bed expenses in FY 2018.

The agency asserts that reductions in community corrections is estimated to increase the average daily population by 838 offenders. Given insufficient space to house these offenders (primarily minimum security), the agency estimates it could cost the State \$12.2 million annually.

The **Governor** does not recommend any of the Department of Corrections' reduced resources packages at this time.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 406,257,742	\$ 393,049,323	\$ (13,208,419)
FTE Positions	3,441.5	3,441.5	0.0
<i>Change from FY 2018:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 4,125,825	\$ 5,953,802	
All Other Funds	(479,396)	(1,630,203)	
TOTAL	<u>\$ 3,646,429</u>	<u>\$ 4,323,599</u>	
<i>Percent Change:</i>			
State General Fund	1.1 %	1.7 %	
All Other Funds	(1.5)	(4.7)	
TOTAL	<u>0.9 %</u>	<u>1.1 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$406.3 million, including \$375.2 million from the State General Fund. The request is an increase of \$3.6 million, or 0.9 percent, including a State General Fund increase of \$4.1 million, or 1.1 percent, above the FY 2018 request. The increase is primarily attributable to the agency expending \$6.5 million to fund inmate health care, with \$3.0 million of the increase caused by a scheduled 4.8 percent

increase in the base contract amount. The increase in expenditures is primarily offset by a \$1.2 million increase in shrinkage attributable to the DOC Central Office holding 41.0 positions open, as well as a \$511,992 reduction in capital outlay expenditures attributable to one-time enhancement requests from facilities in FY 2018. The request includes \$18.4 million in enhancements, all from the State General Fund, with DOC

Central Office enhancements totaling \$15.2 million and DOC facility enhancements from seven agencies totaling \$3.2 million.

Absent the enhancements, the agency's request is \$387.8 million, including \$356.8 million from the State General Fund. The request is an increase of \$1.6 million, or 0.4 percent, above the FY 2018 State General Fund, less the enhancements. The request includes 3,441.5 FTE positions and 209.0 non-FTE positions, which is unchanged from the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$393.0 million, including \$360.3 million from the State General Fund. The recommendation is an all funds decrease of \$13.2 million, or 3.3 percent, including a State General Fund decrease of \$14.9 million, or 4.0 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$2.0 million, including \$1.9 million from the State General Fund, as well as due to the Governor not recommending \$12.1 million in enhancements.

Enhancements Detail

FY 2019 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Central Office						
Statewide Cloud-Based E-mail Conversion	\$ 897,075	\$ 897,075	0.0	\$ 0	\$ 0	0.0
TOADS Replacement	2,148,200	2,148,200	0.0	0	0	0.0
Corrections KPERS Parole	720,000	720,000	0.0	0	0	0.0
Corrections KPERS Juvenile	1,220,000	1,220,000	0.0	0	0	0.0
Medical Contract Funding	6,523,615	6,523,615	4.8	6,523,615	6,523,615	0.0
Food Service Contract Funding	586,424	586,424	0.0	0	676,470	0.0
Server Replacements	1,222,540	1,222,540	0.0	0	0	0.0
Upgrade and Replace IT Equipment	1,794,674	1,794,674	0.0	0	0	0.0
Vehicle Replacement	60,000	60,000	0.0	0	0	0.0
EI Dorado CF	266,100	266,100	0.0	0	0	0.0
Ellsworth CF	40,300	40,300	0.0	0	0	0.0
Hutchinson CF	248,642	248,642	0.0	0	0	0.0
Lansing CF	903,639	903,639	0.0	0	0	0.0
LCMHF	130,850	130,850	0.0	0	0	0.0
Topeka CF	1,364,680	1,364,680	0.0	0	0	0.0
Winfield CF	292,894	292,894	0.0	0	0	0.0
TOTAL	\$ 18,419,633	\$ 18,419,633	4.8	\$ 6,523,615	\$ 7,200,085	0.0

The **agency** requests enhancements totaling \$18.4 million, all from the State General Fund. The supplemental requests for FY 2019 are outlined below by facility.

Central Office. The agency requests enhancements totaling \$15.2 million, all from the State General Fund. The request

includes enhancements for statewide cloud-based e-mail conversion (\$897,075), Total Offender Automated Documentation System (TOADS) information processing equipment replacement (\$2.2 million), the replacement of servers (\$1.2 million), the replacement of IT equipment within the Information Services program (\$1.8 million), increased

employer contributions to Corrections KPERS for correctional officers within the Parole Services program (\$720,000), an increase for medical contract funding for inmate health care (\$6.5 million), an increase in employer contributions to Corrections KPERS for correctional officers within the Juvenile Services program (\$1.2 million), vehicle replacements (\$60,000), and an increase in food service costs (\$586,424).

El Dorado Correctional Facility. The agency requests enhancements totaling \$266,100, all from the State General Fund. The request includes enhancements for vehicle replacements (\$74,500), security equipment (\$40,100), and IT equipment (\$151,500).

Ellsworth Correctional Facility. The agency requests enhancements totaling \$40,300, all from the State General Fund. The request includes enhancements for security equipment (\$30,000) and computer equipment to purchase a spare network switch (\$10,300).

Hutchinson Correctional Facility. The agency requests enhancements totaling \$248,642, all from the State General Fund. The request includes enhancements for five vehicles (\$70,000) and IT equipment (\$178,642).

Lansing Correctional Facility. The agency requests enhancements totaling \$903,639, all from the State General Fund. The request includes enhancements for utilities (\$453,439), vehicle replacements (\$169,700), and IT equipment replacement (\$280,500).

Larned Correctional Mental Health Facility. The agency requests enhancements totaling \$130,850, all from the State General Fund. The request includes enhancements for the replacement of 1/4th of the agency's IT assets (\$55,850) and five vehicles to replace high mileage vehicles with newer vehicles with surplus property (\$75,000).

Topeka Correctional Facility. The agency requests enhancements totaling \$1.4 million, all from the State General Fund. The request includes the replacement of five aging vehicles (\$115,100), the replacement of bureau of prison contract revenue (\$637,087), an enhancement to maintain 14.0 existing correctional officer positions (\$572,268), and to replace 1/4th of the facility's IT equipment (\$40,225).

Winfield Correctional Facility. The agency requests enhancements totaling \$292,894, all from the State General Fund. The request includes enhancements for utilities related to the energy consumption of the Kansas Veterans' Home (\$171,994), for shop and plant maintenance equipment (\$75,000), and for microcomputer equipment (\$45,900).

The **Governor** does not recommend funding the enhancement requests with two exceptions:

- Funding the health care contract shortfall for \$6.5 million from the State General Fund; and
- Funding the food service contract shortfall for \$676,470 from the Correctional Industries Fund.

FY 2019 Reduced Resources

The Governor has requested that agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The information below provides details of the Department of Corrections' reduced resources budget submission from the State General Fund. It should be noted these reductions occur

only within the Department of Corrections Central Office, although the value of the recommendations is equal to 5.0 percent of DOC systemwide expenditures. DOC structured its reduced resources package so that, if enacted, the safety at its facilities would not be impacted.

FY 2019 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Eliminate Adult Residential Centers	\$ (2,068,048)	\$ (2,068,048)	0.0	\$ 0	\$ 0	0.0
Eliminate Juvenile Prevention Grants	(1,761,049)	(1,761,049)	0.0	0	0	0.0
Eliminate Vocational Education, Mental Health Assistance, Transitional Housing, and Program Providers	(2,546,572)	(2,546,572)	0.0	0	0	0.0
Eliminate Mentoring Program	(600,516)	(600,516)	0.0	0	0	0.0
Eliminate Batterers Intervention Program	(384,708)	(384,708)	0.0	0	0	0.0
Community Corrections Reduction	(6,048,682)	(6,048,682)	0.0	0	0	0.0
Parole Reduction	(938,529)	(938,529)	(14.0)	0	0	0.0
Eliminate Victim Services	(349,118)	(349,118)	(1.0)	0	0	0.0
SB 123 Substance Abuse Treatment	(1,600,000)	(1,600,000)	0.0	0	0	0.0
Parole Violator Local Jail Payments	(800,000)	(800,000)	0.0	0	0	0.0
TOTAL	\$ (17,097,222)	\$ (17,097,222)	(15.0)	\$ 0	\$ 0	0.0

The **agency** would comply with the 5.0 percent State General Fund reduction of expenditures by reducing expenditures by \$17.1 million and eliminating 15.0 FTE

positions in FY 2019. The agency would reduce expenditures in ten specific areas of its budget, which are detailed in the above table. The \$6.0 million reduction of the Community Corrections

program; the \$2.5 million reduction resulting from the elimination of the vocational education, mental health assistance, transitional housing, and program providers; and the \$2.1 million reduction resulting from the elimination of the adult residential center are the largest drivers of expenditure reductions. The agency states the 14.0 FTE positions would be eliminated with reductions in parole services and 1.0 FTE position would be lost as a consequence of the elimination of victims' services. The agency also states that 2.0 non-FTE housing specialists, 22.8 non-FTE program provider positions within DOC facilities, 13.0 non-FTE mental health assistance providers, 12.0 non-FTE positions within the Mentoring Program, 6.0 non-FTE positions within the Batters Intervention Program, and 13.0 non-FTE positions within the Victim Services would be eliminated due to elimination of the programs contained in the reduced resource package.

The agency asserts that reductions in reentry and offender programs will impact bed space subsequent to the cuts, and cost a minimum of \$5.5 million in contract bed expenses in FY 2019.

The agency asserts that reductions in community corrections is estimated to increase the average daily population by 838 offenders. Given insufficient space to house these offenders (primarily minimum security), the agency estimates it could cost the State \$12.2 million annually.

The **Governor** does not recommend any of the Department of Corrections' reduced resources packages at this time.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$737,000, including \$715,288 from the State General Fund; FY 2018 longevity payments total \$773,440, including \$750,841 from the State General Fund; and FY 2019 longevity payments total \$573,370, including \$556,867 from the State General Fund.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal

also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$489,032, including \$474,868 from the State General Fund, in FY 2017; by \$1,454,494, including \$1,412,072 from the State General Fund, for FY 2018; and by \$1,988,871, including \$1,934,773 from the State General Fund, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$321,628, including \$312,245 from the State General Fund, for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

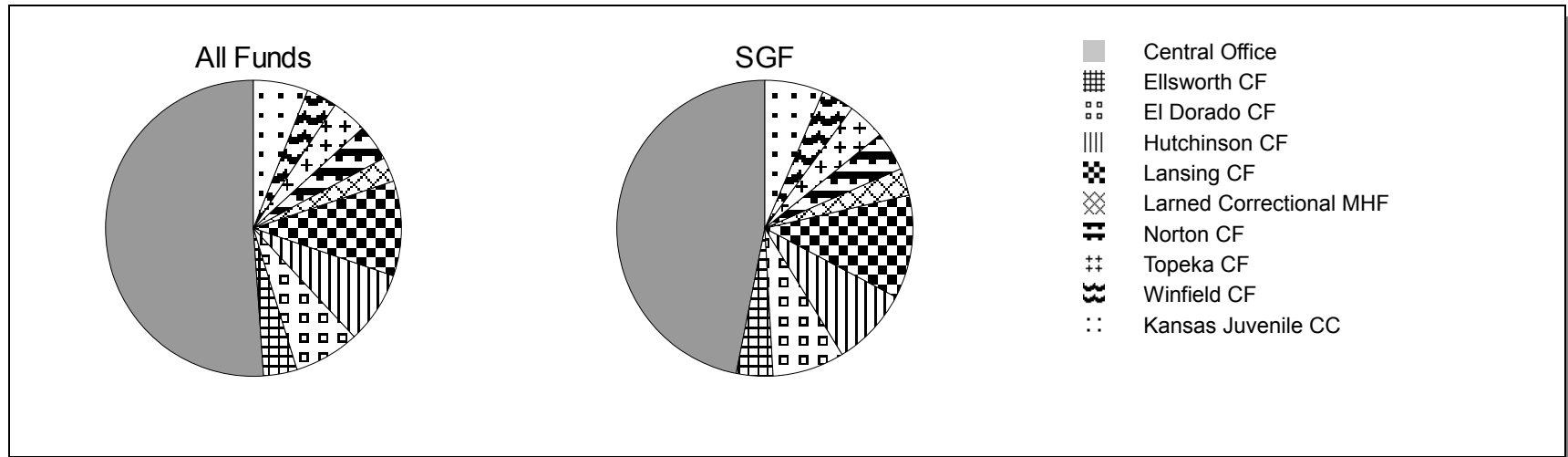
Funding Sources

Funding Source	Agency Est. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Est. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State General Fund	92.2 %	91.2 %	92.4 %	91.7 %
Federal Funds	1.3	1.4	1.2	1.2
Correctional Industries	2.5	2.6	2.6	2.6
All Other Funds	4.0	4.9	3.8	4.5
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Details may not add to totals due to rounding.

PROGRAM DETAIL

OPERATING EXPENDITURES BY PROGRAM – GOVERNOR’S FY 2018 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Central Office	\$ 198,665,975	51.1 %	\$ 166,222,474	46.9 %
Ellsworth CF	14,211,421	3.7	14,145,007	4.0
El Dorado CF	27,857,743	7.2	27,837,743	7.9
Kansas Juvenile CC	23,172,507	6.0	22,725,438	6.4
Hutchinson CF	30,553,733	7.9	30,360,001	8.6
Lansing CF	40,301,047	10.4	39,981,047	11.3
Larned Correctional MHF	10,457,089	2.7	10,457,089	3.0
Norton CF	15,412,502	4.0	15,253,051	4.3
Topeka CF	15,056,511	3.9	14,617,974	4.1
Winfield CF	13,037,196	3.4	12,763,264	3.6
Larned Juvenile CF	0	0.0	0	0.0
TOTAL	\$ 388,725,724	100.0 %	\$ 354,363,088	100.0 %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

Program	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Lansing CF	678.0	682.0	682.0	682.0	682.0	682.0	682.0
Hutchinson CF	501.0	499.0	499.0	499.0	499.0	499.0	499.0
El Dorado CF	480.0	481.0	481.0	481.0	481.0	481.0	481.0
Central Office	298.0	297.0	297.0	297.0	297.0	297.0	297.0
Norton CF	261.0	262.0	262.0	262.0	262.0	262.0	262.0
Topeka CF	255.0	256.0	256.0	256.0	256.0	256.0	256.0
Ellsworth CF	235.0	234.0	234.0	234.0	234.0	234.0	234.0
Kansas Juvenile CC	226.5	226.5	226.5	349.5	349.5	349.5	349.5
Winfield CF	197.0	198.0	198.0	197.0	197.0	197.0	197.0
Larned Correctional MHF	184.0	184.0	184.0	184.0	184.0	184.0	184.0
Larned Juvenile CF	136.0	136.0	136.0	0.0	0.0	0.0	0.0
TOTAL	3,451.5	3,455.5	3,455.5	3,441.5	3,441.5	3,441.5	3,441.5

Department of Corrections, Central Office

The following portion of this budget analysis only describes the **Department of Corrections Central Office** (emphasis added). This section will include two summary operating budget tables, followed by analysis of each program contained within the Department of Corrections Central Office. The Central Office is responsible for managing itself and supervising the operations

of correctional facilities (e.g. Ellsworth Correctional Facility) holding felony offenders in the state. The section includes programs designated as A through J. Summaries of DOC corrections facilities are detailed after this portion of the budget analysis.

Summary of Central Office's Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Inmate Health Care	\$ 60,946,367	\$ 64,844,324	\$ 68,190,489	\$ 3,346,165	5.2 %	\$ 64,717,332	\$ 68,181,630	\$ 3,464,298	5.4 %
Juvenile Services	44,314,063	51,094,227	46,116,236	(4,977,991)	(9.7)	49,927,391	44,884,592	(5,042,799)	(10.1)
Community Supervision	32,964,613	34,330,706	34,893,991	563,285	1.6	34,306,533	34,086,520	(220,013)	(0.6)
Food Service Contract	15,116,449	15,432,755	16,259,838	827,083	5.4	15,432,755	16,188,535	755,780	4.9
Administration	13,908,158	11,564,754	17,708,690	6,143,936	53.1	11,545,579	11,301,261	(244,318)	(2.1)
Offender Programs	12,228,273	12,065,782	12,068,627	2,845	0.0	12,054,418	12,026,775	(27,643)	(0.2)
Correctional Industries	9,354,144	10,440,332	10,002,582	(437,750)	(4.2)	10,431,724	9,970,979	(460,745)	(4.4)
Debt Service	1,925,260	865,462	656,212	(209,250)	(24.2)	863,162	656,212	(206,950)	(24.0)
Victim Services	734,946	1,063,645	955,790	(107,855)	(10.1)	1,061,744	948,875	(112,869)	(10.6)
Prisoner Review Board	418,359	431,842	424,731	(7,111)	(1.6)	430,702	420,596	(10,106)	(2.3)
TOTAL	\$ 191,910,632	\$ 202,133,829	\$ 207,277,186	\$ 5,143,357	2.5 %	\$ 200,771,340	\$ 198,665,975	\$ (2,105,365)	(1.0)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 26,980,306	\$ 27,546,321	\$ 29,036,572	\$ 1,490,251	5.4 %	\$ 27,474,303	\$ 26,834,524	\$ (639,779)	(2.3)%
Contractual Services	92,232,281	96,552,491	100,795,452	4,242,961	4.4	95,564,471	99,606,603	4,042,132	4.2
Commodities	4,832,525	4,994,434	5,303,133	308,699	6.2	4,994,434	5,303,133	308,699	6.2
Capital Outlay	1,410,901	1,140,501	5,572,409	4,431,908	388.6	1,140,501	352,095	(788,406)	(69.1)
Debt Service	1,925,260	865,462	656,212	(209,250)	(24.2)	863,162	656,212	(206,950)	(24.0)
Subtotal - Operations	\$ 127,381,273	\$ 131,099,209	\$ 141,363,778	\$ 10,264,569	7.8 %	\$ 130,036,871	\$ 132,752,567	\$ 2,715,696	2.1 %
Aid to Local Units	45,729,970	50,067,360	48,489,939	(1,577,421)	(3.2)	50,067,360	48,489,939	(1,577,421)	(3.2)
Other Assistance	18,799,389	20,967,260	17,423,469	(3,543,791)	(16.9)	20,667,109	17,423,469	(3,243,640)	(15.7)
TOTAL	\$ 191,910,632	\$ 202,133,829	\$ 207,277,186	\$ 5,143,357	2.5 %	\$ 200,771,340	\$ 198,665,975	\$ (2,105,365)	(1.0)%
Financing:									
State General Fund	\$ 159,406,196	\$ 167,609,269	\$ 177,704,870	\$ 10,095,601	6.0 %	\$ 166,464,131	\$ 166,222,474	\$ (241,657)	(0.1)%
Federal Funds	7,378,591	9,442,617	4,669,717	(4,772,900)	(50.5)	9,237,395	4,662,702	(4,574,693)	(49.5)
Correctional Industries	9,354,144	10,440,332	10,002,582	(437,750)	(4.2)	10,431,724	9,970,979	(460,745)	(4.4)
All Other Funds	15,771,701	14,641,611	14,900,017	258,406	1.8	14,638,090	17,809,820	3,171,730	21.7
TOTAL	\$ 191,910,632	\$ 202,133,829	\$ 207,277,186	\$ 5,143,357	2.5 %	\$ 200,771,340	\$ 198,665,975	\$ (2,105,365)	(1.0)%

Summary of Central Office's Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Inmate Health Care	\$ 68,190,489	\$ 71,219,895	\$ 3,029,406	4.4 %	\$ 68,181,630	\$ 71,210,471	\$ 3,028,841	4.4 %
Juvenile Services	46,116,236	45,867,599	(248,637)	(0.5)	44,884,592	44,635,099	(249,493)	(0.6)
Community Supervision	34,893,991	34,764,980	(129,011)	(0.4)	34,086,520	33,953,106	(133,414)	(0.4)
Food Service Contract	16,259,838	16,449,979	190,141	1.2	16,188,535	16,540,025	351,490	2.2
Administration	17,708,690	17,380,385	(328,305)	(1.9)	12,026,775	12,067,310	40,535	0.3
Offender Programs	12,068,627	12,112,419	43,792	0.4	11,301,261	11,185,097	(116,164)	(1.0)
Correctional Industries	10,002,582	10,431,771	429,189	4.3	9,970,979	10,399,053	428,074	4.3
Debt Service	656,212	437,306	(218,906)	(33.4)	656,212	437,306	(218,906)	(33.4)
Victim Services	955,790	955,959	169	0.0	948,875	948,624	(251)	(0.0)
Prisoner Review Board	424,731	419,818	(4,913)	(1.2)	420,596	415,459	(5,137)	(1.2)
TOTAL	<u>\$ 207,277,186</u>	<u>\$ 210,040,111</u>	<u>\$ 2,762,925</u>	<u>1.3 %</u>	<u>\$ 198,665,975</u>	<u>\$ 201,791,550</u>	<u>\$ 3,125,575</u>	<u>1.6 %</u>
By Major Object of Expenditure:								
Salaries and Wages	\$ 29,036,572	\$ 28,813,420	\$ (223,152)	(0.8) %	\$ 26,834,524	\$ 26,597,302	\$ (237,222)	(0.9) %
Contractual Services	100,795,452	103,683,903	2,888,451	2.9	99,606,603	102,876,874	3,270,271	3.3
Commodities	5,303,133	5,810,445	507,312	9.6	5,303,133	5,810,445	507,312	9.6
Capital Outlay	5,572,409	5,640,873	68,464	1.2	352,095	415,459	63,364	18.0
Debt Service	656,212	437,306	(218,906)	(33.4)	656,212	437,306	(218,906)	(33.4)
Subtotal - Operations	\$ 141,363,778	\$ 144,385,947	\$ 3,022,169	2.1 %	\$ 132,752,567	\$ 136,137,386	\$ 3,384,819	2.5 %
Aid to Local Units	48,489,939	48,230,695	(259,244)	(0.5)	48,489,939	48,230,695	(259,244)	(0.5)
Other Assistance	17,423,469	17,423,469	0	0.0	17,423,469	17,423,469	0	0.0
TOTAL	<u>\$ 207,277,186</u>	<u>\$ 210,040,111</u>	<u>\$ 2,762,925</u>	<u>1.3 %</u>	<u>\$ 198,665,975</u>	<u>\$ 201,791,550</u>	<u>\$ 3,125,575</u>	<u>1.6 %</u>
Financing:								
State General Fund	\$ 177,704,870	\$ 180,901,030	\$ 3,196,160	1.8 %	\$ 166,222,474	\$ 170,931,529	\$ 4,709,055	2.8 %
Federal Funds	4,669,717	4,415,742	(253,975)	(5.4)	4,662,702	4,408,335	(254,367)	(5.5)
Correctional Industries	10,002,582	10,431,771	429,189	4.3	9,970,979	10,399,053	428,074	4.3
All Other Funds	14,900,017	14,291,568	(608,449)	(4.1)	17,809,820	16,052,633	(1,757,187)	(9.9)
TOTAL	<u>\$ 207,277,186</u>	<u>\$ 210,040,111</u>	<u>\$ 2,762,925</u>	<u>1.3 %</u>	<u>\$ 198,665,975</u>	<u>\$ 201,791,550</u>	<u>\$ 3,125,575</u>	<u>1.6 %</u>

A. Inmate Health Care

Inmate health care is provided for by a new all-inclusive contract with Corizon. The contract covers medical, dental, and mental health services for all inmates and juveniles. The Department entered into a nine-and-a-half-year contract with Corizon that became effective on January 1, 2014, and comes with four renewal options beginning on July 1, 2015. Due to

changes in Medicaid and Health Resources and Services Administration requirements that took effect January 1, 2014, the previous contract with Correct Care Solutions was terminated early and expired on December 31, 2013. Included in the Inmate Health Care program are expenditures for Medicaid services billed to the federal government.

INMATE HEALTH CARE SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,089,898	\$ 878,327	\$ 875,906	\$ 870,254	\$ 861,395	\$ 871,065	\$ 861,641
Contractual Services	59,073,862	62,313,365	62,188,794	65,667,603	65,667,603	68,696,198	68,696,198
Commodities	104,607	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 60,268,367</u>	<u>\$ 63,191,692</u>	<u>\$ 63,064,700</u>	<u>\$ 66,537,857</u>	<u>\$ 66,528,998</u>	<u>\$ 69,567,263</u>	<u>\$ 69,557,839</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	678,000	1,652,632	1,652,632	1,652,632	1,652,632	1,652,632	1,652,632
TOTAL	<u>\$ 60,946,367</u>	<u>\$ 64,844,324</u>	<u>\$ 64,717,332</u>	<u>\$ 68,190,489</u>	<u>\$ 68,181,630</u>	<u>\$ 71,219,895</u>	<u>\$ 71,210,471</u>
Financing:							
State General Fund	\$ 60,020,985	\$ 63,115,090	\$ 62,988,098	\$ 66,461,335	\$ 64,952,476	\$ 69,490,741	\$ 69,481,317
All Other Funds	925,382	1,729,234	1,729,234	1,729,154	3,229,154	1,729,154	1,729,154
TOTAL	<u>\$ 60,946,367</u>	<u>\$ 64,844,324</u>	<u>\$ 64,717,332</u>	<u>\$ 68,190,489</u>	<u>\$ 68,181,630</u>	<u>\$ 71,219,895</u>	<u>\$ 71,210,471</u>
FTE Positions	20.0	13.0	13.0	13.0	13.0	13.0	13.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>20.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>

The **agency** requests FY 2018 operating expenditures of \$68.2 million, including \$66.5 million from the State General Fund. The request is an increase of \$3.3 million, or 5.2 percent, including a State General Fund increase of \$3.3 million, or 5.3 percent, above the FY 2017 estimate. The request includes an enhancement totaling \$3.5 million, all from the State General Fund, for medical contract funding. The request includes 13.0 FTE positions, which is no change from the FY 2017 estimate.

Absent the enhancement, the agency requests FY 2018 operating expenditures of \$64.7 million, including \$63.0 million from the State General Fund. The request is a decrease of \$1.9 million, or 2.9 percent, below the FY 2017 estimate. The major changes for FY 2018 include the following items:

- **Salaries and Wages.** The agency requests \$870,254, all from the State General Fund, for salaries and wages. The request is a decrease of \$8,073, or 0.9 percent, below the FY 2017 estimate. The decrease is primarily attributable to a \$24,337 reduction in expenditures for salaries and wages caused by the one-time 27th payroll period in FY 2017, offset by an \$11,570 increase in employer contributions to KPERS and a \$3,752 increase in employer contributions for health insurance;
- **Contractual Services.** The agency requests \$65.7 million, including \$65.1 million from the State General Fund, for contractual services. The request is an increase of \$3.4 million, or 5.4 percent, including a State General Fund increase of \$3.4 million, or 5.4 percent, above the agency's FY 2017 estimate. The increase is primarily attributable to the agency's request for

an enhancement of \$3.5 million, all from the State General Fund, for a contractual increase in medical and mental treatment expenditures. **Absent the enhancement**, the agency request is \$61.6 million for contractual services; and

- **Other Assistance.** The agency requests \$1.7 million, including \$452,632 from the State General Fund, for other assistance. The request is no change from the agency's FY 2017 estimate. These funds are used to provide welfare assistance to inmates.

The **Governor** recommends \$68.2 million, including \$65.0 million from the State General Fund, for the Inmate Health Care program for FY 2018. This is an all funds decrease of \$8,859, all from the State General Fund, or less than 0.1 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$71.2 million, including \$69.5 million from the State General Fund. The request is an increase of \$3.0 million, or 4.4 percent, including a State General Fund increase of \$3.0 million, or 4.6 percent, above the FY 2018 request. The request includes an enhancement totaling \$6.5 million, all from the State General Fund, for medical care as stipulated in the contract between Corizon and DOC. The request includes 13.0 FTE positions, which is no change from the FY 2018 request.

Absent the enhancement, the agency requests FY 2019 operating expenditures of \$64.7 million, including \$63.0 million

from the State General Fund. The request is an increase of \$12,202, or less than 0.1 percent, above the FY 2018 request, less the enhancements. The major changes for FY 2019 include the following items:

- **Salaries and Wages.** The agency requests \$871,065, all from the State General Fund, for salaries and wages. The request is an increase of \$811, or 0.1 percent, above the FY 2018 request. The increase is attributable to a \$659 increase in employer contributions to KPERs and an \$152 increase in other fringe benefits;
- **Contractual Services.** The agency requests \$68.7 million, including \$68.2 million from the State General Fund, for contractual services. The request is an increase of \$3.0 million, or 4.6 percent, all from the State General Fund. The increase is attributable to the agency's request

for an enhancement costing \$6.5 million, all from the State General Fund. **Absent the enhancement**, the agency request is \$62.2 million for contractual services; and

- **Other Assistance.** The agency requests \$1.7 million, including \$452,632 from the State General Fund, for other assistance. The request is no change from the agency's FY 2018 request. These funds are used to provide welfare assistance to inmates.

The **Governor** recommends \$71.2 million, including \$69.5 million from the State General Fund, for the Inmate Health Care program for FY 2019. This is an all funds decrease of \$9,424, all from the State General Fund, or less than 0.1 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

B. Juvenile Services

The Juvenile Services division was established following the merger of the Juvenile Justice Authority (JJA) and the Department of Corrections on July 1, 2013. This division is responsible for administering state and federal funds and coordinating with other agencies for the operation of a continuum of juvenile justice services statewide. Kansas juvenile justice reform efforts of the mid-1990s established the foundation upon which services are delivered today. Services are delivered through grants to local boards of county commissioners for the development, implementation, operation, and improvement of community-based juvenile justice programs

through contracts for community placements, grants for the operation of psychiatric residential treatment facilities, and the Kansas Juvenile Correctional Complex. The Kansas Juvenile Correctional Complex, and previously the Larned Juvenile Correctional Facility, submit separate agency budgets. The Juvenile Services program also provides technical assistance and support, consultation, oversight, resources, and training to enhance successful partnerships with local juvenile justice stakeholders for the implementation and operation of comprehensive juvenile justice services in the community.

JUVENILE SERVICES							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,098,349	\$ 1,241,027	\$ 1,237,791	\$ 2,430,360	\$ 1,198,716	\$ 2,437,889	\$ 1,205,389
Contractual Services	962,822	3,237,777	2,374,328	2,148,532	2,148,532	2,148,532	2,148,532
Commodities	31,373	15,340	15,340	14,682	14,682	17,760	17,760
Capital Outlay	10,644	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 2,103,188</u>	<u>\$ 4,494,144</u>	<u>\$ 3,627,459</u>	<u>\$ 4,593,574</u>	<u>\$ 3,361,930</u>	<u>\$ 4,604,181</u>	<u>\$ 3,371,681</u>
Aid to Local Units	24,462,146	27,575,083	27,575,083	25,997,662	25,997,662	25,738,418	25,738,418
Other Assistance	17,748,729	19,025,000	18,724,849	15,525,000	15,525,000	15,525,000	15,525,000
TOTAL	<u>\$ 44,314,063</u>	<u>\$ 51,094,227</u>	<u>\$ 49,927,391</u>	<u>\$ 46,116,236</u>	<u>\$ 44,884,592</u>	<u>\$ 45,867,599</u>	<u>\$ 44,635,099</u>
Financing:							
State General Fund	\$ 34,983,813	\$ 39,999,730	\$ 39,036,385	\$ 39,689,593	\$ 38,458,686	\$ 39,700,200	\$ 39,468,490
All Other Funds	9,330,250	11,094,497	10,891,006	6,426,643	6,425,906	6,167,399	6,166,609
TOTAL	<u>\$ 44,314,063</u>	<u>\$ 51,094,227</u>	<u>\$ 49,927,391</u>	<u>\$ 46,116,236</u>	<u>\$ 44,884,592</u>	<u>\$ 45,867,599</u>	<u>\$ 45,635,099</u>
FTE Positions	9.0	11.0	11.0	11.0	11.0	11.0	11.0
Non-FTE Uncl.Perm.Pos.	9.0	9.0	9.0	9.0	9.0	9.0	9.0
TOTAL	<u>18.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>

The **agency** requests FY 2018 operating expenditures of \$46.1 million, including \$39.7 million from the State General Fund. The request is a decrease of \$5.0 million, or 9.7 percent, including a State General Fund decrease of \$310,137, or 0.8 percent, below the FY 2017 estimate. The request includes an enhancement totaling \$1.2 million, all from the State General Fund, that would allow for juvenile corrections officers to qualify for Corrections KPERs. The request includes 11.0 FTE positions and 9.0 non-FTE positions, which is no change from the FY 2017 estimate.

Absent the enhancement, the agency requests FY 2018 operating expenditures of \$44.9 million, including \$38.5 million from the State General Fund. The request is a decrease of \$6.2 million, or 12.1 percent, below the FY 2017 estimate. The major changes for FY 2018 include the following items.

- **Salaries and Wages.** The agency requests \$2.4 million, including \$2.3 million from the State General Fund, for salaries and wages. The request is an all funds increase of \$1.2 million, or 95.8 percent, including a State General Fund increase of \$1.2 million, or 103.0 percent, above the FY 2017 estimate. The increase is primarily attributable to the agency's enhancement request totaling \$1.2 million, all from the State General Fund, for the transfer of juvenile correctional officers and qualified non-uniformed staff to Corrections KPERs, providing these classifications with earlier retirement eligibility, offset by a \$36,905 reduction in expenditures for salaries and wages caused by the one-time 27th payroll period in FY 2017. Additionally, the request includes \$116,863 in shrinkage, which is a shrinkage increase of \$17,719, or 17.8 percent,

above the FY 2017 estimate. **Absent the enhancement**, the agency request is \$1.2 million for salaries and wages;

- **Contractual Services.** The agency requests \$2.1 million, including \$2.0 million from the State General Fund, for contractual services. The request is a decrease of \$1.1 million, or 33.6 percent, below the FY 2017 estimate. The decrease is attributable to DOC requesting \$1.1 million for a one-time transfer in FY 2017, all from the State General Fund, from Graduated Sanctions/Prevention programs to start Functional Family Therapy programs in seven judicial districts;
- **Commodities.** The agency requests \$14,682, all from the State General Fund, for commodities. The request is a decrease of \$658, or 4.3 percent, below the FY 2017 estimate. The decrease is attributable to DOC expending less money on professional supplies;
- **Aid to Local Units of Government.** The agency requests \$26.0 million, including \$20.4 million from the State General Fund, for aid to local units of Government. The request is a decrease of \$1.6 million, or 5.7 percent, below the agency's FY 2017 estimate. The decrease is attributable to the Juvenile Justice and Delinquency Prevention Title Grant being reduced by \$2.7 million, or 79.4 percent, from the FY 2017 estimate;

- **Other Assistance.** The agency requests \$15.5 million, including \$14.9 million from the State General Fund, for other assistance. The request is a decrease of \$3.5 million, or 18.4 percent, including \$1.5 million from the State General Fund, or 9.1 percent, below the FY 2017 estimate. The decrease is attributable to the agency losing \$2.0 million, all from federal funds, for the medical assistance program and adjusting its expenditures accordingly and the agency spending \$1.5 million less for the purchase of service; and
- **Non-Expense Items.** The agency requests \$285,264, all from Title I Part D, Subpart 1 funds, for non-expense items. The request is no change from the FY 2017 estimate. The agency will receive these funds from the Kansas Department of Education and transfer them into the Kansas Juvenile Correctional Complex.

The **Governor** recommends \$44.9 million, including \$38.5 million from the State General Fund, for the Juvenile Services program for FY 2018. This is an all funds decrease of \$1.2 million, or 2.7 percent, and a State General Fund decrease of \$1.2 million, or 3.1 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation not to fund the \$1.2 million enhancement to fund Corrections KPERS for juvenile correctional officers and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$45.9 million, including \$39.7 million from the State General

Fund. The request is a decrease of \$248,637, or 0.5 percent, including a State General Fund increase of \$10,607, or less than 0.1 percent, above the FY 2018 request. The request includes an enhancement totaling \$1.2 million, all from the State General Fund, for increased employer contributions to juvenile correctional officer retirement. The request includes 11.0 FTE positions, which is no change from the FY 2018 request.

Absent the enhancement, the agency requests FY 2019 operating expenditures of \$39.4 million, including \$33.2 million from the State General Fund. The request is a decrease of \$5.5 million, or 13.0 percent, above the FY 2018 request less the enhancements. The major changes for FY 2019 include the following items.

- **Salaries and Wages.** The agency requests \$2.4 million, including \$2.4 million from the State General Fund, for salaries and wages. The request is an increase of \$7,529, or 0.3 percent, above the FY 2018 request. The increase is primarily attributable to a \$1,441 increase in employer contributions to KPERS and a \$6,088 reduction in the agency's shrinkage. The reduction in shrinkage brings the program's total shrinkage to \$110,775, which is 5.2 percent above the FY 2017 estimate. The request includes an enhancement totaling \$1.2 million, all from the State General Fund, for the transfer of juvenile correctional officers and qualified non-uniformed staff to Corrections KPERS, providing the employees with earlier retirement eligibility. **Absent the enhancement**, the agency request is \$1.2 million for salaries and wages;
- **Contractual Services.** The agency requests \$2.1 million, including \$2.0 million from the State

General Fund, for contractual services. The request is unchanged from the FY 2018 request;

- **Commodities.** The agency requests \$17,760, all from the State General Fund, for commodities. The request is an increase of \$3,078, or 21.0 percent, above the FY 2018 request. The increase is attributable to the agency resuming its purchase of professional supplies;
- **Aid to Local Units of Government.** The agency requests \$25.7 million, including \$20.4 million from the State General Fund, for aid to local units of government. The request is a decrease of \$259,244, or 1.0 percent, below the agency's FY 2018 request. The decrease is attributable to the Juvenile Justice and Delinquency Prevention Title Grant being reduced by \$259,244, or 38.9 percent, from the FY 2018 request;
- **Other Assistance.** The agency requests \$15.5 million, including \$14.9 million from the State

General Fund, for other assistance. The request is unchanged from the FY 2018 request; and

- **Non-Expense Items.** The agency requests \$285,264, all from Title I Part D, Subpart 1 funds, for non-expense items. The request is no change from the FY 2018 request. The agency will receive these funds from the Kansas Department of Education and transfer them into the Kansas Juvenile Correctional Complex.

The **Governor** recommends \$44.6 million, including \$38.5 million from the State General Fund, for the Juvenile Services program for FY 2019. This is an all funds decrease of \$1.2 million, or 2.7 percent, and a State General Fund decrease of \$1.2 million, or 3.1 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation not to fund the \$1.2 million enhancement to fund Corrections KPERS for juvenile correctional officers and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

C. Community Supervision

The Community Supervision program consists of correctional programs, services, and sanctions that are administered in the community rather than a correctional facility. Offenders covered under the program include probationers and those sentenced under the alternative drug sentencing policy (2003 SB 123) as well as offenders who have been released from correctional facilities on parole. In addition to supervision

and assessment of probationers and parolees, the program also operates residential facilities for adult felony probationers designed to increase accountability by helping offenders find employment and develop good work habits. The community corrections sub-program (2007 SB 14) is a grant program administered at the county level, and currently there are 31 corrections agencies across the state.

COMMUNITY SUPERVISION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 8,858,017	\$ 9,179,532	\$ 9,155,359	\$ 9,742,317	\$ 8,934,846	\$ 9,602,796	\$ 8,790,922
Contractual Services	2,400,884	2,339,126	2,339,126	2,339,563	2,339,563	2,349,899	2,349,899
Commodities	190,045	73,934	73,934	73,997	73,997	74,171	74,171
Capital Outlay	47,061	50,000	50,000	50,000	50,000	50,000	50,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 11,496,007</i>	<i>\$ 11,642,592</i>	<i>\$ 11,618,419</i>	<i>\$ 12,205,877</i>	<i>\$ 11,398,406</i>	<i>\$ 12,076,866</i>	<i>\$ 11,264,992</i>
Aid to Local Units	21,272,024	22,492,277	22,492,277	22,492,277	22,492,277	22,492,277	22,492,277
Other Assistance	196,582	195,837	195,837	195,837	195,837	195,837	195,837
TOTAL	<u>\$ 32,964,613</u>	<u>\$ 34,330,706</u>	<u>\$ 34,306,533</u>	<u>\$ 34,893,991</u>	<u>\$ 34,086,520</u>	<u>\$ 34,764,980</u>	<u>\$ 33,953,106</u>
Financing:							
State General Fund	\$ 29,799,633	\$ 31,217,025	\$ 31,193,725	\$ 31,782,774	\$ 30,978,460	\$ 31,653,763	\$ 30,845,206
All Other Funds	3,164,980	3,113,681	3,112,808	3,111,217	3,108,060	3,111,217	3,107,900
TOTAL	<u>\$ 32,964,613</u>	<u>\$ 34,330,706</u>	<u>\$ 34,306,533</u>	<u>\$ 34,893,991</u>	<u>\$ 34,086,520</u>	<u>\$ 34,764,980</u>	<u>\$ 33,953,106</u>
FTE Positions	152.0	155.0	155.0	155.0	155.0	155.0	155.0
Non-FTE Uncl.Perm.Pos.	15.0	15.0	15.0	15.0	15.0	15.0	15.0
TOTAL	<u>167.0</u>	<u>170.0</u>	<u>170.0</u>	<u>170.0</u>	<u>170.0</u>	<u>170.0</u>	<u>170.0</u>

The **agency** requests FY 2018 operating expenditures of \$34.9 million, including \$31.8 million from the State General

Fund. The request is an increase of \$563,285, or 1.6 percent, including a State General Fund increase of \$565,749, or 1.8

percent, above the FY 2017 estimate. The request includes an enhancement totaling \$720,000, all from the State General Fund, for increased salaries and wages for corrections officers. The request includes 155.0 FTE positions and 15.0 non-FTE positions, which is no change from the FY 2017 estimate.

Absent the enhancement, the agency requests FY 2018 operating expenditures of \$34.2 million, including \$31.1 million from the State General Fund. The request is a decrease of \$156,715, or 0.5 percent, below the FY 2017 estimate. The major changes for FY 2018 include the following items:

- **Salaries and Wages.** The agency requests \$9.7 million, including \$9.4 million from the State General Fund, for salaries and wages. The request is an all funds increase of \$562,785, or 6.1 percent, above the FY 2017 estimate, all from the State General Fund. The increase is primarily attributable to the agency's enhancement request of \$720,749, all from the State General Fund, that would allow parole supervisors, parole officers, and special agents to be transferred into KPERS Corrections—Group A, providing the staff with earlier retirement eligibility, a \$121,028 increase in employer contributions to KPERS, and a \$65,334 increase in employer contributions for health insurance, offset by a \$259,069 reduction in expenditures for salaries and wages caused by the one-time 27th payroll period in FY 2017. Additionally, the request includes \$652,783 in shrinkage, which is a shrinkage increase of \$89,330, or 15.9 percent, above the FY 2017 estimate. The agency's request includes an enhancement of \$720,000, all from the State General Fund, so that parole supervisors, parole officers, and special agents can be transferred to KPERS Corrections—Group A, providing the staff

with earlier retirement eligibility. The agency asserts the enhancement would address inequity that currently exists in the benefit package for corrections professionals with comparable work responsibilities and work risk. **Absent the enhancement**, the agency request is \$9.0 million for salaries and wages;

- **Contractual Services.** The agency requests \$2.3 million, including \$2.1 million from the State General Fund, for contractual services. The request is an all funds increase of \$437, or less than 0.1 percent, above the agency's FY 2017 estimate, all from the State General Fund. The increase is attributable to additional expenditures for meals and lodgings (\$187) and car maintenance (\$250);
- **Commodities.** The agency requests \$73,997, all from the State General Fund, for commodities. The request is an increase of \$63, or 0.1 percent, above the agency's FY 2017 estimate. The increase is attributable to an additional \$250 being spent on gasoline, offset by a \$187 expenditure reduction for clothes;
- **Capital Outlay.** The agency requests \$50,000, all from the Supervision Fee Fund, for capital outlay. The request does not change from the FY 2017 estimate. The \$50,000 is to acquire and replace ballistic vests, handcuffs, pepper spray, and other equipment for parole staff;
- **Aid to Local Units of Government.** The agency requests \$22.5 million, including \$20.2 million from the State General Fund, for aid to local units

of government. The request is no change from the agency's FY 2017 estimate. These dollars are spent on correctional programs, services, and sanctions that are administered in the community rather than prison; and

- **Other Assistance.** The agency requests \$195,837, including \$54,249 from the State General Fund, for other assistance. The request does not change from the agency's FY 2017 estimate. The State General Fund portion of these funds go to a voucher fund program, which provides support offender reintegration through services such as transportation, temporary rent and utility assistance, costs for assessments, and gap funds for treatment for mental health or substance abuse, and expenditures for other funds are for payments to Ellis County to supervise offenders in Northwest Kansas and reimbursement of supervision fees collected from those offenders.

The **Governor** recommends \$34.1 million, including \$31.0 million from the State General Fund, for the Community Supervision program for FY 2018. This is an all funds decrease of \$807,471, or 2.3 percent, and a State General Fund decrease of \$804,314, or 2.5 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to not fund the \$720,000 enhancement that parole supervisors, parole officers, and special agents can be transferred to KPERS Corrections–Group A, providing the staff with earlier retirement eligibility, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$34.8 million, including \$31.7 million from the State General Fund. The request is an all funds decrease of \$129,011, or 0.4 percent, including a State General Fund decrease of \$129,011, or 0.4 percent, below the FY 2018 request. The request includes an enhancement totaling \$720,000, all from the State General Fund, for increased salaries and wages for corrections officers. The request includes 155.0 FTE positions and 15.0 non-FTE positions, which is no change from the FY 2018 request.

Absent the enhancement, the agency requests FY 2019 operating expenditures of \$34.0 million, including \$30.9 million from the State General Fund. The request is a decrease of \$849,011, or 2.5 percent, below the FY 2018 request, less the enhancements. The major changes for FY 2019 include the following items:

- **Salaries and Wages.** The agency requests \$9.6 million, including \$9.3 million, for salaries and wages. The request is an all funds decrease of \$139,521, all from the State General Fund, or 1.4 percent, below the FY 2018 request. The decrease is primarily attributable to additional shrinkage (\$150,119), offset by a \$10,598 increase in employer contributions to KPERS. The agency's request includes an enhancement of \$720,000, all from the State General Fund, so that parole supervisors, parole officers, and special agents can be transferred to KPERS Corrections–Group A, providing the staff with earlier retirement eligibility. The agency asserts the change would address inequity that currently exists in the benefit package for corrections professionals with comparable work responsibilities and work risk. **Absent the**

enhancement, the agency request is \$8.9 million for salaries and wages;

- **Contractual Services.** The agency requests \$2.3 million for contractual services. The request is an increase of \$10,336, or 0.4 percent, above the agency's FY 2018 request. The increase is attributable to additional expenditures for building rent (\$10,010), car maintenance (\$250), and meals and lodgings (\$76);
- **Commodities.** The agency requests \$74,171, all from the State General Fund for commodities. The request is an increase of \$174, or 0.2 percent, above the agency's FY 2018 request. The increase is attributable to additional gasoline expenses (\$250), offset by a reduction in clothing expenditures (\$76);
- **Capital Outlay.** The agency requests \$50,000, all from the Supervision Fee Fund, for capital outlay. The request is no change from the FY 2018 request. The \$50,000 is to acquire and replace ballistic vests, handcuffs, pepper spray, and other equipment for parole staff;
- **Aid to Local Units of Government.** The agency requests \$22.5 million, including \$20.2 million from the State General Fund, for aid to local units of government. The request does not change from the agency's FY 2018 estimate. These

dollars are spent on correctional programs, services, and sanctions that are administered in the community rather than prison; and

- **Other Assistance.** The agency requests \$195,837, including \$54,249 from the State General Fund, for other assistance. The request is no change from the agency's FY 2018 request. The State General Fund portion of these funds go to a voucher fund program, which provides support offender reintegration through services such as transportation, temporary rent and utility assistance, costs for assessments, and gap funds for treatment for mental health or substance abuse, and expenditures for other funds are for payments to Ellis County to supervise offenders in Northwest Kansas and reimbursement of supervision fees collected from those offenders.

The **Governor** recommends \$34.0 million, including \$30.8 million from the State General Fund, for the Community Supervision program for FY 2019. This is an all funds decrease of \$811,874, or 2.3 percent, and a State General Fund decrease of \$808,557, or 2.6 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to not fund the \$720,000 enhancement that parole supervisors, parole officers, and special agents can be transferred to KPERS Corrections—Group A, providing the staff with earlier retirement eligibility, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

D. Food Services Contract

The Department of Corrections entered into a contract with ARAMARK Correctional Services, Inc., in July 1997. ARAMARK is responsible for all labor, food, supplies, and other materials required for the delivery of food services at all of the correctional facilities with the exception of Larned Correctional Mental Health

Facility. At Larned Correctional Mental Health Facility, ARAMARK is responsible for labor only as the meals are prepared for Larned Correctional Mental Health Facility by Larned State Hospital. The current contract with ARAMARK was renegotiated in 2011 and will run through 2022.

FY 2018 Food Service Contract - Agency Estimate			
Facilities	9,245 ADP x 3 x 365 =	10,123,275 meals x \$1.550/meal	\$ 15,695,126
Larned Correctional Mental Health Facility		365 days x \$600.24/day	219,088
Monitor Meals		36,500 meals x \$1.25/meal	45,625
Equipment Maintenance and Replacement Fund			300,000
TOTAL			\$ 16,259,839

The **agency** requests FY 2018 operating expenditures of \$16.3 million, all from the State General Fund. The request is an increase of \$827,083, or 5.4 percent, above the FY 2017 estimate. The increase is due to a \$396,283 enhancement that reflects a cost per meal increase of 2.0 percent and a higher estimated average daily population. The per-meal rate is included in the table above.

The **Governor** recommends funding the enhancement for \$324,980, all from the General Fee Fund. This is an all funds decrease of \$71,303, or 0.4 percent, and a State General Fund decrease of \$396,283, or 2.4 percent, below the FY 2018 request. The all funds decrease is attributable to lower projected populations than the time the agency request was made and due to budget pressures facing the State General Fund.

FY 2019 Food Service Contract - Agency Estimate			
Facilities	9,171 ADP x 3 x 365 =	10,042,245 meals x \$1.581/meal	\$ 15,880,887
Larned Correctional Mental Health Facility		365 days x \$612.24/day	223,468
Monitor Meals		36,500 meals x \$1.25/meal	45,625
Equipment Maintenance and Replacement Fund			300,000
TOTAL			\$ 16,449,980

The **agency** requests FY 2019 operating expenditures of \$16.4 million, all from the State General Fund. The request is an increase of \$190,141 or 1.2 percent, above the FY 2018 request. The increase is due to a \$586,424 enhancement that reflects a cost per meal increase of 2.0 percent, offset by a lower estimated average daily population (than FY 2018). The per-meal rate is included in the table above.

The **Governor** recommends funding the enhancement for \$676,470, all from the General Fee Fund. The recommendation is an all funds increase of \$90,046, or 0.5 percent, including a State General Fund decrease of \$586,424, or 3.6 percent, from the agency's FY 2019 request. The all funds decrease is attributable to lower projected populations than the time the agency request was made and due to budget pressures facing the State General Fund.

E. Administration

The Administration program includes the activities of the Secretary of Corrections and other administrative and support personnel for the operation of the Department of Corrections and the management and oversight of correctional facilities and programs providing services to inmates, parolees, and other

offenders. The program also includes information systems and communications personnel who are responsible for planning, operation, and support of all technology and telecommunications functions.

ADMINISTRATION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 7,062,982	\$ 7,324,312	\$ 7,305,137	\$ 7,176,177	\$ 7,106,608	\$ 7,064,858	\$ 6,992,059
Contractual Services	5,834,967	4,079,029	4,079,029	5,197,127	4,079,581	4,977,377	4,080,302
Commodities	131,674	119,191	119,191	115,072	115,072	112,736	112,736
Capital Outlay	768,797	0	0	5,220,314	0	5,225,414	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 13,798,420</u>	<u>\$ 11,522,532</u>	<u>\$ 11,503,357</u>	<u>\$ 17,708,690</u>	<u>\$ 11,301,261</u>	<u>\$ 17,380,385</u>	<u>\$ 11,185,097</u>
Aid to Local Units	(4,200)	0	0	0	0	0	0
Other Assistance	113,938	42,222	42,222	0	0	0	0
TOTAL	<u>\$ 13,908,158</u>	<u>\$ 11,564,754</u>	<u>\$ 11,545,579</u>	<u>\$ 17,708,690</u>	<u>\$ 11,301,261</u>	<u>\$ 17,380,385</u>	<u>\$ 11,185,097</u>
Financing:							
State General Fund	\$ 11,107,803	\$ 9,840,747	\$ 9,822,264	\$ 15,556,642	\$ 9,151,727	\$ 15,659,137	\$ 9,466,473
All Other Funds	2,800,355	1,724,007	1,723,315	2,152,048	2,149,534	1,721,248	1,718,624
TOTAL	<u>\$ 13,908,158</u>	<u>\$ 11,564,754</u>	<u>\$ 11,545,579</u>	<u>\$ 17,708,690</u>	<u>\$ 11,301,261</u>	<u>\$ 17,380,385</u>	<u>\$ 11,185,097</u>
FTE Positions	69.0	71.0	71.0	71.0	71.0	71.0	71.0
Non-FTE Uncl.Perm.Pos.	42.0	39.0	39.0	39.0	39.0	39.0	39.0
TOTAL	<u>111.0</u>	<u>110.0</u>	<u>110.0</u>	<u>110.0</u>	<u>110.0</u>	<u>110.0</u>	<u>110.0</u>

The **agency** requests FY 2018 operating expenditures of \$17.7 million, including \$15.6 million from the State General Fund. The request is an all funds increase of \$6.1 million, or 53.1 percent, above the FY 2017 estimate. The request includes enhancements totaling \$6.3 million, all from the State General Fund, for the replacement of three parole officer vehicles (\$54,900), the Office of Information Technology Services (OITS) promoted consolidation of e-mail systems into a statewide cloud-based e-mail system (\$1.1 million), the replacement of the agency's Total Offender Automated Documentation System (TOADS) used to support the supervision responsibilities in Parole Services and Community Corrections (\$2.1 million), the replacement of servers (\$1.2 million), and the replacement of IT equipment (\$1.8 million). The request includes 71.0 FTE positions and 39.0 non-FTE positions, which is unchanged from the FY 2017 estimate.

Absent the enhancement, the agency requests FY 2018 operating expenditures of \$11.4 million, including \$9.2 million from the State General Fund. The request is a decrease of \$193,924, or 1.6 percent, below the FY 2017 estimate. The major changes for FY 2018 include the following items:

- **Salaries and Wages.** The agency requests \$7.2 million, including \$6.9 million from the State General Fund, for salaries and wages. The request is a decrease of \$148,135, or 2.0 percent, including a State General Fund decrease of \$144,026, or 2.0 percent, below the FY 2017 estimate. The all funds decrease is primarily attributable to a \$215,134 reduction in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017, offset by increases for \$94,784 in employer contributions to KPERS and a \$39,866 increase in employer contributions to employee health

insurance. Additionally, the request includes \$518,988 in shrinkage, which is a shrinkage increase of \$69,680, or 15.5 percent, above the FY 2017 estimate. Shrinkage was increased to offset continuing costs in operations and increased information technology costs. This will require the agency to hold open approximately 7.0 positions in the administration sub-program and 3.5 positions open within the information services sub-program;

- **Contractual Services.** The agency requests \$5.2 million, including \$3.3 million from the State General Fund, for contractual services. The request is an increase of \$1.1 million, or 27.4 percent, including a State General Fund increase of \$685,948, or 26.0 percent, above the FY 2017 estimate. The request includes an enhancement of \$1.1 million, all from the State General Fund, to move forward with OITS cloud-based e-mail conversion. **Absent the enhancement**, the agency requests is unchanged from the FY 2017 estimate;
- **Commodities.** The agency requests \$115,072, including \$114,230 from the State General Fund, for commodities. The request is a decrease of \$4,119, or 3.5 percent, below the FY 2017 estimate. The decrease is attributable a \$1,500 reduction in building and groundskeeping materials within the administration sub-program, as well as a \$2,619 reduction in data processing supplies within the information services sub-program;

- **Capital Outlay.** The agency requests \$5.2 million, all from the State General Fund, for capital outlay. The request is an increase of \$5.2 million, or 100.0 percent, above the FY 2017 estimate for the replacement of three parole officer vehicles, the replacement of TOADS, the replacement of servers, and the replacement of IT equipment. **Absent the enhancements**, the request would have no capital outlay expenditures in FY 2018; and
- **Other Assistance.** The agency is not requesting money related for other assistance. The request is a decrease of \$42,222, or 100.0 percent, below the FY 2017 estimate. The decrease is attributable to the Department of Corrections no longer having to expend funds for employee health insurance through the Voluntary Retirement Incentive Program. The program ends after FY 2017.

The **Governor** recommends \$11.3 million, including \$9.2 million from the State General Fund, for the Administration program for FY 2018. This is an all funds decrease of \$6.4 million, or 36.2 percent, and a State General Fund decrease of \$6.4 million, or 41.2 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to not fund the agency's enhancements totaling \$6.3 million, all from the State General Fund, for the replacement of three parole officer vehicles (\$54,900), the OITS promoted consolidation of e-mail systems into a statewide cloud-based e-mail system (\$1.1 million), the replacement of TOADS used to support the supervision responsibilities in Parole Services and Community Corrections (\$2.1 million), the replacement of servers (\$1.2 million), and the replacement of IT equipment (\$1.8 million), as well as the Governor's

recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$17.4 million, including \$15.7 million from the State General Fund. The request is an all funds decrease of \$328,305, or 1.9 percent, below the FY 2018 request, offset by a State General Fund increase of \$102,495, or 0.7 percent, above the FY 2018 request. The all funds decrease is primarily attributable to a reduction of \$219,750 in contractual services and a \$111,319 reduction in salaries and wages. The estimate includes enhancements totaling \$6.0 million, all from the State General Fund, for the replacement of three parole officer vehicles (\$60,000), the OITS promoted consolidation of e-mail systems into a statewide cloud-based e-mail system (\$897,075), the replacement of TOADS used to support the supervision responsibilities in Parole Services and Community Corrections (\$2.1 million), the replacement of servers (\$1.2 million), and the replacement of IT equipment (\$1.8 million). The request includes 71.0 FTE positions and 39.0 non-FTE positions, which is unchanged from the FY 2018 request. **Absent the enhancement**, the agency requests FY 2019 operating expenditures of \$11.4 million, including \$9.5 million from the State General Fund. The request is a decrease of \$112,934, or 1.0 percent, below the FY 2018 request, less the enhancements. The major changes for FY 2019 include the following items:

- **Salaries and Wages.** The agency requests \$7.1 million, including \$6.8 million from the State General Fund, for salaries and wages. The request is a decrease of \$111,319, all from the State General Fund, or 1.6 percent, below the FY 2018 request. The decrease is primarily attributable to a \$119,313 increase in shrinkage, offset by a \$7,877 increase in employer

contribution to KPERS. In total, the request includes \$638,301 in shrinkage. The agency states that shrinkage was increased to offset continuing costs in operations, to offset increased information technology costs, and to offset increases in health insurance and increased KPERS rates. This will require the agency to hold open approximately 7.0 positions in the administration sub-program and 4.5 positions open within the information services sub-program;

- **Contractual Services.** The agency requests \$5.0 million, including \$3.5 million from the State General Fund, for contractual services. The request is an all funds decrease of \$219,750, or 4.2 percent, including a State General Fund increase of \$211,050, or 6.3 percent, from the FY 2018 estimate. The all funds decrease is attributable to a larger enhancement request during FY 2018. The FY 2019 request includes an enhancement of \$897,075, all from the State General Fund, for annual costs associated with the licensing, OITS staffing, hardware, and overhead related to the Department of Corrections remaining in the statewide cloud-based e-mail system. **Absent the enhancement**, the agency request is \$4.1 million for contractual services;
- **Commodities.** The agency requests \$112,736 in commodities, including \$111,894 from the State General Fund, for commodities. The request is a decrease of \$2,336, or 2.0 percent, below the FY 2018 request. The decrease is attributable to

DOC reducing its expenditures for maintenance supplies, IT supplies, and building and grounds materials; and

- **Capital Outlay.** The agency requests \$5.3 million, all from the State General Fund, for capital outlay. The request is an increase of \$5,100, or 0.1 percent, above the FY 2018 request because the agency is asking for an additional money to replace three parole officer vehicles. The request includes four enhancements for the replacement of three parole officer vehicles, the replacement of TOADS, the replacement of servers, and the replacement of IT equipment. **Absent the enhancements**, the agency would have no capital outlay expenditures in FY 2019.

The **Governor** recommends \$11.2 million, including \$9.5 million from the State General Fund, for the Administration program for FY 2019. This is an all funds decrease of \$6.2 million, or 35.6 percent, and a State General Fund decrease of \$6.2 million, or 39.5 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to not fund the agency's enhancements totaling \$6.0 million, all from the State General Fund, for the replacement of three parole officer vehicles (\$60,000), the OITS promoted consolidation of e-mail systems into a statewide cloud-based e-mail system (\$897,075), the replacement of TOADS used to support the supervision responsibilities in Parole Services and Community Corrections (\$2.1 million), the replacement of servers (\$1.2 million), and the replacement of IT equipment (\$1.8 million), as well as the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

F. Offender Programs

Offender programs provide direct program services to inmates and parolees. The agency bases its plan of treatment and programs on what is termed the evidence-based research literature, which identifies basic principles for guiding effective correctional programs and practice. As a result, the agency strives to provide the following services and programs to as many offenders as is financially possible, if those offenders are identified as capable of benefiting from the services or programs based on these guiding principles: (1) special, vocational, and academic education; (2) substance abuse treatment for

incarcerated offenders; (3) community-based resources to assist offenders when they transition back into the community (Community Based Intermediate Treatment, Outpatient Treatment, and Community Residential Beds); (4) sex offender treatment services; and (5) other programs. Starting in FY 2016, the Department of Corrections has combined the Re-Entry Services program with the offender programs. Due to the similar goals of both programs, the agency sought more efficient budgeting, tracking, and reporting of expenditures related to the successful reintegration of offenders into society.

OFFENDER PROGRAMS							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 4,597,390	\$ 4,328,897	\$ 4,317,533	\$ 4,328,152	\$ 4,286,300	\$ 4,372,861	\$ 4,327,752
Contractual Services	7,563,467	7,671,112	7,671,112	7,671,112	7,671,112	7,670,672	7,670,672
Commodities	22,740	15,773	15,773	19,363	19,363	18,886	18,886
Capital Outlay	768	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 12,184,365</u>	<u>\$ 12,015,782</u>	<u>\$ 12,004,418</u>	<u>\$ 12,018,627</u>	<u>\$ 11,976,775</u>	<u>\$ 12,062,419</u>	<u>\$ 12,017,310</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	43,908	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL	<u>\$ 12,228,273</u>	<u>\$ 12,065,782</u>	<u>\$ 12,054,418</u>	<u>\$ 12,068,627</u>	<u>\$ 12,026,775</u>	<u>\$ 12,112,419</u>	<u>\$ 12,067,310</u>
Financing:							
State General Fund	\$ 7,512,284	\$ 7,167,621	\$ 7,156,257	\$ 7,170,466	\$ 6,039,369	\$ 7,214,258	\$ 6,079,904
All Other Funds	4,715,989	4,898,161	4,898,161	4,898,161	5,987,406	4,898,161	5,987,406
TOTAL	<u>\$ 12,228,273</u>	<u>\$ 12,065,782</u>	<u>\$ 12,054,418</u>	<u>\$ 12,068,627</u>	<u>\$ 12,026,775</u>	<u>\$ 12,112,419</u>	<u>\$ 12,067,310</u>
FTE Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Non-FTE Uncl.Perm.Pos.	83.0	81.0	81.0	81.0	81.0	81.0	81.0
TOTAL	<u>85.0</u>	<u>83.0</u>	<u>83.0</u>	<u>83.0</u>	<u>83.0</u>	<u>83.0</u>	<u>83.0</u>

The **agency** requests FY 2018 operating expenditures of \$12.1 million, including \$7.2 million from the State General Fund. The request is an increase of \$2,845, or less than 0.1 percent, above the FY 2017 estimate. The increase is primarily due to a \$40,754 reduction in shrinkage and a \$3,590 increase in commodities, offset by a \$41,499 reduction in salaries and wages. The request includes 2.0 FTE positions and 81.0 non-FTE positions, the same as the FY 2017 estimate. The major changes for FY 2018 include the following items:

- **Salaries and Wages.** The agency requests \$4.3 million, all from the State General Fund, for salaries and wages. The request is a decrease of \$745, or less than 0.1 percent, below the FY 2017 estimate. The decrease is primarily attributable to a \$134,907 reduction in expenditures for salaries and wages caused by the one-time 27th payroll period in FY 2017, offset by a \$54,302 increase in employer contributions to KPERS, a \$32,128 increase in employer contributions to employee health insurance, and a \$40,754 reduction in shrinkage. The reduction in shrinkage brings the agency's FY 2018 shrinkage total to \$663,950, 5.8 percent less than the FY 2017 estimate;
- **Contractual Services.** The agency requests \$7.7 million, including \$2.8 million from the State General Fund, for contractual services. The request is unchanged from the FY 2017 estimate. The expenditures are for offenders reintegrating into the community such as transitional housing, mentoring, mental health services, substance abuse treatment, sex offender treatment, education services, and job search assistance,

as well as contracts for staff training and program reviews;

- **Commodities.** The agency requests \$19,363, all from the State General Fund, for commodities. The request is an increase of \$3,590 from the FY 2017 estimate. The increase is attributable to the agency expending \$3,338 on gasoline and an additional \$252 on supplies; and
- **Other Assistance.** The agency requests \$50,000, all from the State General Fund, for other assistance. The request is unchanged from the agency's FY 2017 estimate. The \$50,000 is used on a voucher fund program, which provides support to offenders by allowing them to gain access to transportation, temporary rent, utility assistance, costs for assessments, and gap funds for treatment when an offender cannot otherwise receive mental, medical, or substance abuse treatment.

The **Governor** recommends \$12.0 million, including \$6.0 million from the State General Fund, for the offender programs for FY 2018. This is an all funds decrease of \$41,852, all from the State General Fund, or 0.3 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$12.1 million, including \$7.2 million from the State General Fund. The request is an all funds increase of \$43,792, or 0.4 percent, all from the State General Fund, above the FY 2018

request. The increase is primarily due to increases for salaries and wages, offset by a reduction in contractual services and a reduction in commodities expenditures. The request includes 2.0 FTE positions and 81.0 non-FTE positions, the same as the FY 2018 request. The major changes for FY 2019 include the following items:

- **Salaries and Wages.** The agency requests \$4.4 million, all from the State General Fund, for salaries and wages. The request is an increase of \$44,709. The increase is attributable to a \$4,752 increase in employer contributions to KPERS, a \$702 increase in employer contributions to Corrections KPERS, and a \$39,255 reduction in shrinkage. The reduction in shrinkage brings the agency's FY 2019 shrinkage to \$624,695, or 5.9 percent, below the FY 2018 request;
- **Contractual Services.** The agency requests \$7.7 million, including \$2.8 million from the State General Fund, in contractual services. The request is a decrease of \$440, or less than 0.1 percent, below the FY 2018 request. The decrease is attributable to the agency reducing its expenditures for treatment programs;

- **Commodities.** The agency requests \$18,886, all from the State General Fund, for commodities. The request is a decrease \$447, or 2.5 percent, below the FY 2018 request. The decrease is attributable to agency expending \$443 less on gasoline and \$34 less for supplies; and
- **Other Assistance.** The agency requests \$50,000, all from the State General Fund, for other assistance. The request is unchanged from the agency's FY 2018 request. The \$50,000 is used on a voucher fund program, which provides support to offenders by allowing them to gain access to transportation, temporary rent, utility assistance, costs for assessments, and gap funds for treatment when an offender cannot otherwise receive mental, medical, or substance abuse treatment.

The **Governor** recommends \$12.1 million, including \$6.1 million from the State General Fund, for the offender programs for FY 2019. This is an all funds decrease of \$45,109, all from the State General Fund, or 0.4 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

G. Kansas Correctional Industries

Kansas Correctional Industries (KCI) manufactures a variety of products at correctional facilities using inmate labor. These products are sold to government units or not-for-profit organizations. KCI employs 11.0 percent of the total inmate

population. Approximately 60.0 of sales are with other state agencies, with the balance divided among other eligible organizations.

KANSAS CORRECTIONAL INDUSTRIES SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 3,186,268	\$ 3,320,306	\$ 3,311,698	\$ 3,235,819	\$ 3,204,216	\$ 3,220,309	\$ 3,187,591
Contractual Services	1,240,852	1,401,865	1,401,865	1,434,612	1,434,612	1,314,867	1,314,867
Commodities	4,342,352	4,748,765	4,748,765	5,034,515	5,034,515	5,535,595	5,535,595
Capital Outlay	578,222	967,827	967,827	297,636	297,636	361,000	361,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 9,347,694</i>	<i>\$ 10,438,763</i>	<i>\$ 10,430,155</i>	<i>\$ 10,002,582</i>	<i>\$ 9,970,979</i>	<i>\$ 10,431,771</i>	<i>\$ 10,399,053</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,450	1,569	1,569	0	0	0	0
TOTAL	<u>\$ 9,354,144</u>	<u>\$ 10,440,332</u>	<u>\$ 10,431,724</u>	<u>\$ 10,002,582</u>	<u>\$ 9,970,979</u>	<u>\$ 10,431,771</u>	<u>\$ 10,399,053</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	9,354,144	10,440,332	10,431,724	10,002,582	9,970,979	10,431,771	10,399,053
TOTAL	<u>\$ 9,354,144</u>	<u>\$ 10,440,332</u>	<u>\$ 10,431,724</u>	<u>\$ 10,002,582</u>	<u>\$ 9,970,979</u>	<u>\$ 10,431,771</u>	<u>\$ 10,399,053</u>
FTE Positions	43.0	41.0	41.0	41.0	41.0	41.0	41.0
Non-FTE Uncl.Perm.Pos.	14.0	15.0	15.0	15.0	15.0	15.0	15.0
TOTAL	<u>57.0</u>	<u>56.0</u>	<u>56.0</u>	<u>56.0</u>	<u>56.0</u>	<u>56.0</u>	<u>56.0</u>

The **agency** requests FY 2018 operating expenditures of \$10.0 million, all from special revenue funds. The request is a decrease of \$437,750, or 4.2 percent, below the FY 2017 estimate. The increase is primarily due to a \$670,191 reduction in capital outlay and a \$84,487 reduction in salaries and wages, offset by a \$285,750 increase in commodities and a \$32,747 increase in contractual services. The request includes 41.0 FTE positions and 15.0 non-FTE positions, the same as the FY 2017 estimate. The major changes for FY 2018 include the following items:

- **Salaries and Wages.** The agency requests \$3.2 million for salaries and wages. The request is a decrease of \$84,487, or 2.5 percent, below the FY 2017 estimate. The decrease is primarily attributable to a \$74,979 reduction in expenditures for salaries and wages caused by the one-time 27th payroll period in FY 2017, a \$54,908 reduction in workers' compensation expenditures, and a \$6,377 reduction in contributions to federal entitlements, offset by a \$21,425 increase in employer contributions to Corrections KPERS, a \$20,650 increase in employer contributions to KPERS, and a \$8,342 increase in employer contributions to employee health insurance;
- **Contractual Services.** The agency requests \$1.4 million for contractual services. The request is an increase of \$32,747, or 2.3 percent, above the FY 2017 estimate. The increase is attributable to a \$22,200 increase in fees related to the planting and spraying of crops and a \$15,000 increase in architectural and engineering expenses, offset by a \$9,600 reduction for the repair and servicing of building grounds, a \$1,000 reduction in advertising costs, and a \$1,000 reduction in rental equipment costs;
- **Commodities.** The agency requests \$5.0 million for commodities. The request is an increase of \$285,750, or 6.0 percent, above the FY 2017 estimate. The increase is primarily attributable to a \$267,500 increase for raw materials for its work-site operations;
- **Capital Outlay.** The agency requests \$297,636 for capital outlay. The request is a decrease of \$670,191, or \$69.2 percent, below the FY 2017 estimate. The decrease is attributable to a \$204,165 reduction due to the one-time purchase of a grain storage bin and one-time expenses for the agency's Wild Horse Program in FY 2017, a \$194,105 reduction in expenses for shop and plant maintenance equipment, a \$143,421 reduction in expenditures for one-time purchases of new staff personal computers, global positioning systems for KCI trucks, security cameras for the agency's furniture and metal shops, and IT equipment for division expansion, and a \$102,500 reduction in expenditures for trucks due to the one-time purchase of a box truck at the agency's Hutchinson warehouse and a used pickup for the agency's Wild Horse Program in FY 2017, offset by \$204,165 in expenditures for new grain storage bins, a new hay baler, corral and feeding equipment, and a manure spreader for the Lansing Farm and the Wild Horse Program; and
- **Other Assistance.** The agency requests \$0 for other assistance. The request is a decrease of

\$1,569 from the FY 2017 estimate. The decrease is attributable to the agency ceasing payments related to its Voluntary Retirement Incentive Program.

The **Governor** recommends \$10.0 million, all from the Correctional Industries Fund, for the Kansas Correctional Industries program for FY 2018. This is a decrease of \$31,603, or 0.3 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$10.4 million, all from special revenue funds. The request is an increase of \$429,189, or 4.3 percent, above the FY 2018 request. The increase is primarily due to a \$501,080 increase in commodities and a \$63,364 increase in capital outlay, offset by a \$119,745 reduction in contractual services and a \$15,510 reduction in salaries and wages. The request includes 41.0 FTE positions and 15.0 non-FTE positions, the same as the FY 2018 request. The major changes for FY 2019 include the following items:

- **Salaries and Wages.** The agency requests \$3.2 million for salaries and wages. The request is a decrease of \$15,510, or 0.5 percent, below the FY 2018 request. The decrease is primarily attributable to a \$32,761 reduction in unclassified regular salaries, a \$22,099 reduction in workers' compensation, a \$15,508 decrease in employer contributions to Medicare, and a \$5,391 reduction in employer contributions to Corrections KPERs, offset by a \$41,570 increase

in unclassified temporary wages and a \$15,393 increase in employer contributions to social security;

- **Contractual Services.** The agency requests \$1.3 million for contractual services. The request is a decrease of \$119,745, or 8.3 percent, below the FY 2018 request. The decrease is primarily attributable a \$150,000 reduction in expenditures to architects and engineers for services rendered, offset by a \$22,150 increase in fees for planting and spraying crops;
- **Commodities.** The agency requests \$5.5 million for commodities. The request is an increase in \$501,080, or 10.0 percent, above the FY 2018 request. The increase is primarily attributable to a \$465,000 increase for raw materials for its work-site operations; and
- **Capital Outlay.** The agency requests \$361,000 for capital outlay. The request is an increase of \$63,364, or 21.3 percent, above the FY 2018 request. The increase is primarily attributable to the agency expending \$125,000 a planter, offset by a \$39,636 reduction in shop maintenance expenses and a \$22,500 reduction due to the one-time purchase of a truck in FY 2018.

The **Governor** recommends \$10.4 million, all from the Correctional Industries Fund, for the Kansas Correctional Industries program for FY 2019. This is a decrease of \$32,718, or 0.3 percent, below the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

H. Debt Service

The Department of Corrections is responsible for managing the construction and financing of facilities' structures throughout the state correctional system. The interest payments on the

system's debt is funded under the Department's operations budget.

DEBT SERVICE							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	<u>1,925,260</u>	<u>865,462</u>	<u>863,162</u>	<u>656,212</u>	<u>656,212</u>	<u>437,306</u>	<u>437,306</u>
<i>Subtotal - Operations</i>	<i>\$ 1,925,260</i>	<i>\$ 865,462</i>	<i>\$ 863,162</i>	<i>\$ 656,212</i>	<i>\$ 656,212</i>	<i>\$ 437,306</i>	<i>\$ 437,306</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,925,260</u>	<u>\$ 865,462</u>	<u>\$ 863,162</u>	<u>\$ 656,212</u>	<u>\$ 656,212</u>	<u>\$ 437,306</u>	<u>\$ 437,306</u>
Financing:							
State General Fund	\$ 183,039	\$ 146,862	\$ 146,862	\$ 106,812	\$ 106,812	\$ 65,556	\$ 65,556
All Other Funds	<u>1,742,221</u>	<u>718,600</u>	<u>716,300</u>	<u>549,400</u>	<u>549,400</u>	<u>371,750</u>	<u>371,750</u>
TOTAL	<u>\$ 1,925,260</u>	<u>\$ 865,462</u>	<u>\$ 863,162</u>	<u>\$ 656,212</u>	<u>\$ 656,212</u>	<u>\$ 437,306</u>	<u>\$ 437,306</u>
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl.Perm.Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

The **agency** requests FY 2018 operating expenditures of \$656,212, including \$106,812 from the State General Fund.

This is a decrease of \$209,250, or 24.2 percent, below the FY

2017 estimate. The interest payments are in accordance with established schedules and cover three different bonds.

The **Governor** concurs with the agency's request for the Debt Service program for FY 2018.

The **agency** requests FY 2019 operating expenditures of \$437,306, including \$65,556 from the State General Fund. This is a decrease of \$218,906, or 33.4 percent, below the FY 2018 request. The interest payments are in accordance with established schedules and cover three different bonds.

The **Governor** concurs with the agency's request for the Debt Service program for FY 2019.

I. Victim Services

The Victim Services program provides services to victims of crimes and inmates in DOC. These services include notification of changes in offender status, apology repository, public comment session advocacy, tours, victim/offender dialogue,

visitation screenings, cease correspondence orders, safety planning/family reintegration, parole violation hearings, and victim impact classes.

VICTIM SERVICES							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 687,976	\$ 857,078	\$ 855,177	\$ 843,762	\$ 836,847	\$ 838,762	\$ 831,427
Contractual Services	22,202	63,962	63,962	63,565	63,565	62,879	62,879
Commodities	7,577	19,931	19,931	44,004	44,004	49,859	49,859
Capital Outlay	5,409	122,674	122,674	4,459	4,459	4,459	4,459
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 723,164</i>	<i>\$ 1,063,645</i>	<i>\$ 1,061,744</i>	<i>\$ 955,790</i>	<i>\$ 948,875</i>	<i>\$ 955,959</i>	<i>\$ 948,624</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	11,782	0	0	0	0	0	0
TOTAL	\$ 734,946	\$ 1,063,645	\$ 1,061,744	\$ 955,790	\$ 948,875	\$ 955,959	\$ 948,624
Financing:							
State General Fund	\$ 357,035	\$ 360,211	\$ 359,429	\$ 354,218	\$ 351,363	\$ 349,118	\$ 346,088
All Other Funds	377,911	703,434	702,315	601,572	597,512	606,841	602,536
TOTAL	\$ 734,946	\$ 1,063,645	\$ 1,061,744	\$ 955,790	\$ 948,875	\$ 955,959	\$ 948,624
FTE Positions	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Non-FTE Uncl.Perm.Pos.	12.0	15.0	15.0	15.0	15.0	15.0	15.0
TOTAL	12.0	16.0	16.0	16.0	16.0	16.0	16.0

The **agency** requests FY 2018 operating expenditures of \$955,790, including \$354,218 from the State General Fund. The request is a decrease of \$107,855, or 10.1 percent, below the FY 2017 estimate. The decrease is primarily attributable to a \$118,215 reduction in capital outlay expenditures and a \$13,316 reduction in salaries and wages, offset by a \$24,073 increase in commodities. The request includes 1.0 FTE position and 15.0 non-FTE positions, the same as the FY 2017 estimate. The major changes for FY 2018 include the following items:

- **Salaries and Wages.** The agency requests \$843,762, including \$333,398 from the State General Fund, for salaries and wages. The request is a decrease of \$13,316, or 1.6 percent, below the FY 2017 request. The decrease is primarily attributable to a \$24,311 reduction in expenditures for salaries and wages caused by the one-time 27th payroll period in FY 2017, offset by a \$9,192 increase in employer contributions to KPERS and a \$5,330 increase in employer contributions to employee health insurance. Additionally, the request includes \$25,095 in shrinkage, which is a shrinkage increase of \$3,408, or 15.7 percent, above the FY 2017 estimate. The shrinkage rate was increased to 7.0 percent, which means a position will be held open to stay within budget constraints;
- **Contractual Services.** The agency requests \$63,565, including \$16,840 from the State General Fund, for contractual services. The request is a decrease of \$397, or 0.6 percent, below the FY 2017 estimate. The decrease is attributable to reductions in meal and lodging expenditures;

- **Commodities.** The agency requests \$44,004, including \$3,980 from the State General Fund, for commodities. The request is an increase of \$24,073, or 120.8 percent, above the FY 2017 request. The increase is primarily attributable to a \$23,861 increase in gasoline expenditures; and
- **Capital Outlay.** The agency requests \$4,459, all from special revenue funds, for capital outlay. The request is a decrease of \$118,215, or 96.4 percent, below the FY 2017 request. The decrease is attributable to the agency purchasing microcomputer equipment in FY 2017.

The **Governor** recommends \$948,875, including \$351,363 from the State General Fund, for the Victim Services program for FY 2018. This is an all funds decrease of \$6,915, or 0.7 percent, and a State General Fund decrease of \$2,855, or 0.8 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$955,959, including \$349,118 from the State General Fund. The request is an increase of \$169, or less than 0.1 percent, above the FY 2018 request. The increase is primarily due to a \$5,855 increase in commodities, offset by a \$5,000 reduction in salaries and wages and a \$686 reduction in contractual services. The request includes 1.0 FTE position and 15.0 non-FTE positions, the same as the FY 2018 request. The major changes for FY 2019 include the following items:

- **Salaries and Wages.** The agency requests \$838,762, including \$328,398 from the State

General Fund, for salaries and wages. The request is a decrease of \$5,000, or 0.6 percent, below the FY 2018 request. The decrease is primarily attributable to increased shrinkage, offset by an \$805 increase in employer contributions to KPERS. Additionally, the request includes \$30,900 in shrinkage, which is a shrinkage increase of \$5,805, or 23.1 percent, above the FY 2018 request. The shrinkage rate was increased to 9.1 percent, which means a position will be held open to stay within budget constraints;

- **Contractual Services.** The agency requests \$62,879, including \$16,840 from the State General Fund, for contractual services. The request is a decrease of \$686, or 1.1 percent, below the FY 2018 request. The decrease is attributable to reductions in meal and lodging expenditures;

- **Commodities.** The agency requests \$49,859, including \$3,880 from the State General Fund, for commodities. The request is an increase of \$5,855, or 13.3 percent, above the FY 2018 request. The increase is attributable to a \$5,955 increase in gasoline expenditures, offset by a \$100 reduction in work supplies; and
- **Capital Outlay.** The agency requests \$4,459, all from special revenue funds, for capital outlay. The request is unchanged from the FY 2018 request. The expenditures are for computer equipment.

The **Governor** recommends \$948,624, including \$346,088 from the State General Fund, for the Victim Services program for FY 2019. This is an all funds decrease of \$7,335, or 0.8 percent, and a State General Fund decrease of \$3,030, or 0.9 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

J. Prisoner Review Board

The Prisoner Review Board was created in 2011 through Executive Order No. 34, which abolished the Parole Board and transferred its duties and powers to the Prisoner Review Board. The Board consists of three members who conduct parole suitability hearings, final violation hearings and revocation

consideration, public comment sessions, and other duties. The Chairperson is a full-time employee while the two other members served part-time on the Board while performing other duties within the agency until April 15, 2012. All three members are now full-time employees.

PRISONER REVIEW BOARD							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 399,426	\$ 416,842	\$ 415,702	\$ 409,731	\$ 405,596	\$ 404,880	\$ 400,521
Contractual Services	16,776	13,500	13,500	13,500	13,500	13,500	13,500
Commodities	2,157	1,500	1,500	1,500	1,500	1,438	1,438
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 418,359</u>	<u>\$ 431,842</u>	<u>\$ 430,702</u>	<u>\$ 424,731</u>	<u>\$ 420,596</u>	<u>\$ 419,818</u>	<u>\$ 415,459</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 418,359</u>	<u>\$ 431,842</u>	<u>\$ 430,702</u>	<u>\$ 424,731</u>	<u>\$ 420,596</u>	<u>\$ 419,818</u>	<u>\$ 415,459</u>
Financing:							
State General Fund	\$ 325,155	\$ 329,228	\$ 328,356	\$ 323,192	\$ 320,026	\$ 318,278	\$ 314,940
All Other Funds	93,204	102,614	102,346	101,539	100,570	101,540	100,519
TOTAL	<u>\$ 418,359</u>	<u>\$ 431,842</u>	<u>\$ 430,702</u>	<u>\$ 424,731</u>	<u>\$ 420,596</u>	<u>\$ 419,818</u>	<u>\$ 415,459</u>
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Non-FTE Uncl.Perm.Pos.	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>

The **agency** requests FY 2018 operating expenditures of \$424,731, including \$323,192 from the State General Fund. The request is a decrease of \$7,111, or 1.6 percent, below the FY 2017 estimate. The decrease is primarily attributable to a reduction in salaries and wages expenditures. The request includes 3.0 FTE positions and 3.0 non-FTE positions, the same as the FY 2017 estimate. The major changes for FY 2018 include the following items:

- **Salaries and Wages.** The agency requests \$409,731, including \$308,192 from the State General Fund. The request is a decrease of \$7,111, or 1.7 percent, below the FY 2017 estimate. The decrease is primarily attributable to a \$12,146 reduction in expenditures for salaries and wages caused by the one-time 27th payroll period in FY 2017, offset by a \$5,685 increase in employer contributions to KPERS and a \$2,072 increase in employer contributions to employee health insurance. Additionally, the request includes \$23,197 in shrinkage, which is a shrinkage increase of \$3,140, or 15.7 percent, above the FY 2017 estimate;
- **Contractual Services.** The agency requests \$13,500, all from the State General Fund, for contractual services. The request is unchanged from the FY 2017 estimate. The request is for travel, training, and miscellaneous operating costs associated with the execution of Board duties; and
- **Commodities.** The agency requests \$1,500, all from the State General Fund, for commodities. The request is unchanged from the FY 2017

request. The request is for fuel and miscellaneous supplies.

The **Governor** recommends \$420,596, including \$320,026 from the State General Fund, for the Prisoner Review Board program for FY 2018. This is an all funds decrease of \$4,135, or 1.0 percent, and a State General Fund decrease of \$3,166, or 1.0 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$419,818, including \$318,278 from the State General Fund. The request is a decrease of \$4,913, or 1.2 percent, below the FY 2018 request. The decrease is due to a \$4,851 decrease in salaries and wages and a \$62 decrease in commodities. The request includes 3.0 FTE positions and 3.0 non-FTE positions, the same as the FY 2018 request. The major changes for FY 2019 include the following items:

- **Salaries and Wages.** The agency requests \$404,880, including \$303,340 from the State General Fund, for salaries and wages. The request is a decrease of \$4,851, or 1.2 percent, below the FY 2018 request. The decrease is attributable to shrinkage, offset by a \$494 increase in employer contributions to KPERS. The request includes \$28,542 in shrinkage, which is a shrinkage increase of \$5,345, or 23.0 percent, above the FY 2018 request;
- **Contractual Services.** The agency requests \$13,500, all from the State General Fund, for contractual services. The request is unchanged

from the FY 2018 request. The request is for travel, training, and miscellaneous operating costs associated with the execution of Board duties; and

- **Commodities.** The agency requests \$1,438, all from the State General Fund, for commodities. The request is a decrease of \$62 from the FY

2018 request. The decrease is attributable to lower gasoline expenditures.

The **Governor** recommends \$415,459, including \$314,940 from the State General Fund, for the Prisoner Review Board program for FY 2019. This is an all funds decrease of \$4,359, or 1.0 percent, and a State General Fund decrease of \$3,338, or 1.0 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

Department of Corrections, Correctional Facilities

The following portion of this budget analysis only describes the ***Department of Corrections, Correctional Facilities*** (emphasis added). This section will include two summary operating budget tables, treating each facility as though it were a program, followed by analysis of each corrections facility. The

section includes programs designated as K through T. These sections will not detail specific capital improvement projects at these facilities. For information specific to capital improvements, turn to page 88.

Summary of Facilities' Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Lansing CF	\$ 40,037,308	\$ 41,440,910	\$ 41,674,752	\$ 233,842	0.6 %	\$ 41,350,833	\$ 40,301,047	\$ (1,049,786)	(2.5)%
Hutchinson CF	30,426,924	31,439,257	31,041,168	(398,089)	(1.3)	31,374,043	30,553,733	(820,310)	(2.6)
El Dorado CF	27,709,091	28,616,410	28,343,278	(273,132)	(1.0)	28,553,715	27,857,743	(695,972)	(2.4)
Norton CF	15,157,547	15,880,011	15,842,737	(37,274)	(0.2)	15,844,621	15,412,502	(432,119)	(2.7)
Topeka CF	14,784,982	15,318,509	16,527,975	1,209,466	7.9	15,283,632	15,056,511	(227,121)	(1.5)
Kansas Juvenile CC	14,770,887	15,236,446	23,329,944	8,093,498	53.1	16,418,513	23,172,507	6,753,994	41.1
Ellsworth CF	14,099,673	14,512,524	14,375,694	(136,830)	(0.9)	14,481,488	14,211,421	(270,067)	(1.9)
Winfield CF	12,965,559	13,755,394	13,427,327	(328,067)	(2.4)	13,355,872	13,037,196	(318,676)	(2.4)
Larned CMHF	10,400,535	10,722,082	10,771,252	49,170	0.5	10,697,317	10,457,089	(240,228)	(2.2)
Larned Juvenile CF	8,226,457	8,570,599	0	(8,570,599)	(100.0)	7,117,624	0	(7,117,624)	(100.0)
TOTAL	\$ 188,578,963	\$ 195,492,142	\$ 195,334,127	\$ (158,015)	(0.1)%	\$ 194,477,658	\$ 190,059,749	\$ (4,417,909)	(2.3)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 157,289,595	\$ 164,064,459	\$ 163,351,007	\$ (713,452)	(0.4)%	\$ 163,647,445	\$ 160,365,229	\$ (3,282,216)	(2.0)%
Contractual Services	18,920,646	20,629,128	20,163,822	(465,306)	(2.3)	20,247,328	20,000,018	(247,310)	(1.2)
Commodities	9,908,625	10,122,103	9,751,040	(371,063)	(3.7)	10,122,103	9,439,785	(682,318)	(6.7)
Capital Outlay	2,365,673	649,852	2,067,358	1,417,506	218.1	434,182	253,817	(180,365)	(41.5)
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 188,484,539	\$ 195,465,542	\$ 195,333,227	\$ (132,315)	(0.1)%	\$ 194,451,058	\$ 190,058,849	\$ (4,392,209)	(2.3)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	94,424	26,600	900	(25,700)	(96.6)	26,600	900	(25,700)	(96.6)
TOTAL	\$ 188,578,963	\$ 195,492,142	\$ 195,334,127	\$ (158,015)	(0.1)%	\$ 194,477,658	\$ 190,059,749	\$ (4,417,909)	(2.3)%
Financing:									
State General Fund	\$ 186,925,662	\$ 193,526,546	\$ 193,406,231	\$ (120,315)	(0.1)%	\$ 192,514,460	\$ 188,140,614	\$ (4,373,846)	(2.3)%
Federal Funds	581,566	723,822	600,689	(123,133)	(17.0)	723,447	599,315	(124,132)	(17.2)
All Other Funds	1,071,735	1,241,774	1,327,207	85,433	6.9	1,239,751	1,319,820	80,069	6.5
TOTAL	\$ 188,578,963	\$ 195,492,142	\$ 195,334,127	\$ (158,015)	(0.1)%	\$ 194,477,658	\$ 190,059,749	\$ (4,417,909)	(2.3)%

Summary of Facilities' Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Lansing CF	\$ 41,674,752	\$ 41,843,581	\$ 168,829	0.4 %	\$ 40,301,047	\$ 40,565,220	\$ 264,173	0.7 %
Hutchinson CF	31,041,168	31,277,914	236,746	0.8	30,553,733	30,746,983	193,250	0.6
El Dorado CF	28,343,278	28,571,368	228,090	0.8	27,857,743	28,056,534	198,791	0.7
Norton CF	15,842,737	15,629,314	(213,423)	(1.3)	15,412,502	15,494,141	81,639	0.5
Topeka CF	16,527,975	16,657,389	129,414	0.8	15,056,511	15,144,845	88,334	0.6
Kansas Juvenile CC	23,329,944	23,482,565	152,621	0.7	23,172,507	23,300,802	128,295	0.6
Ellsworth CF	14,375,694	14,471,754	96,060	0.7	14,211,421	14,298,396	86,975	0.6
Winfield CF	13,427,327	13,520,570	93,243	0.7	13,037,196	13,121,828	84,632	0.6
Larned Correctional MHF	10,771,252	10,763,176	(8,076)	(0.1)	10,457,089	10,529,024	71,935	0.7
Larned Juvenile CF	0	0	0	--	0	0	0	--
TOTAL	\$ 195,334,127	\$ 196,217,631	\$ 883,504	0.5 %	\$ 190,059,749	\$ 191,257,773	\$ 1,198,024	0.6 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 163,351,007	\$ 165,017,606	\$ 1,666,599	1.0 %	\$ 160,365,229	\$ 161,821,674	\$ 1,456,445	0.9 %
Contractual Services	20,163,822	20,334,382	170,560	0.8	20,000,018	20,162,388	162,370	0.8
Commodities	9,751,040	9,377,841	(373,199)	(3.8)	9,439,785	9,198,406	(241,379)	(2.6)
Capital Outlay	2,067,358	1,486,902	(580,456)	(28.1)	253,817	74,405	(179,412)	(70.7)
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 195,333,227	\$ 196,216,731	\$ 883,504	0.5 %	\$ 190,058,849	\$ 191,256,873	\$ 1,198,024	0.6 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	900	900	0	0.0	900	900	0	0.0
TOTAL	\$ 195,334,127	\$ 196,217,631	\$ 883,504	0.5 %	\$ 190,059,749	\$ 191,257,773	\$ 1,198,024	0.6 %
Financing:								
State General Fund	\$ 193,406,231	\$ 194,335,896	\$ 929,665	0.5 %	\$ 188,140,614	\$ 189,385,361	\$ 1,244,747	0.7 %
Federal Funds	600,689	1,278,635	677,946	112.9	599,315	601,509	2,194	0.4
All Other Funds	1,327,207	603,100	(724,107)	(54.6)	1,319,820	127,093	(48,917)	(3.7)
TOTAL	\$ 195,334,127	\$ 196,217,631	\$ 883,504	0.5 %	\$ 190,059,749	\$ 191,257,773	\$ 1,198,024	0.6 %

K. Lansing Correctional Facility

Lansing Correctional Facility, authorized by the Kansas Constitution in 1859 as the Kansas State Penitentiary, is the State’s largest facility for the incarceration and rehabilitation of adult male offenders at the minimum-, medium-, and maximum-custody levels. Lansing Correctional Facility is composed of three units with a total capacity of 2,405. The Central Unit has a capacity for 1,038 maximum security inmates inside the walled unit that covers 2,637 acres encompassing the Facility’s Central and East Units. In 1990, the name of the Kansas State Penitentiary was changed to Lansing Correctional Facility. An

additional 743 beds are in the adjacent medium-custody facility. The medium security facility is a pod design rather than the traditional cell house configuration.

The Lansing Correctional Facility complex includes 128 buildings on 2,637 acres of land. The headquarters of Kansas Correctional Industries, as well as many of the Kansas Correctional Industries manufacturing shops, is located on the Lansing Correctional Facility grounds.

LANSING CORRECTIONAL FACILITY							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 33,860,097	\$ 35,461,196	\$ 35,371,119	\$ 34,816,722	\$ 34,217,292	\$ 35,237,106	\$ 34,588,560
Contractual Services	3,476,218	3,985,653	3,985,653	4,088,764	4,088,764	4,189,005	4,189,005
Commodities	2,283,732	1,909,129	1,909,129	2,122,429	1,811,174	1,892,685	1,713,250
Capital Outlay	414,373	84,932	84,932	646,837	183,817	524,785	74,405
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 40,034,420</u>	<u>\$ 41,440,910</u>	<u>\$ 41,350,833</u>	<u>\$ 41,674,752</u>	<u>\$ 40,301,047</u>	<u>\$ 41,843,581</u>	<u>\$ 40,565,220</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	2,888	0	0	0	0	0	0
TOTAL	<u>\$ 40,037,308</u>	<u>\$ 41,440,910</u>	<u>\$ 41,350,833</u>	<u>\$ 41,674,752</u>	<u>\$ 40,301,047</u>	<u>\$ 41,843,581</u>	<u>\$ 40,565,220</u>
Financing:							
State General Fund	\$ 39,687,308	\$ 41,100,910	\$ 41,010,833	\$ 41,354,752	\$ 39,981,047	\$ 41,523,581	\$ 40,245,220
All Other Funds	350,000	340,000	340,000	320,000	320,000	320,000	320,000
TOTAL	<u>\$ 40,037,308</u>	<u>\$ 41,440,910</u>	<u>\$ 41,350,833</u>	<u>\$ 41,674,752</u>	<u>\$ 40,301,047</u>	<u>\$ 41,843,581</u>	<u>\$ 40,565,220</u>
FTE Positions	678.0	682.0	682.0	682.0	682.0	682.0	682.0
Non-FTE Uncl.Perm.Pos.	4.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>682.0</u>	<u>682.0</u>	<u>682.0</u>	<u>682.0</u>	<u>682.0</u>	<u>682.0</u>	<u>682.0</u>

The **agency** requests FY 2018 operating expenditures of \$41.7 million, including \$41.4 million from the State General Fund. The request is an increase of \$233,842 or 0.6 percent, above the FY 2017 estimate. The increase is primarily attributable to the agency's enhancement requests and increases in utilities, offset by reductions in salaries and wages attributable to the 27th payroll period in FY 2017 and reduced shrinkage. The request includes enhancements totaling \$1.0 million, all from the State General Fund, for utility enhancements (\$453,439), the replacement of IT equipment (\$280,500), vehicle replacement (\$169,200), and security equipment (\$144,500). **Absent the enhancements**, the agency requests \$40.6 million, including \$40.3 million from the State General Fund. The request includes 682.0 FTE positions, which is unchanged from the FY 2017 estimate.

The **Governor** recommends \$40.3 million, including \$40.0 million from the State General Fund, for Lansing Correctional Facility for FY 2018. This is a State General Fund decrease of \$1.4 million, or 3.3 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor not recommending the agency's enhancements for utilities, the replacement of its IT equipment, vehicle replacement, and security equipment and the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$41.9 million, including \$41.5 million from the State General Fund. The request is an increase of \$168,829 or 0.4 percent, above the FY 2018 request. The increase is primarily attributable to increased expenditures for salaries and wages due to increased employer contributions to Corrections KPERs and employee health insurance, and also due to increased utility costs, offset by reductions in expenditures for various supplies, clothes, and shop and plant equipment. The request includes enhancements totaling \$903,639, all from the State General Fund, for utility enhancements (\$453,439), the replacement of IT equipment (\$280,500), and vehicle replacement (\$169,700). **Absent the enhancements**, the agency requests \$40.9 million, including \$40.6 million from the State General Fund. The request includes 682.0 FTE positions, which is unchanged from the FY 2018 request.

The **Governor** recommends \$40.6 million, including \$40.2 million from the State General Fund, for Lansing Correctional Facility for FY 2019. This is a State General Fund decrease of \$1.3 million, or 3.1 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$903,639 for utilities, the replacement of IT equipment, and vehicle replacements and the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

L. Hutchinson Correctional Facility

The history of Hutchinson Correctional Facility dates to 1988 when the Kansas Legislature appropriated \$1.0 million for the Kansas State Industrial Reformatory. Modeled after the Elmira Reformatory of New York, the facility's first cell house, Cell House A, was completed in 1898, which contained 200 single occupancy cells, each 40 square feet in size.

Today, Hutchinson Correctional Facility is a 1,768-bed, multi-unit correctional facility housing male inmates at the minimum, medium, and maximum security levels. The Central Unit houses

maximum- and medium-custody inmates in the traditional walled and secure prison environment. The East Unit is a medium-custody, fenced-in facility with several treatment programs, including the Industrial program that provides a number of inmate jobs. The South Unit is a minimum security facility providing community service to the City of Hutchinson and other eligible organizations including several duties for the facility. The purpose of the Work Release Unit, opened in 1972 and contained in the South Unit, is to place inmates in a community job to facilitate their transition from the facility to society.

HUTCHINSON CORRECTIONAL FACILITY							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 25,346,582	\$ 25,861,840	\$ 25,796,626	\$ 25,954,299	\$ 25,712,864	\$ 26,200,022	\$ 25,917,733
Contractual Services	2,570,486	2,987,901	2,987,901	2,691,525	2,691,525	2,691,632	2,691,632
Commodities	2,081,825	2,589,516	2,589,516	2,149,344	2,149,344	2,137,618	2,137,618
Capital Outlay	418,179	0	0	246,000	0	248,642	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 30,417,072</u>	<u>\$ 31,439,257</u>	<u>\$ 31,374,043</u>	<u>\$ 31,041,168</u>	<u>\$ 30,553,733</u>	<u>\$ 31,277,914</u>	<u>\$ 30,746,983</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	9,852	0	0	0	0	0	0
TOTAL	<u>\$ 30,426,924</u>	<u>\$ 31,439,257</u>	<u>\$ 31,374,043</u>	<u>\$ 31,041,168</u>	<u>\$ 30,553,733</u>	<u>\$ 31,277,914</u>	<u>\$ 30,746,983</u>
Financing:							
State General Fund	\$ 30,169,168	\$ 31,255,343	\$ 31,190,552	\$ 30,845,869	\$ 30,360,001	\$ 31,079,348	\$ 30,550,235
All Other Funds	257,756	183,914	183,491	195,299	193,732	198,566	196,748
TOTAL	<u>\$ 30,426,924</u>	<u>\$ 31,439,257</u>	<u>\$ 31,374,043</u>	<u>\$ 31,041,168</u>	<u>\$ 30,553,733</u>	<u>\$ 31,277,914</u>	<u>\$ 30,746,983</u>
FTE Positions	501.0	499.0	499.0	499.0	499.0	499.0	499.0
Non-FTE Uncl.Perm.Pos.	6.0	8.0	8.0	8.0	8.0	8.0	8.0
TOTAL	<u>507.0</u>	<u>507.0</u>	<u>507.0</u>	<u>507.0</u>	<u>507.0</u>	<u>507.0</u>	<u>507.0</u>

The **agency** requests FY 2018 operating expenditures of \$31.0 million, including \$30.9 million from the State General Fund. The request is a decrease of \$398,089, or 1.3 percent, below the FY 2017 estimate. The decrease is primarily attributable to expenditure reductions in commodities for supplies and clothing and for contractual services, including utility reductions and reductions in equipment and building repairs, offset by increases in salaries and wages attributable to reduced shrinkage and employer contributions to Corrections KPERS and by enhancements totaling \$246,000, all from the State General Fund, to replace worn-out trucks (\$131,000) and to obtain information processing equipment (\$115,000). **Absent the enhancements**, the agency requests \$30.8 million, including \$30.6 million from the State General Fund. The request includes 499.0 FTE positions and 8.0 non-FTE positions, which is unchanged from the FY 2017 estimate.

The **Governor** recommends \$30.6 million, including \$30.4 million from the State General Fund, for Hutchinson Correctional Facility for FY 2018. This is an all funds decrease of \$487,435, or 1.6 percent, and a State General Fund decrease of \$485,868, or 1.6 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements for \$246,000 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a

moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$31.3 million, including \$31.1 million from the State General Fund. The request is an increase of \$236,746, or 0.8 percent, above the FY 2018 request. The increase is primarily attributable to increases within salaries and wages due to additional employer contributions to Corrections KPERS, offset by commodities reductions for building and vehicle parts for repairs. The request includes enhancements totaling \$248,642, all from the State General Fund, to replace worn-out trucks (\$70,000), information processing equipment (\$115,000), and new technology equipment (\$63,642). **Absent the enhancements**, the agency requests \$31.0 million, including \$30.8 million from the State General Fund. The request includes 499.0 FTE positions and 8.0 non-FTE positions, which is unchanged from the FY 2018 request.

The **Governor** recommends \$30.7 million, including \$30.6 million from the State General Fund, for Hutchinson Correctional Facility for FY 2019. This is an all funds decrease of \$530,931, or 1.7 percent, and a State General Fund decrease of \$529,113, or 1.7 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements for \$248,642 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

M. El Dorado Correctional Facility

The 1989 Legislature authorized the construction of the El Dorado Correctional Facility at a cost of \$58.0 million. Initially built with a capacity of 640 beds, a multi-housing dormitory was added in 1995 and two additional cell houses were added in 2001 at a cost of \$17.5 million, bringing the capacity at the Central Unit to 1,365 inmates.

El Dorado Correctional Facility houses special management and maximum-, medium-, and minimum-custody inmates. Two of the Central Unit's five cell houses are designated for long-term involuntary segregation inmates in single cells. For security and control reasons, these inmates cannot be maintained in general population status at any other correctional facility. A third Central Unit cell house is available as needed for segregation purposes and an Intensive Management Unit (IMU) was added in January 2003. The addition divides the cell

house's inmate capacity equally between segregation inmates and IMU inmates. The other two Central Unit cell houses provide medium-custody beds.

The Reception and Diagnostic Unit (RDU) became the State's central intake point for all male offenders committed to the custody of the Secretary of Corrections. Inmates are classified at the maximum-custody level until they are processed, evaluated, classified, and designated to be delivered to one of the State's correctional facilities. The transfer of the RDU center from the Topeka Correctional Facility began in 1998 when the Legislature appropriated funds to plan construction of two new housing units and the RDU transfer. The effort continued until 2002 when full-year RDU funding was placed in the El Dorado Correctional Facility budget.

**EL DORADO CORRECTIONAL FACILITY
SUMMARY OF EXPENDITURES FY 2016 – 2019**

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 23,484,194	\$ 24,053,454	\$ 23,990,759	\$ 23,966,853	\$ 23,736,418	\$ 24,306,178	\$ 24,057,444
Contractual Services	2,449,115	2,552,031	2,552,031	2,526,357	2,526,357	2,518,570	2,518,570
Commodities	1,514,385	1,660,107	1,660,107	1,594,968	1,594,968	1,480,520	1,480,520
Capital Outlay	254,091	349,250	349,250	255,100	0	266,100	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 27,701,785</u>	<u>\$ 28,614,842</u>	<u>\$ 28,552,147</u>	<u>\$ 28,343,278</u>	<u>\$ 27,857,743</u>	<u>\$ 28,571,368</u>	<u>\$ 28,056,534</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	7,306	1,568	1,568	0	0	0	0
TOTAL	<u>\$ 27,709,091</u>	<u>\$ 28,616,410</u>	<u>\$ 28,553,715</u>	<u>\$ 28,343,278</u>	<u>\$ 27,857,743</u>	<u>\$ 28,571,368</u>	<u>\$ 28,056,534</u>
Financing:							
State General Fund	\$ 27,652,524	\$ 28,595,810	\$ 28,533,115	\$ 28,323,278	\$ 27,837,743	\$ 28,551,368	\$ 28,036,534
All Other Funds	56,567	20,600	20,600	20,000	20,000	20,000	20,000
TOTAL	<u>\$ 27,709,091</u>	<u>\$ 28,616,410</u>	<u>\$ 28,553,715</u>	<u>\$ 28,343,278</u>	<u>\$ 27,857,743</u>	<u>\$ 28,571,368</u>	<u>\$ 28,056,534</u>
FTE Positions	480.0	481.0	481.0	481.0	481.0	481.0	481.0
Non-FTE Uncl.Perm.Pos.	5.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	<u>485.0</u>	<u>485.0</u>	<u>485.0</u>	<u>485.0</u>	<u>485.0</u>	<u>485.0</u>	<u>485.0</u>

The **agency** requests FY 2018 operating expenditures of \$28.3 million, including \$28.3 million from the State General Fund. The request is a decrease of \$273,132, or 1.0 percent, below the FY 2017 estimate. The decrease is primarily attributable to reductions in salaries and wages attributable to the 27th payroll period in FY 2017, a reduction of capital outlay expenditures due to the purchase of cleaning equipment in FY 2017, and smaller reductions in all other expenditure categories, offset by enhancements totaling \$255,100, all from the State General Fund, for three passenger cars (\$70,500), new radio equipment (\$40,100), and technology equipment (\$144,500). **Absent the enhancements**, the agency requests \$28.1 million, including \$28.1 million from the State General Fund. The

request includes 481.0 FTE positions and 4.0 non-FTE positions, which is unchanged from the FY 2017 estimate.

The **Governor** recommends \$27.9 million, including \$27.8 million from the State General Fund, for El Dorado Correctional Facility for FY 2018. This is a State General Fund decrease of \$485,535, or 1.7 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$255,100 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$28.6 million, including \$28.6 million from the State General Fund. The request is an increase of \$228,090, or 0.8 percent, above the FY 2018 request. The increase is primarily attributable to increased expenditures for salaries and wages and capital outlay, offset by decreases in expenditures for work supplies and contractual services. The request includes enhancements totaling \$266,100, all from the State General Fund, for new passenger cars and trucks (\$74,500), new radio equipment (\$40,100), and new technology equipment (\$151,500). **Absent the enhancements**, the agency requests \$28.3 million, including \$28.3 million from the State General

Fund. The request includes 481.0 FTE positions and 4.0 non-FTE positions, which is unchanged from the FY 2018 request.

The **Governor** recommends \$28.1 million, including \$28.0 million from the State General Fund, for El Dorado Correctional Facility for FY 2019. This is a State General Fund decrease of \$514,834, or 1.8 percent, below the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$266,100 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

N. Norton Correctional Facility

Norton Correctional Facility opened in 1987. Norton Correctional Facility includes a 707-bed facility that houses male offenders and occupies the buildings of the former Norton State Hospital and a 112-bed Stockton facility that was converted from a farm implement dealership building. In FY 2004, Stockton

added 16 beds, raising its capacity to 128. Norton Correctional Facility currently has 537 medium and 296 minimum-security beds for a total capacity of 835. Kansas Correctional Industries (KCI) maintains its microfilming operation at Norton Correctional Facility and employs inmate labor.

NORTON CORRECTIONAL FACILITY SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 13,065,245	\$ 13,845,794	\$ 13,810,404	\$ 13,464,364	\$ 13,336,729	\$ 13,547,150	\$ 13,411,977
Contractual Services	1,053,927	1,266,352	1,266,352	1,306,182	1,306,182	1,294,617	1,294,617
Commodities	732,043	761,591	761,591	769,591	769,591	787,547	787,547
Capital Outlay	299,590	0	0	302,600	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 15,150,805</u>	<u>\$ 15,873,737</u>	<u>\$ 15,838,347</u>	<u>\$ 15,842,737</u>	<u>\$ 15,412,502</u>	<u>\$ 15,629,314</u>	<u>\$ 15,494,141</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,742	6,274	6,274	0	0	0	0
TOTAL	<u>\$ 15,157,547</u>	<u>\$ 15,880,011</u>	<u>\$ 15,844,621</u>	<u>\$ 15,842,737</u>	<u>\$ 15,412,502</u>	<u>\$ 15,629,314</u>	<u>\$ 15,494,141</u>
Financing:							
State General Fund	\$ 15,148,301	\$ 15,718,717	\$ 15,683,709	\$ 15,681,901	\$ 15,253,051	\$ 15,506,315	\$ 15,372,218
All Other Funds	9,246	161,294	160,912	160,836	159,451	122,999	121,923
TOTAL	<u>\$ 15,157,547</u>	<u>\$ 15,880,011</u>	<u>\$ 15,844,621</u>	<u>\$ 15,842,737</u>	<u>\$ 15,412,502</u>	<u>\$ 15,629,314</u>	<u>\$ 15,494,141</u>
FTE Positions	261.0	262.0	262.0	262.0	262.0	262.0	262.0
Non-FTE Uncl.Perm.Pos.	3.0	2.0	2.0	1.0	1.0	1.0	1.0
TOTAL	<u>264.0</u>	<u>264.0</u>	<u>264.0</u>	<u>263.0</u>	<u>263.0</u>	<u>263.0</u>	<u>263.0</u>

The **agency** requests FY 2018 operating expenditures of \$15.8 million, including \$15.7 million from the State General Fund. The request is a decrease of \$37,274, or 0.2 percent, above the FY 2017 estimate. The decrease is primarily attributable to reductions in salaries and wages attributable to the 27th payroll period in FY 2017 and reduced shrinkage, offset by an increased cost for supplies, increased costs for electrical utilities, and enhancement requests. The request includes enhancements totaling \$302,600, all from the State General Fund, for the replacement of IT equipment (\$188,000), vehicle replacement (\$98,500), and security equipment (\$16,100). **Absent the enhancements**, the agency requests \$15.5 million, including \$15.4 million from the State General Fund. The request includes 262.0 FTE positions and 1.0 non-FTE position, which is unchanged from the FY 2017 estimate.

The **Governor** recommends \$15.4 million, including \$15.3 million from the State General Fund, for Norton Correctional Facility for FY 2018. This is an all funds decrease of \$430,235, or 2.7 percent, and a State General Fund decrease of \$428,850, or 2.7 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$302,600, all from the State General Fund, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and

to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$15.6 million, including \$15.5 million from the State General Fund. The request is a decrease of \$213,423, or 1.3 percent, below the FY 2018 request. The decrease is primarily attributable to the one-time expenditures from the enhancement requests for FY 2018 and reduced shrinkage, offset by increased expenditures for salaries and wages due to increased employer contributions to KPERS, increased employer contributions to employee health insurance, and greater contributions to Corrections KPERS. The request includes 262.0 FTE positions and 1.0 non-FTE position, which is unchanged from the FY 2018 request.

The **Governor** recommends \$15.5 million, including \$15.4 million from the State General Fund, for the Norton Correctional Facility for FY 2019. This is an all funds decrease of \$135,173, or 0.9 percent, and a State General Fund decrease of \$134,097, or 0.9 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$213,423 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

O. Topeka Correctional Facility

Topeka Correctional Facility dates back to 1961 when legislative action provided the Director of Penal Institutions the authority to convert facilities of the Topeka Technical College into a State Reception and Diagnostic Center (SRDC) with the primary function to perform evaluations of convicted offenders sentenced to the Kansas State Penitentiary and the Kansas State Industrial Reformatory. Inmate work crews from the Penitentiary performed the renovation and the first inmates were received in early 1962.

Topeka Correctional Facility is currently composed of two units, which together house all of the State's incarcerated female offenders. The A-E Compound, formerly the Topeka Technical College, consists of six minimum/medium security dormitories and currently houses up to 474 female inmates. The

I-J Compound, a medium/maximum security compound located on the grounds of what was previously the SRDC, currently has a capacity of 314. The Facility's total capacity is 788.

Until March 2001, the Reception and Diagnostic Unit (RDU), also located on the grounds adjacent to the Central Unit, served as the State's central intake point for all male offenders committed to the custody of the Secretary of Corrections. The 1999 Legislature appropriated funds and bonding authority of \$16.0 million for the construction of two housing units and the transfer of the functions of the RDU to the El Dorado Correctional Facility. Construction was completed in Spring 2001 and the functions were transferred shortly thereafter. Female inmates continue to be evaluated at the Topeka Correctional Facility.

**TOPEKA CORRECTIONAL FACILITY
SUMMARY OF EXPENDITURES FY 2016 – 2019**

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 12,603,529	\$ 13,435,374	\$ 13,400,497	\$ 14,488,358	\$ 13,162,719	\$ 14,595,435	\$ 13,238,216
Contractual Services	1,128,698	1,143,937	1,143,937	1,161,792	1,161,792	1,174,629	1,174,629
Commodities	768,870	732,924	732,924	732,000	732,000	732,000	732,000
Capital Outlay	277,380	0	0	145,825	0	155,325	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 14,778,477</u>	<u>\$ 15,312,235</u>	<u>\$ 15,277,358</u>	<u>\$ 16,527,975</u>	<u>\$ 15,056,511</u>	<u>\$ 16,657,389</u>	<u>\$ 15,144,845</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,505	6,274	6,274	0	0	0	0
TOTAL	<u>\$ 14,784,982</u>	<u>\$ 15,318,509</u>	<u>\$ 15,283,632</u>	<u>\$ 16,527,975</u>	<u>\$ 15,056,511</u>	<u>\$ 16,657,389</u>	<u>\$ 15,144,845</u>
Financing:							
State General Fund	\$ 14,538,566	\$ 14,984,427	\$ 14,950,305	\$ 16,086,670	\$ 14,617,974	\$ 16,227,676	\$ 14,718,341
All Other Funds	246,416	334,082	333,327	441,305	438,537	429,713	426,504
TOTAL	<u>\$ 14,784,982</u>	<u>\$ 15,318,509</u>	<u>\$ 15,283,632</u>	<u>\$ 16,527,975</u>	<u>\$ 15,056,511</u>	<u>\$ 16,657,389</u>	<u>\$ 15,144,845</u>
FTE Positions	255.0	256.0	256.0	256.0	256.0	256.0	256.0
Non-FTE Uncl.Perm.Pos.	8.0	7.0	7.0	7.0	7.0	7.0	7.0
TOTAL	<u>263.0</u>	<u>263.0</u>	<u>263.0</u>	<u>263.0</u>	<u>263.0</u>	<u>263.0</u>	<u>263.0</u>

The **agency** requests FY 2018 operating expenditures of \$16.5 million, including \$16.1 million from the State General Fund. The request is an increase \$1.2 million, or 7.9 percent, above the FY 2017 estimate. The increase is primarily attributable to the agency's enhancement requests. The request includes enhancements totaling \$1.3 million, all from the State General Fund, for the replacement of the bureau of prison contract (\$630,820), the replacement of IT equipment (\$40,225), the continued employment of 14.0 Correctional Officer positions (\$567,060), and to replace four passenger cars and one truck (\$105,600). **Absent the enhancements**, the agency requests \$15.2 million, including \$14.7 million from the State General

Fund. The request includes 256.0 FTE positions and 7.0 non-FTE positions, which is unchanged from the FY 2017 estimate.

The **Governor** recommends \$15.1 million, including \$14.6 million from the State General Fund, for Topeka Correctional Facility for FY 2018. This is an all funds decrease of \$1.5 million, or 8.9 percent, and a State General Fund decrease of \$1.5 million, or 9.1 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancement requests totaling \$1.3 million and the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to

provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$16.7 million, including \$16.2 million from the State General Fund. The request is an increase of \$129,414, or 0.8 percent, above the FY 2018 request. The increase is primarily attributable to increased employer contributions to Correctional KPERs and slightly elevated utility costs. The request includes enhancements totaling \$1.4 million, all from the State General Fund, for the replacement of the bureau of prison contract (\$637,087), the replacement of IT equipment (\$40,225), the continued employment of 14.0 Correctional Officer positions (\$572,268), and to replace four passenger cars and one truck

(\$115,100). **Absent the enhancements**, the agency requests \$15.3 million, including \$14.9 million from the State General Fund. The request includes 256.0 FTE positions and 7.0 non-FTE positions, which is unchanged from the FY 2018 request.

The **Governor** recommends \$15.1 million, including \$14.7 million from the State General Fund, for Topeka Correctional Facility for FY 2019. This is an all funds decrease of \$1.5 million, or 9.1 percent, and a State General Fund decrease of \$1.5 million, or 9.3 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancement requests totaling \$1.4 million and the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

P. Kansas Juvenile Correctional Complex

The State's first institution for juvenile rehabilitation was established in Topeka. In 1879, the Legislature provided for the selection of a site for a "state reform school," under the control of State Charitable Institutions, with statutory authority contained in KSA 76-2101 *et seq.* Subsequent name changes in 1901 and 1974 occurred, and the facility became known as the "Youth Center at Topeka" until the Juvenile Justice Authority assumed responsibility for operations in July 1997. Executive Reorganization Order No. 42 abolished the Juvenile Justice Authority and moved control of the facility to the Department of Corrections.

The Kansas Juvenile Correctional Complex is one of two juvenile corrections facilities in the Department of Corrections and provides maximum and medium security beds for the following individuals:

- Adjudicated juveniles committed as juvenile offenders;
- Extended jurisdiction juveniles;
- Youth committed to the Secretary of Corrections; and
- Juvenile felons between the age of 10 and 22 ½.

The Kansas Juvenile Correctional Complex facility is divided into an east campus and a west campus and is composed of five general areas: the diagnostic/classification area, maximum and medium security housing for male residents, secure female housing in the stand-alone Q/R/S/T building on the east campus, central programs areas, and administrative/support areas. All facility components are located within a secure perimeter fence, with the exception of administration and some general service areas. The facility is currently funded to operate 235 beds.

**KANSAS JUVENILE CORRECTIONAL COMPLEX
SUMMARY OF EXPENDITURES FY 2016 – 2019**

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 11,164,433	\$ 11,841,339	\$ 13,023,406	\$ 18,502,397	\$ 18,344,960	\$ 18,824,341	\$ 18,642,578
Contractual Services	3,199,005	3,189,897	3,189,897	4,402,842	4,402,842	4,328,144	4,328,144
Commodities	295,570	201,500	201,500	354,655	354,655	330,030	330,030
Capital Outlay	96,156	0	0	70,000	70,000	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	\$ 14,755,164	\$ 15,232,736	\$ 16,414,803	\$ 23,329,894	\$ 23,172,457	\$ 23,482,515	\$ 23,300,752
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	15,723	3,710	3,710	50	50	50	50
TOTAL	\$ 14,770,887	\$ 15,236,446	\$ 16,418,513	\$ 23,329,944	\$ 23,172,507	\$ 23,482,565	\$ 23,300,802
Financing:							
State General Fund	\$ 14,437,043	\$ 14,764,687	\$ 15,946,754	\$ 22,882,875	\$ 22,725,438	\$ 23,035,496	\$ 22,853,733
All Other Funds	333,844	471,759	471,759	447,069	447,069	447,069	447,069
TOTAL	\$ 14,770,887	\$ 15,236,446	\$ 16,418,513	\$ 23,329,944	\$ 23,172,507	\$ 23,482,565	\$ 23,300,802
FTE Positions	226.5	226.5	226.5	349.5	349.5	349.5	349.5
Non-FTE Uncl.Perm.Pos.	6.0	6.0	6.0	6.0	6.0	6.0	6.0
TOTAL	232.5	232.5	232.5	355.5	355.5	355.5	355.5

The **agency** requests FY 2018 operating expenditures of \$23.3 million, including \$22.9 million from the State General Fund. The request is an increase of \$8.1 million, or 53.1 percent, above the FY 2017 estimate. The increase is primarily attributable to the youth population at the Larned Juvenile Correctional Facility being moved into the Kansas Juvenile Correctional Complex and the increase in services related to the care of those youth.

The **Governor** recommends \$23.2 million, including \$22.8 million from the State General Fund, for the Kansas Juvenile Correctional Complex for FY 2018. This is a State General Fund decrease of \$157,437, or 0.7 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$23.5 million, including \$23.0 million from the State General Fund. The request is an increase of \$152,621, or 0.7 percent, above the FY 2018 request. The increase is primarily attributable to increased employer contributions to employee health insurance, increased employer contributions to KPERS, the one-time purchase of janitorial supplies in FY 2018, the cost of moving “personal effects” in state in FY 2018, and expenditure reductions for the purchase of other supplies.

The **Governor** recommends \$23.3 million, including \$22.9 million from the State General Fund, for Kansas Juvenile Correctional Complex for FY 2019. This is a State General Fund decrease of \$181,763, or 0.8 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor’s recommendation to hold KPERS employer contributions at the FY 2016 amount.

Q. Ellsworth Correctional Facility

Planning for Ellsworth Correctional Facility began in 1986 in response to the need for additional bed space due to a rapidly increasing inmate population. The first inmate was received in August 1988. Expansion projects were completed in the 632-bed medium and minimum-custody facility for male offenders in 1995 at a total construction cost of \$19.7 million.

The 2000 Legislature approved expenditures of \$6.1 million for the construction of a 100-cell housing unit at the facility. Due to the need for medium-custody beds, DOC has opted to house 200 medium-custody inmates in the unit that was completed in May 2002. Also constructed during this time, using Violent Offender Incarceration/Truth in Sentencing funds and 10.0

percent state matching funds, was the expansion (completed in March 2002) of the existing warehouse, a Staff Development building completed in September 2002, and an Industrial Building completed in November 2002.

In June 2002, the InnerChange Freedom Initiative (IFI) was transferred from the Winfield Correctional Facility to Ellsworth Correctional Facility. Working with the State of Kansas and Prison Fellowship, IFI advances the DOC objectives of rehabilitation and recidivism reduction by exposing offenders to work, education, support groups, and victim-offender reconciliation.

**ELLSWORTH CORRECTIONAL FACILITY
SUMMARY OF EXPENDITURES FY 2016 – 2019**

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 11,597,918	\$ 12,217,223	\$ 12,186,187	\$ 11,988,651	\$ 11,876,024	\$ 12,133,985	\$ 12,000,927
Contractual Services	1,412,540	1,398,609	1,398,609	1,426,889	1,426,889	1,424,311	1,424,311
Commodities	855,871	889,568	889,568	907,658	907,658	872,308	872,308
Capital Outlay	226,133	0	0	51,646	0	40,300	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 14,092,462</u>	<u>\$ 14,505,400</u>	<u>\$ 14,474,364</u>	<u>\$ 14,374,844</u>	<u>\$ 14,210,571</u>	<u>\$ 14,470,904</u>	<u>\$ 14,297,546</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	7,211	7,124	7,124	850	850	850	850
TOTAL	<u>\$ 14,099,673</u>	<u>\$ 14,512,524</u>	<u>\$ 14,481,488</u>	<u>\$ 14,375,694</u>	<u>\$ 14,211,421</u>	<u>\$ 14,471,754</u>	<u>\$ 14,298,396</u>
Financing:							
State General Fund	\$ 14,066,169	\$ 14,445,664	\$ 14,414,751	\$ 14,308,834	\$ 14,145,007	\$ 14,404,894	\$ 14,232,055
All Other Funds	33,504	66,860	66,737	66,860	66,414	66,860	66,341
TOTAL	<u>\$ 14,099,673</u>	<u>\$ 14,512,524</u>	<u>\$ 14,481,488</u>	<u>\$ 14,375,694</u>	<u>\$ 14,211,421</u>	<u>\$ 14,471,754</u>	<u>\$ 14,298,396</u>
FTE Positions	235.0	234.0	234.0	234.0	234.0	234.0	234.0
Non-FTE Uncl.Perm.Pos.	0.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	<u>235.0</u>	<u>235.0</u>	<u>235.0</u>	<u>235.0</u>	<u>235.0</u>	<u>235.0</u>	<u>235.0</u>

The **agency** requests FY 2018 operating expenditures of \$14.4 million, including \$14.3 million from the State General Fund. The request is a decrease of \$136,830, or 0.9 percent, below the FY 2017 estimate. The decrease is primarily attributable to reductions in salaries and wages due to the 27th payroll period in FY 2017, offset by enhancements totaling \$51,646, all from the State General Fund, for a new vehicle (\$24,700), new radio equipment (\$16,646), and new computer

equipment (\$10,300). **Absent the enhancements**, the agency requests \$14.3 million, including \$14.3 million from the State General Fund. The request includes 234.0 FTE positions and 1.0 non-FTE position, which is unchanged from the FY 2017 estimate.

The **Governor** recommends \$14.2 million, including \$14.1 million from the State General Fund, for Ellsworth Correctional

Facility for FY 2018. This is an all funds decrease of \$164,273, or 1.1 percent, and a State General Fund decrease of \$163,827, or 1.1 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$51,626 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$14.5 million, including \$14.4 million from the State General Fund. The request is an increase of \$96,060, or 0.7 percent, above the FY 2018 request. The increase is primarily attributable to increases in salaries and wages, offset by decreases in expenditures for commodities related to additional expenses for correctional officer uniforms in FY 2018 and capital outlay related to the FY 2018 enhancement request for

the purchase of a car. The request includes enhancements totaling \$40,300, all from the State General Fund, for new radio equipment (\$30,000) and new computer equipment (\$10,300). **Absent the enhancements**, the agency requests \$14.4 million, including \$14.4 million from the State General Fund. The request includes 234.0 FTE positions and 1.0 non-FTE position, which is unchanged from the FY 2018 request.

The **Governor** recommends \$14.3 million, including \$14.2 million from the State General Fund, for Ellsworth Correctional Facility for FY 2019. This is an all funds decrease of \$173,358, or 1.2 percent, and a State General Fund decrease of \$172,839, or 1.2 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancement requests totaling \$40,300, all from the State General Fund, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

R. Winfield Correctional Facility

Winfield Correctional Facility is a minimum-custody facility for male inmates established in 1984. Until 1986, the facility served as a pre-release center but has since been renovated and remodeled to house 520 inmates in dormitory-like settings. During FY 2004, 16 beds were added to C Dorm and 18 in B Dorm, bringing the total capacity to 554. During the 1995 Session, funds were appropriated to renovate two buildings formerly used by the Winfield State Hospital and Training Center. In 1997, the Legislature appropriated funds to renovate

and reoccupy one of the Winfield Correctional Facility dormitories, which reopened in the same year.

In September 1996, DOC shifted the Wichita Work Release Facility and its budget from the DOC Central Office to the Winfield Correctional Facility office. The work release's 250-bed capacity increased the total capacity for the combined operations to 804.

WINFIELD CORRECTIONAL FACILITY							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 10,586,464	\$ 10,903,526	\$ 10,875,678	\$ 10,787,341	\$ 10,686,014	\$ 10,725,173	\$ 10,619,325
Contractual Services	1,682,191	2,007,319	1,851,315	1,954,045	1,790,241	2,103,017	1,931,023
Commodities	542,329	628,879	628,879	560,941	560,941	571,480	571,480
Capital Outlay	141,558	215,670	0	125,000	0	120,900	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 12,952,542</u>	<u>\$ 13,755,394</u>	<u>\$ 13,355,872</u>	<u>\$ 13,427,327</u>	<u>\$ 13,037,196</u>	<u>\$ 13,520,570</u>	<u>\$ 13,121,828</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	13,017	0	0	0	0	0	0
TOTAL	<u>\$ 12,965,559</u>	<u>\$ 13,755,394</u>	<u>\$ 13,355,872</u>	<u>\$ 13,427,327</u>	<u>\$ 13,037,196</u>	<u>\$ 13,520,570</u>	<u>\$ 13,121,828</u>
Financing:							
State General Fund	\$ 12,696,405	\$ 13,476,392	\$ 13,077,585	\$ 13,150,800	\$ 12,763,264	\$ 13,244,042	\$ 12,848,001
All Other Funds	269,154	279,002	278,287	276,527	273,932	276,528	273,827
TOTAL	<u>\$ 12,965,559</u>	<u>\$ 13,755,394</u>	<u>\$ 13,355,872</u>	<u>\$ 13,427,327</u>	<u>\$ 13,037,196</u>	<u>\$ 13,520,570</u>	<u>\$ 13,121,828</u>
FTE Positions	197.0	198.0	198.0	197.0	197.0	197.0	197.0
Non-FTE Uncl.Perm.Pos.	4.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	<u>201.0</u>	<u>201.0</u>	<u>201.0</u>	<u>200.0</u>	<u>200.0</u>	<u>200.0</u>	<u>200.0</u>

The **agency** requests FY 2018 operating expenditures of \$13.4 million, including \$13.2 million from the State General Fund. The request is a decrease of \$328,067, or 2.4 percent, below the FY 2017 estimate. The decrease is primarily attributable to reductions in salaries and wages due to the 27th payroll period in FY 2017 and a reduction of capital outlay expenditures due to the one-time purchase of vehicles and microcomputer equipment in FY 2017, offset by increased utility costs and by enhancements totaling \$288,804, all from the State General Fund, for utilities for the Kansas Veterans' Home (\$163,804) and shop and plant maintenance equipment (\$125,000). **Absent the enhancements**, the agency requests \$13.1 million, including \$12.9 million from the State General Fund. The request includes 197.0 FTE positions and 3.0 non-FTE positions, which is unchanged from the FY 2017 estimate.

The **Governor** recommends \$13.0 million, including \$12.8 million from the State General Fund, for Winfield Correctional Facility for FY 2018. This is an all funds decrease of \$390,131, or 2.9 percent, and a State General Fund decrease of \$387,536, or 2.9 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancement requests totaling \$288,804, all from the State General Fund, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$13.5 million, including \$13.2 million from the State General Fund. The request is an increase of \$93,243, or 0.7 percent, above the FY 2018 request. The increase is primarily attributable to increased expenditures for utilities and employer payments to federal entitlements, offset by increased shrinkage. The request includes enhancements totaling \$292,894, all from the State General Fund, for utilities related to the energy consumption of the Kansas Veterans' Home (\$171,994), for shop and plant maintenance equipment (\$75,000), and for microcomputer equipment (\$45,900). **Absent the enhancements**, the agency requests \$13.2 million, including \$13.0 million from the State General Fund. The request includes 197.0 FTE positions and 3.0 non-FTE positions, which is unchanged from the FY 2018 request.

The **Governor** recommends \$13.1 million, including \$12.9 million from the State General Fund, for Winfield Correctional Facility for FY 2019. This is an all funds decrease of \$398,742 or 2.9 percent, and a State General Fund decrease of \$396,041, or 3.0 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$292,894, all from the State General Fund, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

S. Larned Correctional Mental Health Facility

Larned Correctional Mental Health Facility houses and treats inmates who are unable to function in the general population of a correctional facility for mental health reasons but are not in need of acute care or hospitalization. Inmates are referred to Larned Correctional Mental Health Facility by other correctional facilities or by the Larned State Hospital. Larned Correctional Mental Health Facility is a transitional program in which inmates enter and leave the program rather than remaining at Larned Correctional Mental Health Facility for a specific length of time. Larned Correctional Mental Health Facility was constructed to bring the State into compliance with a United State District Court consent decree order and began receiving inmates in January 1992. The facility's Central Unit contains 150 beds with future expansion capabilities to 300 beds. In addition, the West Unit contains 288 minimum-custody beds, mostly for male inmates who provide work detail labor for Larned State Hospital and local communities. However, some

beds are for inmates with medical problems or who attend a chemical dependency recovery program.

The facility has a structured three step program. Step A is the most restrictive with minimal privileges. All inmates entering the program spend at least 72 hours on this level. Step B offers increased out-of-cell time, cafeteria privileges, and activity therapy and group therapy in the living unit. Step C provides access to all programs, work assignments, and activities. Inmates may gain or lose step status based on program participation and behavior. Prior to FY 2001, the Chemical Dependency Program, which provides intensive evaluation and treatment for inmates, was operated by Larned State Hospital for DOC. The 2000 Legislature shifted the program and funding, including capital improvement funding of \$300,000 from the Correctional Institutions Building Fund, for renovation of space for the program at the Larned Correctional Mental Health Facility.

**LARNED CORRECTIONAL MENTAL HEALTH FACILITY
SUMMARY OF EXPENDITURES FY 2016 – 2019**

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 9,084,584	\$ 9,567,212	\$ 9,542,447	\$ 9,382,022	\$ 9,292,209	\$ 9,448,216	\$ 9,344,914
Contractual Services	596,820	600,831	600,831	605,426	605,426	610,457	610,457
Commodities	610,268	552,389	552,389	559,454	559,454	573,653	573,653
Capital Outlay	102,504	0	0	224,350	0	130,850	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 10,394,176</u>	<u>\$ 10,720,432</u>	<u>\$ 10,695,667</u>	<u>\$ 10,771,252</u>	<u>\$ 10,457,089</u>	<u>\$ 10,763,176</u>	<u>\$ 10,529,024</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,359	1,650	1,650	0	0	0	0
TOTAL	<u>\$ 10,400,535</u>	<u>\$ 10,722,082</u>	<u>\$ 10,697,317</u>	<u>\$ 10,771,252</u>	<u>\$ 10,457,089</u>	<u>\$ 10,763,176</u>	<u>\$ 10,529,024</u>
Financing:							
State General Fund	\$ 10,400,549	\$ 10,711,082	\$ 10,686,317	\$ 10,771,252	\$ 10,457,089	\$ 10,763,176	\$ 10,529,024
All Other Funds	(14)	11,000	11,000	0	0	0	0
TOTAL	<u>\$ 10,400,535</u>	<u>\$ 10,722,082</u>	<u>\$ 10,697,317</u>	<u>\$ 10,771,252</u>	<u>\$ 10,457,089</u>	<u>\$ 10,763,176</u>	<u>\$ 10,529,024</u>
FTE Positions	184.0	184.0	184.0	184.0	184.0	184.0	184.0
Non-FTE Uncl.Perm.Pos.	0.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	<u>184.0</u>	<u>186.0</u>	<u>186.0</u>	<u>186.0</u>	<u>186.0</u>	<u>186.0</u>	<u>186.0</u>

The **agency** requests FY 2018 operating expenditures of \$10.8 million, all from the State General Fund. The request is an increase of \$49,170, or 0.5 percent, above the FY 2017 estimate. The increase is primarily attributable to the agency's enhancement requests, offset by reductions in salaries and wages due to the 27th payroll period in FY 2017 and reduced shrinkage. The request includes enhancements totaling \$224,350 for the replacement of 1/4th of the agency's IT equipment (\$55,850), for a package scanner at the sally port

entrance (\$35,000), a 40-key position key watcher box (\$8,500), and the replacement of security vehicles for perimeter control (\$125,000). **Absent the enhancements**, the agency requests \$10.5 million. The request includes 184.0 FTE positions and 2.0 non-FTE positions, which is unchanged from the FY 2017 estimate.

The **Governor** recommends \$10.5 million, all from the State General Fund, for Larned Correctional Mental Health Facility for

FY 2018. This is a State General Fund decrease of \$314,163, or 2.9 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$224,350 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 operating expenditures of \$10.8 million, all from the State General Fund. The request is a decrease of \$8,076 or 0.1 percent, below the FY 2018 request. The decrease is primarily attributable to the agency reduced enhancement package, offset by increased expenditures for salaries and wages due to increased employer contributions to Corrections KPERS and employee health insurance. The

request includes enhancements totaling \$130,850 for the replacement of five vehicles from surplus property (\$75,000) and the replacement of 1/4th of the facility's IT assets (\$55,850). **Absent the enhancements**, the agency requests \$10.6 million. The request includes 184.0 FTE positions and 2.0 non-FTE positions, which is unchanged from the FY 2018 request.

The **Governor** recommends \$10.5 million, all from the State General Fund, for Larned Correctional Mental Health Facility for FY 2019. This is a State General Fund decrease of \$234,152, or 2.2 percent, below the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$130,850 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

T. Larned Juvenile Correctional Facility

Larned Juvenile Correctional Facility is one of two state juvenile correctional facilities in Kansas providing custody and care for adjudicated juveniles. The facility is administered by the Department of Corrections and operates as a medium and maximum security facility. On September 29, 2016, the Department of Corrections announced that Larned Juvenile

Correctional Facility will close on March 3, 2017. The Department also stated that it intended to keep youth housed at Larned Juvenile Correctional Facility until January 23, 2017. All youth at Larned Juvenile Correctional Facility will be transferred to the Kansas Juvenile Correctional Complex.

LARNED JUVENILE CORRECTIONAL FACILITY SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 6,496,549	\$ 6,877,501	\$ 5,650,322	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	1,351,646	1,496,598	1,270,802	0	0	0	0
Commodities	223,732	196,500	196,500	0	0	0	0
Capital Outlay	135,709	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 8,207,636</i>	<i>\$ 8,570,599</i>	<i>\$ 7,117,624</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	18,821	0	0	0	0	0	0
TOTAL	\$ 8,226,457	\$ 8,570,599	\$ 7,117,624	\$ 0	\$ 0	\$ 0	\$ 0
Financing:							
State General Fund	\$ 8,129,629	\$ 8,473,514	\$ 7,020,539	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	96,828	97,085	97,085	0	0	0	0
TOTAL	\$ 8,226,457	\$ 8,570,599	\$ 7,117,624	\$ 0	\$ 0	\$ 0	\$ 0
FTE Positions	136.0	136.0	136.0	0.0	0.0	0.0	0.0
Non-FTE Uncl.Perm.Pos.	4.0	4.0	4.0	0.0	0.0	0.0	0.0
TOTAL	140.0	140.0	140.0	0.0	0.0	0.0	0.0

The **agency** is not requesting any funds for FY 2018 or FY 2019 due to its closing. The Department of Corrections has identified 3.0 custodial staff members that it will continue to employ at the Larned Juvenile Correctional Facility after the remaining youth are transferred to the Kansas Juvenile Correctional Complex. Those staff members will maintain the

facility, in an attempt to blunt the depreciation of the facility. These staff members are not featured on the table below as the Department of Corrections Central Office intends to account for them within its own budget.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS						
	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Central Office	\$ 8,273,663	\$ 8,158,663	\$ 38,107,988	\$ 9,885,113	\$ 10,885,196	\$ 9,200,000
Lansing CF	1,721,369	1,721,369	0	0	0	0
Topeka CF	1,432,864	1,432,864	0	0	0	0
Kansas Juvenile CC	1,009,586	1,009,586	0	0	0	0
Norton CF	448,513	448,513	0	0	0	0
Hutchinson CF	389,225	389,225	0	0	0	0
Larned Correctional MHF	267,350	267,350	0	0	0	0
Ellsworth CF	150,637	150,637	0	0	0	0
Larned Juvenile CF	115,237	115,237	0	0	0	0
El Dorado CF	106,381	106,381	0	0	0	0
Winfield CF	64,233	64,233	0	0	0	0
TOTAL	<u>\$ 13,979,058</u>	<u>\$ 13,864,058</u>	<u>\$ 38,107,988</u>	<u>\$ 9,885,113</u>	<u>\$ 10,885,196</u>	<u>\$ 9,200,000</u>
Financing:						
State General Fund	\$ 370,000	\$ 370,000	\$ 27,631,181	\$ 410,000	\$ 730,703	\$ 450,000
Correctional Industries Fund	554,791	554,791	900,000	900,000	0	0
Correctional Institutions Building Fund	7,472,087	7,357,087	5,621,694	4,620,000	5,626,122	4,625,000
State Institutions Building Fund	5,582,180	5,582,180	3,955,113	3,955,113	4,528,371	4,125,000
TOTAL	<u>\$ 13,979,058</u>	<u>\$ 13,864,058</u>	<u>\$ 38,107,988</u>	<u>\$ 9,885,113</u>	<u>\$ 10,885,196</u>	<u>\$ 9,200,000</u>

Current Year Agency Estimate

FY 2017–Current Year. The agency estimates revised FY 2017 capital improvement expenditures of \$14.0 million, including \$370,000 from the State General Fund. The request includes a Correctional Institutions Building Fund reappropriation of \$2.9 million and a State Institutions Building Fund reappropriation of \$1.8 million. All capital improvement projects are in accordance with the agency’s five-year capital improvements plan. Major changes in FY 2017 are outlined below.

- **Central Office.** The agency estimates revised FY 2017 capital improvement expenditures of \$8.3 million, including \$370,000 from the State General Fund. The estimate is a decrease of \$2.4 million, or 22.3 percent, all from special revenue funds, below the approved amount. The estimate includes debt service principal payments totaling \$4.3 million, including \$370,000 from the State General Fund, for three different bonds and rehabilitation and repair expenditures totaling \$3.4 million, all from special revenue funds, for projects in accordance with the agency’s five-year capital improvements plan. The overall decrease is primarily due to lower costs for rehabilitation and repair projects for correctional institutions and Kansas Correctional Industries (KCI) projects;
- **Lansing Correctional Facility.** The agency estimates FY 2017 capital improvement expenditures of \$1.7 million, all from the Correctional Institutions Building Fund. The estimate is an increase of \$1.7 million, or 100.0

percent, above the approved amount. Major projects include the installation of a D cell house locking system (\$939,656), the repair of stucco on cell houses K, L, and M (\$475,334), and rehabilitation and repair (\$125,000);

- **Topeka Correctional Facility.** The agency estimates FY 2017 capital improvement expenditures of \$1.4 million, all from the Correctional Institutions Building Fund. The estimate is an increase of \$1.4 million, or 100.0 percent, above the approved amount. Major projects include the retrofit of a metal roof for the administration program and a cell house (\$624,000), the renovation of visiting and crisis cells (\$500,000), the replacement of a boiler (\$96,335), and the installation of LED lights (\$80,242);
- **Kansas Juvenile Correctional Complex.** The agency estimates FY 2017 capital improvement expenditures of \$1.0 million, all from the Correctional Institutions Building Fund. The estimate is an increase of \$1.0 million, or 100.0 percent, above the approved amount. Major projects include the renovation of educational rooms (\$495,000), the renovation of Kanza (\$175,000), the renovation of the staff entry area (\$114,626), and the replacement of the flooring in the dining area (\$113,300);
- **Norton Correctional Facility.** The agency estimates FY 2017 capital improvement

expenditures of \$448,513, all from the Correctional Institutions Building Fund. The estimate is an increase of \$448,513, or 100.0 percent, above the approved amount. Major projects include construction of the tuckpoint D dorm and power project (\$260,000), exterior wall repair (\$100,000), and a unit boiler repair (\$34,000);

- **Hutchinson Correctional Facility.** The agency estimates FY 2017 capital improvement expenditures of \$389,225, all from the Correctional Institutions Building Fund. The estimate is an increase of \$389,225, or 100.0 percent, above the approved amount. Major projects include the replacement of a HVAC clinic (\$113,612), the replacement of a sally port, a secure, controlled entryway to a fortification or prison (\$62,718), the installation of cameras in a clinic (\$52,909), and the replacement of a sally port gate (\$39,098);
- **Larned Correctional Mental Health Facility.** The agency estimates FY 2017 capital improvement expenditures of \$267,3570, all from the Correctional Institutions Building Fund. The estimate is an increase of \$267,357, or 100.0 percent, above the approved amount. Major projects include the construction of an observation cell (\$76,074), rehabilitation and repair for a sally port gate (\$75,000), the replacement of a 150 BHP burner (\$47,000), and the replacement of door frames for showers (\$31,714);

- **Ellsworth Correctional Facility.** The agency estimates FY 2017 capital improvement expenditures of \$150,637, all from the Correctional Institutions Building Fund. The estimate is an increase of \$150,637, or 100.0 percent, above the approved amount. The major projects are for the replacement of a condensing unit (\$75,000), the renovation of a gym into a food service lounge (\$43,076), the rehabilitation and repair of a clinic (\$28,019), and the renovation of a training room (\$4,542);
- **Larned Juvenile Correctional Facility.** The agency estimates FY 2017 capital improvement expenditures of \$115,237, all from the Correctional Institutions Building Fund. The estimate is an increase of \$115,237, or 100.0 percent, above the approved amount. Major projects include the construction of a sally port (\$86,855), the retrofit of a metal roof (\$15,863), and security updates (\$12,519);
- **El Dorado Correctional Facility.** The agency estimates FY 2017 capital improvement expenditures of \$106,381, all from the Correctional Institutions Building Fund. The estimate is an increase of \$106,381, or 100.0 percent, above the approved amount. Major projects include package scanners (\$19,650), administrative entry doors (\$12,000), an upgrade of an electric switchgear (\$14,800), the replacement of a water heater (\$40,484), and the replacement of roll-up doors in the commons area (\$14,300); and

- **Winfield Correctional Facility.** The agency estimates FY 2017 capital improvement expenditures of \$64,233, all from the Correctional Institutions Building Fund. The estimate is an increase of \$64,233, or 100.0 percent, above the approved amount. The major projects are for the

paving of concrete (\$35,056), the repair of the foundation of a building (\$14,400), the installation of a generator lift (\$10,000), and the upgrade of a utility tunnel (\$4,657).

Current Year Governor Recommendation

The **Governor** recommends FY 2017 capital improvement expenditures of \$13.9 million, including \$370,000 from the State General Fund. The recommendation is a Correctional Institutions Building Fund decrease of \$115,000, or 0.8 percent,

below the FY 2017 estimate. The decrease is attributable to debt service refinancing, allowing for lowered Correctional Institutions Building Fund expenditures.

Budget Year Agency Request

FY 2018–Budget Year. The agency requests FY 2018 capital improvement expenditures of \$38.1 million, including \$27.6 million from the State General Fund. Capital improvement expenditures for FY 2018 for the facilities will be made at the discretion of the Department of Corrections Central Office. Major capital improvement projects for FY 2018 are detailed below.

- **Central Office.** The agency requests FY 2018 capital improvement expenditures of \$38.1 million, including \$27.6 million from the State General Fund. The request is an increase of \$29.8 million, or 360.6 percent, including a State General Fund increase of \$27.3 million, or 7,367.9 percent, above the FY 2017 estimate. The request includes debt service principal payments totaling \$4.5 million, including \$410,000 from the State General Fund, for three

different bonds. The capital improvement request is comprised of four other expenditures. The agency is asking for \$500,113, all from the State Institutions Building Fund, to repair the roof at the Larned Juvenile Correctional Facility, \$5.0 million, all from the Correctional Institutions Building Fund, for projects in accordance with the agency's five-year capital improvements plan for \$900,000, all from the Correctional Industries Fund, for the construction of an add-on to the Kansas Correctional Industries (KCI) Administration Building and upgrades to various KCI buildings, and \$27.2 million, all from the State General Fund, to construct two new cell houses at the El Dorado Correctional Facility. The new cell houses are for the projected expansion of the inmate population. The increase is primarily due to the request to build two new cell houses at the El Dorado Correctional Facility.

Budget Year Governor Recommendation

The **Governor** recommends FY 2018 capital improvement expenditures of \$9.9 million, including \$410,000 from the State General Fund. The recommendation is a decrease of \$28.2 million, or 74.1 percent, including a State General Fund decrease of \$27.2 million, or 98.5 percent, below the FY 2018 request. The decrease is attributable to the Governor not

recommending the construction of two housing units at El Dorado Correctional Facility for \$27.2 million, all from the State General Fund, and also attributable to a reduction of \$1.0 million, all from the Correctional Institutions Building Fund, due to constraints on the fund.

Budget Year Agency Request

FY 2019–Budget Year. The agency requests FY 2019 capital improvement expenditures of \$10.9 million, including \$730,703 from the State General Fund. Capital improvement expenditures for FY 2019 for the facilities will be made at the discretion of the Department of Corrections Central Office. Major capital improvement projects for FY 2019 are detailed below.

- **Central Office.** The agency requests FY 2019 capital improvement expenditures of \$10.9 million, including \$730,703 from the State General Fund. The request is a decrease of \$27.2 million, or 71.4 percent, including a State General Fund decrease of \$26.9 million, or 97.4 percent, below the FY 2018 request. The request includes debt service principle payments totaling

\$4.7 million, including \$450,000 from the State General Fund, for three different bonds and rehabilitation and repair expenditures totaling \$5.0 million, all from the Correctional Institutions Building Fund, for projects in accordance with the agency's five-year capital improvements plan. Additionally, the request includes \$903,371, all from the State Institutions Building Fund, to repair a roof at the Larned Juvenile Correctional Facility and \$280,703, all from the State General Fund, to expand a visiting room at Hutchinson Correctional Facility. The overall funds decrease from FY 2018 to FY 2019 is primarily attributable to the one-time expenditure related to the construction of two new cell houses at El Dorado Correctional Facility.

Budget Year Governor Recommendation

The **Governor** recommends FY 2019 capital improvement expenditures of \$ 9.2 million, including \$450,000 from the State General Fund. The recommendation is a decrease of \$1.7 million, or 15.5 percent, including a State General Fund decrease of \$280,703, or 38.4 percent, below the FY 2019 request. The decrease is attributable to a capital improvement expenditure reduction of a \$1.0 million, all from the Correctional

Institutions Building Fund, due to constraints on the fund, as well as the Governor not recommending funding the expansion of the south unit visiting room at Hutchinson Correctional Facility (\$280,703, all from the State General Fund) and a State Institutions Building Fund reduction due to the closing of Larned Juvenile Correctional Facility.

PERFORMANCE MEASURES					
Measure	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
Department of Corrections Central Office:					
<i>Operations</i>					
Number of security audits conducted	10	10	10	10	10
Number of sanitation and safety inspections conducted	10	10	10	10	10
Number of Community Correction programs requiring technical assistance and oversight by Central Administration	31	31	31	31	31
<i>Community Supervision</i>					
Community corrections average daily population	11,942	12,097	12,348	12,495	12,675
Number of offenders on parole/post-release supervision whose status has been revoked as a result of a condition violation	1,218	1,218	1,229	1,239	1,239
<i>Treatment and Programs</i>					
Number of GED program participants	388	470	470	470	470
Number of vocational program participants	317	359	359	359	359
Number of special education participants	209	137	137	137	137
<i>Juvenile Services</i>					
Number of residential provider site visits conducted	26	23	14	11	5
Number of training sessions provided to agency stakeholders	26	6	2	2	2
Number of community supervision plans reviewed	179	177	75	75	75
<i>Prisoner Review Board</i>					
Number of release plan reviews	5,000	5,000	5,000	5,000	5,000
<i>Special Programs</i>					
Number of victims who registered for services	31,000	31,292	32,000	32,000	32,000
Number of victims who received services	10,500	8,450	9,000	9,000	9,000
<i>Kansas Correctional Industries</i>					
Inmates participating in traditional industries program (ADP)	303	320	320	320	320
Inmates participating in private industry program (ADP)	837	821	821	821	821
Ellsworth Correctional Facility:					
Number of inmate on inmate batteries	20	5	10	8	7
Number of inmate assaults on staff	8	3	5	5	5

Measure	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
EI Dorado Correctional Facility:					
Number of inmate on inmate batteries	25	25	26	17	19
Number of inmate assaults on staff	36	36	36	37	37
Hutchinson Correctional Facility:					
Number of inmate on inmate batteries	4	3	4	4	4
Number of inmate assaults on staff	36	34	20	20	20
Lansing Correctional Facility:					
Number of inmate on inmate batteries	79	86	80	76	73
Number of inmate assaults on staff	5	7	6	5	5
Larned Correctional Mental Health Facility:					
Number of inmate on inmate batteries	28	38	29	29	29
Number of inmate assaults on staff	95	128	100	100	100
Norton Correctional Facility:					
Number of inmates transported	994	410	410	410	410
Number of miles traveled	65,000	48,900	48,900	48,900	48,900
Topeka Correctional Facility:					
Number of inmate on inmate batteries	27	21	20	18	18
Number of inmate assaults on staff	10	21	15	10	10
Winfield Correctional Facility:					
Percentage of inmates available for work who are employed	90.0%	90.0%	90.0%	90.0%	90.0%
Percentage of inmates unemployed because of no jobs available	7.0%	7.0%	7.0%	7.0%	7.0%
Kansas Juvenile Correctional Complex:					
Percent of offenders who showed improvement on standardized academic instruments	75.0%	52.0%	50.0%	50.0%	50.0%
Percent of juveniles who successfully complete substance abuse treatment	70.0%	38.0%	45.0%	50.0%	55.0%
Percent of juveniles who successfully complete sex offender treatment	85.0%	86.0%	90.0%	90.0%	90.0%
Larned Juvenile Correctional Facility:					
Percent of offenders who showed improvements on standardized academic instruments in reading	70.0%	62.0%	72.0%	--	--
Percent of juveniles who successfully complete substance abuse treatment	60.0%	76.0%	82.0%	--	--
Percent of juveniles who successfully complete sex offender treatment	90.0%	83.0%	N/A	--	--

ADJUTANT GENERAL'S DEPARTMENT

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 6,939,857	\$ 7,599,692	\$ 6,923,334	\$ 8,078,255	\$ 6,385,556	\$ 6,885,068	\$ 5,639,813
Other Funds	40,206,791	33,564,037	32,962,303	39,382,718	38,533,426	34,473,669	33,597,605
TOTAL	\$ 47,146,648	\$ 41,163,729	\$ 39,885,637	\$ 47,460,973	\$ 44,918,982	\$ 41,358,737	\$ 39,237,418
Capital Improvements:							
State General Fund	\$ 1,272,632	\$ 1,729,426	\$ 1,344,426	\$ 1,234,458	\$ 1,234,458	\$ 25,349,854	\$ 1,291,731
Other Funds	6,348,479	7,194,372	7,194,372	7,282,173	7,282,173	7,271,021	7,271,021
TOTAL	\$ 7,621,111	\$ 8,923,798	\$ 8,538,798	\$ 8,516,631	\$ 8,516,631	\$ 32,620,875	\$ 8,562,752
GRAND TOTAL	\$ 54,767,759	\$ 50,087,527	\$ 48,424,435	\$ 55,977,604	\$ 53,435,613	\$ 73,979,612	\$ 47,800,170

Percentage Change:

Operating Expenditures

State General Fund	29.3 %	9.5 %	(0.2) %	6.3 %	(7.8) %	(14.8) %	(11.7) %
All Funds	0.8	(12.7)	(15.4)	15.3	12.6	(12.9)	(12.6)

FTE Positions

	157.5	173.5	132.5	175.5	132.5	175.5	132.5
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Non-FTE

Perm.Uncl.Pos.	135.0	121.0	121.0	121.0	121.0	121.0	121.0
TOTAL	292.5	294.5	253.5	296.5	253.5	296.5	253.5

AGENCY OVERVIEW

The Adjutant General's Department provides for the organization and readiness training of the Kansas Air and Army National Guard, implementation of statewide Emergency Management programs, and Homeland Security for Kansas. The Adjutant General is the Governor's appointed military chief of staff, commanding the National Guard, and also serves as Director of Kansas Emergency Management and Director of Kansas Homeland Security. The Kansas National Guard has

over 7,200 members across the state working in full-time civilian jobs and performing federal military duty on scheduled training weekends and summer camps. The agency assists Kansans during events such as winter storms, floods, tornadoes, wild fires, electrical power failures, hazardous material incidents, droughts, dam failures, radiological incidents, urban fires, earthquakes, or any other disaster or civil disturbance, including terrorism.

MAJOR ISSUES FROM PRIOR YEARS

The **2007 Legislature** took the following actions affecting the agency:

- Added a total of \$6.6 million, all from the Statewide Maintenance and Disaster Relief Fund, for hazard mitigation, including language making the expenditure of \$1.6 million for the creation of a Fusion Center. A Fusion Center is a multi-agency team providing homeland security information and analysis; and
- Added \$9.0 million in bonding authority for the creation of the Great Plains Regional Training Center in Salina.

The **2008 Legislature** took the following actions affecting the agency:

- Added \$55.0 million, including \$10.1 million from the State General Fund, for disaster assistance funding in FY 2008, to provide additional

assistance required for current expenditure estimates related to the December 2007 ice storm;

- Added \$500,000, all from the State General Fund, in FY 2008 for National Guard death benefits for the families of two National Guard members killed as a result of federal active duty in a combat zone;
- Added \$100,000, all from the State General Fund, in FY 2009 to be used for planning purposes for the creation of the Great Plains Regional Training Site No. 1; and
- Changed the position name of the "Homeland Security Regional Coordinators" to "Regional Emergency Management Coordinators."

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

- Added \$12.75 million, including \$1.50 million from the State General Fund, for disaster relief in FY 2009, and added language to reappropriate any remaining funds in the disaster relief account to FY 2010;
- Added \$250,000, all from the State General Fund, in FY 2009 for a death benefit for one family of a National Guard member killed as a result of federal active duty in a combat zone;
- The Governor recommended special one-time transfers of \$1.9 million from the Adjutant General Expense Fund—Hazardous Mitigation sub-fund and \$319,657 from the National Guard Life Insurance Premium Reimbursement Payment Fund to the State General Fund. The Legislature accepted the Governor's recommendation;
- Added \$66.5 million, including \$7.8 million from the State General Fund, for disaster assistance funding for payments on open disasters in FY 2010;
- Added an additional \$157.3 million, including \$18.5 million from the State General Fund, in FY 2010 for disaster relief expenditures for electric cooperatives related to the December 2007 ice storm;

- Reduced the agency's budget by 1.25 percent, during the regular session, as part of an across-the-board reduction to the Governor's FY 2009 recommended State General Fund operating expenditures excluding debt service payments and caseload estimates in FY 2009 (\$324,446) and FY 2010 (\$324,446); and
- Reduced the agency's budget by 2.75 percent, during Omnibus, as part of an across-the-board reduction to the Governor's FY 2010 recommended State General Fund operating expenditures excluding debt service payments and caseload estimates in FY 2010 (\$1.2 million, including \$358,727 from the State General Fund).

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

- Added \$459,357, all from the National Guard Museum Assistance Fund, in FY 2010 for the 35th Infantry Division museum expansion. In addition, \$459,357 was transferred from the State General Fund to the National Guard Museum Assistance Fund in FY 2010;
- Added \$101.0 million, including \$10.2 million from the State General Fund, towards disaster relief payments on 11 open disasters in FY 2011; and
- During the 2010 Interim, the State Finance Council authorized expenditures of \$9.0 million, all from the State Emergency Fund, in FY 2011

for the cost of weather-related disasters. These funds allowed the agency to expend \$90.0 million towards disaster relief (\$9.0 million state's share, \$13.5 million local share, \$67.5 million federal match). KSA 75-3712 provides that the State Finance Council may authorize expenditures from the State Emergency Fund, not to exceed \$10.0 million.

The **2011 Legislature** took the following actions affecting the agency:

- Approved federal funds expenditures of \$40.0 million in FY 2011 and \$25.5 million in FY 2012 for the architectural, engineering, and construction costs of the Wichita Field Maintenance Shop and Armory. The 100.0 percent federally funded Armory and Field Maintenance Shop in Wichita houses the 287th Sustainment Brigade;
- Added \$40.0 million, including \$4.0 million from the State General Fund, for disaster relief expenditures in FY 2012;
- Approved a reduced resources budget for FY 2012, which was an all funds reduction of \$458,141 and a State General Fund reduction of \$254,141. State General Fund expenditure reductions across the agency's programs were: \$20,997 from the Administration Program, \$65,108 from the State Military Program, and \$168,036 from the Physical Plant Program;

- Approved reducing the agency's FTE limitation by 20.0 vacant FTE positions from 219.0 to 199.0 FTE positions in FY 2012; and
- During the 2011 Interim, the State Finance Council authorized expenditures of \$10.0 million, all from the State Emergency Fund, in FY 2012 for the cost of weather-related disasters. These funds allow the agency to expend \$100.0 million towards disaster relief (\$10.0 million state's share, \$15.0 million local share, and \$75.0 million federal match). KSA 75-3712 provides that the State Finance Council may authorize expenditures from the State Emergency Fund, not to exceed \$10.0 million, in a given fiscal year.

The **2013 Legislature** took the following actions affecting the agency:

- Added \$651,428, all from special revenue funds, and 3.0 FTE positions to transfer emergency response deployment personnel and resources from the Kansas Department of Transportation to the Adjutant General from FY 2013 to FY 2015;
- Added \$63,680, including \$141,869 from the State General Fund, to reduce reliance on federal funds in order to support the operations of the Kansas Fusion Center in FY 2014;
- Added \$199,234, including \$180,370 from the State General Fund, for utilities and maintenance at the Wichita Readiness Center in FY 2014;

- Added \$75,620, all from the State General Fund, for crisis city sustainment and to fund a 0.5 FTE position in FY 2014;
- Deleted \$71,002, all from the State General Fund, to reduce operating expenditures in FY 2014; and
- Transferred \$270,670, all from the State Highway Fund, to a newly created special revenue fund for the Office of Emergency Communications in FY 2014 and FY 2015.

The **2014 Legislature** took the following actions affecting the agency:

- Added \$155,168 in FY 2014 and \$151,168 in FY 2015, all from special revenue funds, for collecting information from emergency first responders regarding equipment needed for mobile data communications;
- Deleted 15.0 vacant FTE positions in FY 2014 and FY 2015;
- Lapsed \$3.0 million, all from the Disaster Relief Account, in FY 2014; and
- Created and appropriated the Geological Survey Fund as a no limit fund and transferred \$160,000, all from the Disaster Relief Account, to the Geological Survey Fund in FY 2014.

The **2015 Legislature** took the following actions affecting the agency:

- Added \$270,690, all from the Emergency Communications Fund, to provide continued funding for the Office of Emergency Communications for FY 2016 and FY 2017. The source of this funding comes *via* a transfer from the State Highway Fund;
- Added \$70,811, including \$35,406 from the State General Fund, for FY 2016 and \$74,143, including \$37,070 from the State General Fund, for FY 2017 for an additional non-FTE emergency planner position;
- Added \$82,228 for FY 2016 and \$86,124 for FY 2017, all from the State General Fund, for an additional non-FTE Fusion Center analyst position;
- Added \$472,000, all from the State General Fund, for FY 2016 to fund the design of a new State Emergency Operations and Training Center at the Forbes Field, 190th Air Wing property;
- Added \$163,688 for FY 2016 and \$162,489 for FY 2017, all from the State General Fund, to provide a base level of funding for rehabilitation and repair projects; and
- Deleted \$1.6 million for FY 2016 and added \$244,940 for FY 2017, all from the State General Fund, to provide for new expenditures related to debt service refunding that occurred in FY 2015.

The **2016 Legislature** took the following actions affecting the agency:

- Provided an additional \$350,365, all from the State General Fund, to aid to local units of government to provide additional disaster relief expenditures in FY 2016, and allowing \$500,000 for the State's portion of budget year disaster relief expenditures;
- Deleted \$933,388, all from the State General Fund, from the unencumbered balance of the Disaster Relief Account in FY 2016;
- Added \$30,000, all from the State General Fund, for expanded bandwidth at the Kansas Intelligence Fusion Center in both FY 2016 and FY 2017;
- Added \$340,000, all from the State General Fund, for force protection expenditures in FY 2016. Expenditures were for security purchases at recruiting offices and armories, inclusive of access control, ballistic protection, armed response, and other incident mitigation equipment;
- Added \$15,000, all from the State General Fund, for travel and training expenditures for the Kansas Intelligence Fusion Center for FY 2017;
- Added \$20,000, all from the State General Fund, for technology expenditures for hardware and software at the Kansas Intelligence Fusion Center for FY 2017; and
- Deleted \$40,282, all from the State General Fund, to accurately reflect debt service payments being made in both FY 2016 and FY 2017.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency's** revised FY 2017 estimate totals \$50.1 million, including \$9.3 million from the State General Fund, for operations and capital improvements. The revised FY 2017 estimate is an all funds increase of \$3.7 million, or 7.9 percent, and a State General Fund increase of \$689,439, or 8.0 percent, above the current approved amount for FY 2017.

The FY 2017 revised estimate includes 173.5 FTE positions and 121.0 non-FTE positions, which is an increase of 41.0 FTE

positions and a decrease of 12.0 non-FTE unclassified permanent positions from the number approved by the 2016 Legislature. The agency states these positions reflect the closure of the Kansas Readiness Sustainment and Maintenance Site (RSMS) program and that these positions had been federally funded but have not yet been fully removed from the budgeting system. The agency's revised estimate includes two supplemental requests totaling \$1.3 million, including \$726,929 from the State General Fund. These requests include one

operating supplemental for rehabilitation and repair expenditures of \$1.1 million, including \$476,929 from the State General Fund, and one capital improvement supplemental for \$250,000, all from the State General Fund, for a heating, ventilating, and air conditioning (HVAC) replacement at Crisis City in FY 2017.

The agency's revised estimate includes capital improvements expenditures totaling \$8.9 million, including \$1.7 million from the State General Fund, in FY 2017. This amount includes \$905,000 for debt service principal and \$7.7 million for projects.

FY 2017 Governor Recommendation

The **Governor** recommends a FY 2017 total budget of \$48.4 million, including \$8.3 million from the State General Fund. This is an all funds decrease of \$1.7 million, or 3.3 percent, and a State General Fund decrease of \$1.1 million, or 11.4 percent, below the agency's FY 2017 revised estimate. The decrease is partially attributable to the Governor's recommendations to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$34,668, including \$7,006 from the State General Fund. Additional adjustments recommended to the agency's FY 2017 revised estimate include:

- Operating adjustments:

- A reduction of \$429,951, all from the State General Fund, to remove funding within the FY 2017 budget to provide for the design of a new state emergency operations center;
- A reduction of \$234,962, all from the State General Fund, for a debt service adjustment to accurately reflect payments due to bond refinancing;

- An addition of \$337,490, all from the State General Fund to provide for disaster relief expenditures. This amount includes \$37,490 to cover current disaster obligations and \$300,000 to provide additional assistance for an explosion at the Airosol Company facility in Neodesha;
 - A reduction of \$1.1 million, including \$476,929 from the State General Fund, due to the Governor not recommending the agency's FY 2017 supplemental request for additional rehabilitation and repair funding; and
 - A reduction of 41.0 FTE positions to accurately reflect agency positions in FY 2017; and
- Capital improvements adjustments:
 - A reduction of \$250,000, all from the State General Fund, due to the Governor not recommending the agency's FY 2017 supplemental request for Crisis City HVAC Replacement.

FY 2018 Agency Request

The **agency** requests operating expenditures totaling \$47.5 million, including \$8.1 million from the State General Fund, for FY 2018. This is an all funds increase of \$6.3 million, or 15.3 percent, and a State General Fund increase of \$478,563, or 6.3 percent, above the FY 2017 revised estimate. The agency's FY 2018 request includes nine operating enhancements totaling \$2.4 million, including \$1.3 million from the State General Fund, for FY 2018.

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$44.9 million, including \$6.4 million from the State General Fund. The recommendation is an all funds decrease of \$2.5 million, or 5.4 percent, and a State General Fund decrease of \$1.7 million, or 21.0 percent, below the agency's FY 2018 request. The decrease is partially attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$103,822, including \$20,781 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$22,941, including \$4,593 from the State General Fund. Additional adjustments recommended to the agency's FY 2018 request include:

- A reduction of \$97,263, all from the State General Fund, for a debt service adjustment to

The FY 2018 request includes 175.5 FTE positions and 121.0 non-FTE positions, which is an increase of 2.0 FTE positions above the FY 2017 revised estimate. This increase is due to the agency's enhancement requests for personnel.

The agency also requests FY 2018 capital improvements expenditures totaling \$8.5 million, including \$1.2 million from the State General Fund, for FY 2018. This amount includes \$860,000 for debt service principal and \$7.3 million for projects.

accurately reflect payments due to bond refinancing;

- A reduction of \$1.0 million, all from the State General Fund, for additional disaster relief expenditures for FY 2018;
- A reduction of \$1.3 million, including \$540,580 from the State General Fund, due to the Governor not recommending four of the agency's nine FY 2018 enhancement requests; and
- A reduction of 41.0 FTE positions to accurately reflect agency positions for FY 2018.

The Governor concurs with the agency's request for capital improvements expenditures for FY 2018.

FY 2019 Agency Request

The **agency** requests operating expenditures totaling \$41.4 million, including \$6.9 million from the State General Fund, for FY 2019. This is an all funds decrease of \$6.1 million, or 12.9 percent, and a State General Fund decrease of \$1.2 million, or 14.8 percent, below the FY 2018 request. The agency's FY 2019 request includes operating enhancements totaling \$1.3 million, including \$567,826 from the State General Fund, for FY 2019. The FY 2019 request includes 175.5 FTE positions and 121.0 non-FTE positions, which is no change from the FY 2018

request. The FY 2019 request includes the continuation of 2.0 FTE positions requested as enhancements within the FY 2018 request.

The agency also requests FY 2019 capital improvements expenditures totaling \$32.6 million, including \$25.3 million from the State General Fund. This amount includes \$905,000 for debt service principal and \$31.7 million for projects.

FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$39.2 million, including \$5.6 million from the State General Fund. The recommendation is an all funds decrease of \$2.1 million, or 5.1 percent, and a State General Fund decrease of \$1.2 million, or 18.1 percent, below the agency's FY 2019 request. The decrease is partially attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$144,842, including \$30,684 from the State General Fund. Additional adjustments recommended to the agency's FY 2019 request include:

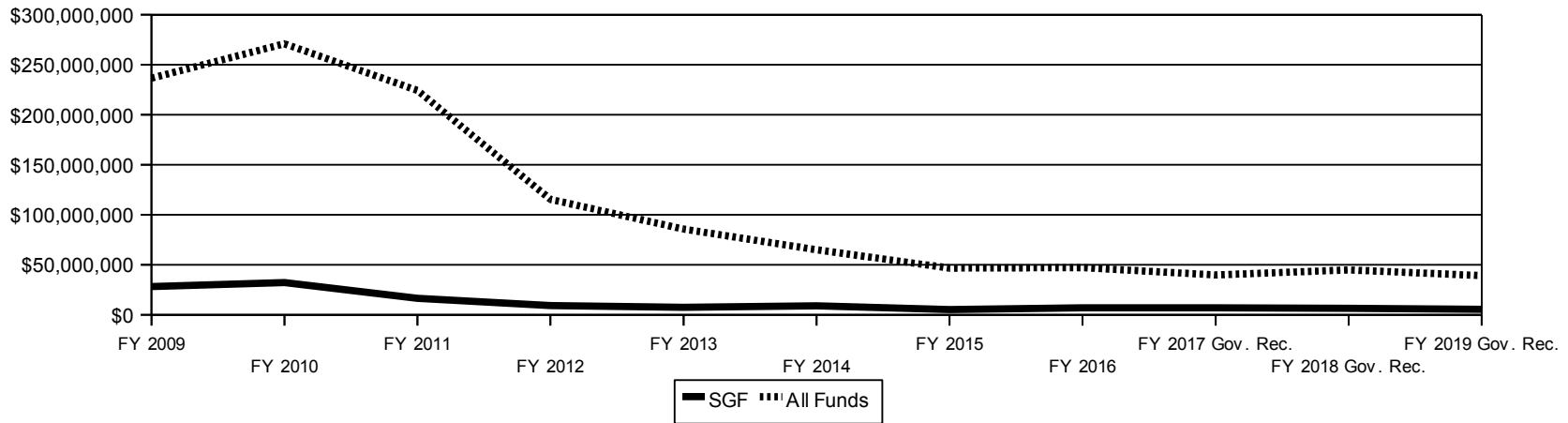
- A reduction of \$97,263, all from the State General Fund, for a debt service adjustment to accurately reflect payments due to bond refinancing;
- A reduction of \$549,482, all from the State General Fund, for additional disaster relief expenditures for the budget year;

- A reduction of \$1.3 million, including \$567,826 from the State General Fund, due to the Governor not recommending the agency's five FY 2019 enhancement requests; and
- A reduction of 41.0 FTE positions to accurately reflect agency positions for FY 2019.

The Governor recommends capital improvements expenditures totaling \$8.6 million, including \$1.3 million from the State General Fund, for FY 2019. This is an all funds decrease of \$24.1 million, or 73.8 percent, and a State General Fund decrease of \$24.1 million, or 94.9 percent, below the agency's FY 2019 request. This decrease is due to the Governor not recommending the agency's State General Fund enhancement request for Emergency Operations Training Center Construction for FY 2019.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 28,193,359	147.0 %	\$ 236,670,077	7.1 %	219.0
2010	32,219,874	14.3	271,008,350	14.5	219.0
2011	16,557,307	(48.6)	224,429,806	(17.2)	219.0
2012	9,179,456	(44.6)	115,452,148	(48.6)	199.0
2013	7,503,792	(18.3)	85,724,171	(25.7)	200.0
2014	8,956,085	19.4	65,005,526	(24.2)	185.5
2015	5,368,224	(40.1)	46,770,744	(28.1)	185.5
2016	6,939,857	29.3	47,146,648	0.8	157.5
2017 Gov. Rec.	6,923,334	(0.2)	39,885,637	(15.4)	132.5
2018 Gov. Rec.	6,385,556	(7.8)	44,918,982	12.6	132.5
2019 Gov. Rec.	5,639,813	(11.7)	39,237,418	(12.6)	132.5
Eleven-Year Change	\$ (22,553,546)	(80.0)%	\$ (197,432,659)	(83.4)%	(86.5)

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Administration	\$ 2,319,918	\$ 2,414,765	\$ 2,163,049	\$ (251,716)	(10.4) %	\$ 2,409,799	\$ 2,144,900	\$ (264,899)	(11.0)%
Emergency Preparedness	22,494,944	15,369,685	21,362,849	5,993,164	39.0	15,268,623	20,141,880	4,873,257	31.9
State Military Service Operations	1,500,122	492,694	376,111	(116,583)	(23.7)	492,694	376,111	(116,583)	(23.7)
Physical Plant / Central Services	20,453,813	22,544,767	23,257,024	712,257	3.2	21,472,665	22,051,414	578,749	2.7
Debt Service	377,851	341,818	301,940	(39,878)	(11.7)	241,856	204,677	(37,179)	(15.4)
TOTAL	\$ 47,146,648	\$ 41,163,729	\$ 47,460,973	\$ 6,297,244	15.3 %	\$ 39,885,637	\$ 44,918,982	\$ 5,033,345	12.6 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 16,406,037	\$ 15,258,501	\$ 15,169,711	\$ (88,790)	(0.6) %	\$ 15,223,833	\$ 14,882,886	\$ (340,947)	(2.2)%
Contractual Services	9,983,092	11,010,004	11,350,100	340,096	3.1	10,533,222	10,947,666	414,444	3.9
Commodities	1,327,967	2,723,916	2,437,119	(286,797)	(10.5)	2,019,746	1,711,132	(308,614)	(15.3)
Capital Outlay	718,179	678,708	913,793	235,085	34.6	678,708	913,793	235,085	34.6
Debt Service	370,412	341,818	301,940	(39,878)	(11.7)	241,856	204,677	(37,179)	(15.4)
Subtotal - Operations	\$ 28,805,687	\$ 30,012,947	\$ 30,172,663	\$ 159,716	0.5 %	\$ 28,697,365	\$ 28,660,154	\$ (37,211)	(0.1)%
Aid to Local Units	15,536,167	8,915,782	13,993,310	5,077,528	56.9	8,915,782	12,963,828	4,048,046	45.4
Other Assistance	2,804,794	2,235,000	3,295,000	1,060,000	47.4	2,272,490	3,295,000	1,022,510	45.0
TOTAL	\$ 47,146,648	\$ 41,163,729	\$ 47,460,973	\$ 6,297,244	15.3 %	\$ 39,885,637	\$ 44,918,982	\$ 5,033,345	12.6 %
Financing:									
State General Fund	\$ 6,939,857	\$ 7,599,692	\$ 8,078,255	\$ 478,563	6.3 %	\$ 6,923,334	\$ 6,385,556	\$ (537,778)	(7.8)%
Emergency Mgt Disaster Federal Funds	12,106,426	6,486,042	11,120,826	4,634,784	71.5	6,486,042	11,120,826	4,634,784	71.5
Other Federal Funds	27,090,144	25,660,665	27,008,823	1,348,158	5.3	25,060,145	26,164,236	1,104,091	4.4
All Other Funds	1,010,221	1,417,330	1,253,069	(164,261)	(11.6)	1,416,116	1,248,364	(167,752)	(11.8)
TOTAL	\$ 47,146,648	\$ 41,163,729	\$ 47,460,973	\$ 6,297,244	15.3 %	\$ 39,885,637	\$ 44,918,982	\$ 5,033,345	12.6 %

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration	\$ 2,163,049	\$ 2,162,341	\$ (708)	(0.0) %	\$ 2,144,900	\$ 2,140,620	\$ (4,280)	(0.2)%
Emergency Preparedness	21,362,849	15,992,004	(5,370,845)	(25.1)	20,141,880	15,228,345	(4,913,535)	(24.4)
State Military Service Operations	376,111	376,111	0	0.0	376,111	376,111	0	0.0
Physical Plant/Central Services	23,257,024	22,564,841	(692,183)	(3.0)	22,051,414	21,326,165	(725,249)	(3.3)
Debt Service	301,940	263,440	(38,500)	(12.8)	204,677	166,177	(38,500)	(18.8)
TOTAL	\$ 47,460,973	\$ 41,358,737	\$ (6,102,236)	(12.9) %	\$ 44,918,982	\$ 39,237,418	\$ (5,681,564)	(12.6)%
By Major Object of Expenditure:								
Salaries and Wages	\$ 15,169,711	\$ 15,349,395	\$ 179,684	1.2 %	\$ 14,882,886	\$ 15,043,699	\$ 160,813	1.1 %
Contractual Services	11,350,100	10,579,263	(770,837)	(6.8)	10,947,666	10,164,834	(782,832)	(7.2)
Commodities	2,437,119	2,305,714	(131,405)	(5.4)	1,711,132	1,568,017	(143,115)	(8.4)
Capital Outlay	913,793	589,615	(324,178)	(35.5)	913,793	572,863	(340,930)	(37.3)
Debt Service	301,940	263,440	(38,500)	(12.8)	204,677	166,177	(38,500)	(18.8)
Subtotal - Operations	\$ 30,172,663	\$ 29,087,427	\$ (1,085,236)	(3.6) %	\$ 28,660,154	\$ 27,515,590	\$ (1,144,564)	(4.0)%
Aid to Local Units	13,993,310	9,913,310	(4,080,000)	(29.2)	12,963,828	9,363,828	(3,600,000)	(27.8)
Other Assistance	3,295,000	2,358,000	(937,000)	(28.4)	3,295,000	2,358,000	(937,000)	(28.4)
TOTAL	\$ 47,460,973	\$ 41,358,737	\$ (6,102,236)	(12.9) %	\$ 44,918,982	\$ 39,237,418	\$ (5,681,564)	(12.6)%
Financing:								
State General Fund	\$ 8,078,255	\$ 6,885,068	\$ (1,193,187)	(14.8) %	\$ 6,385,556	\$ 5,639,813	\$ (745,743)	(11.7)%
Emergency Mgt Disaster Federal Funds	11,120,826	7,670,826	(3,450,000)	(31.0)	11,120,826	7,670,826	(3,450,000)	(31.0)
Other Federal Funds	27,008,823	25,619,174	(1,389,649)	(5.1)	26,164,236	24,749,015	(1,415,221)	(5.4)
All Other Funds	1,253,069	1,183,669	(69,400)	(5.5)	1,248,364	1,177,764	(70,600)	(5.7)
TOTAL	\$ 47,460,973	\$ 41,358,737	\$ (6,102,236)	(12.9) %	\$ 44,918,982	\$ 39,237,418	\$ (5,681,564)	(12.6)%

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

The 2016 Legislature approved a State General Fund budget of \$7,212,915 for the Adjutant General's Department in FY 2017. One adjustment has been made subsequently to that amount. This adjustment changes the current year approved amount without any legislative action required.

This adjustment changes the FY 2017 approved State General Fund to \$8,639,679. That amount is reflected in the table below as the currently approved FY 2017 State General Fund amount.

For this agency, the following adjustment has been made:

- An increase of \$1,426,764, based on the reappropriation of FY 2016 funding which was not spent in FY 2016 and has shifted to FY 2017.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 8,639,679	\$ 9,329,118	\$ 689,439	\$ 8,267,760	\$ (371,919)
All Other Funds	37,764,791	40,758,409	2,993,618	40,156,675	2,391,884
TOTAL	<u>\$ 46,404,470</u>	<u>\$ 50,087,527</u>	<u>\$ 3,683,057</u>	<u>\$ 48,424,435</u>	<u>\$ 2,019,965</u>
FTE Positions	132.5	173.5	41.0	132.5	0.0

The **agency** requests a revised FY 2017 estimate totaling \$50.1 million, including \$9.3 million from the State General

Fund, for operations and capital improvements. The revised FY 2017 estimate is an all funds increase of \$3.7 million, or 7.9

percent, and a State General Fund increase of \$689,439, or 8.0 percent, above the current approved amount for FY 2017. The agency's FY 2017 revised estimate includes supplemental funding requests totaling \$1.3 million, including \$726,929 from the State General Fund.

The FY 2017 revised estimate includes 173.5 FTE positions and 121.0 non-FTE positions, which is an increase of 41.0 FTE positions and a decrease of 12.0 non-FTE unclassified permanent positions from the number approved by the 2016 Legislature. The agency states these positions reflect the closure of the Kansas Readiness Sustainment and Maintenance Site (RSMS) program and that these positions had been federally funded but have not yet been fully removed from the budgeting system. Major adjustments from the FY 2017 approved budget include:

- **State General Fund.** A State General Fund increase of \$689,439 above the FY 2017 approved amount is primarily due to the State General Fund portion of the agency's two supplemental requests (\$726,929). This increase is offset by a decrease of \$37,490 in disaster relief expenditures;
- **State's General Fund Disaster Relief Expenditure Authority.** The FY 2017 approved budget includes State General Fund expenditures totaling \$962,196 for the State's portion of disaster relief expenditures on open disasters (10.0 percent of federally declared disasters). The most recent estimated payout schedules for the State's portion included in the agency's revised request totals \$924,706, all from the State General Fund, which is \$37,490,

or 3.9 percent, below approved expenditures in FY 2017;

- **Absent State General Funded supplemental requests and the State's portion of disaster relief expenditures.** The agency's 2017 revised estimate for State General Fund expenditures is the same as the amount approved by the 2016 Legislature; and
- **Federal Funds and All Other Funds.** The FY 2017 revised estimate includes all other funds expenditures totaling \$40.8 million, which is an increase of \$3.0 million, or 7.9 percent, above the FY 2017 approved amount. This increase is primarily attributable to the expenditure of revenues received from the sale of property in Sedgwick County and rent revenues (\$1.1 million) and the anticipated receipt and expenditure of additional federal funding (\$1.9 million).

The **Governor** recommends a FY 2017 total budget of \$48.4 million, including \$8.3 million from the State General Fund. This is an all funds decrease of \$1.7 million, or 3.3 percent, and a State General Fund decrease of \$1.1 million, or 11.4 percent, below the agency's FY 2017 revised estimate. The decrease is partially attributable to the Governor's recommendations to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$34,668, including \$7,006 from the State General Fund.

Additional adjustments recommended to the agency's FY 2017 revised estimate include:

- Operating adjustments:

- A reduction of \$429,951, all from the State General Fund, to remove funding within the FY 2017 budget to provide for the design of a new state emergency operations center;
- A reduction of \$234,962, all from the State General Fund, for a debt service adjustment to accurately reflect payments due to bond refinancing;
- An addition of \$337,490, all from the State General Fund to provide for disaster relief expenditures. This amount includes \$37,490 to cover current disaster obligations and \$300,000 to provide

additional assistance for an explosion at the Airosol Company facility in Neodesha;

- A reduction of \$1.1 million, including \$476,929 from the State General Fund, due to the Governor not recommending the agency's FY 2017 supplemental request for additional rehabilitation and repair funding; and
- A reduction of 41.0 FTE positions to accurately reflect agency positions in FY 2017; and

- Capital improvements adjustments:

- A reduction of \$250,000, all from the State General Fund, due to the Governor not recommending the agency's FY 2017 supplemental request for Crisis City HVAC Replacement.

Supplemental Detail

Supplementals	FY 2017 SUPPLEMENTALS					
	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Rehabilitation and Repair Funding	\$ 476,929	\$ 1,051,001	0.0	\$ 0	\$ 0	0.0
<u>Capital Improvements:</u>						
Crisis City HVAC Replacement	250,000	250,000	0.0	0	0	0.0
TOTAL	\$ 726,929	\$ 1,301,001	0.0	\$ 0	\$ 0	0.0

The **agency's** revised estimate includes supplemental funding requests totaling \$1.3 million, including \$726,929 from the State General Fund. This request is comprised of: 1) one operating supplemental for \$1.1 million, including \$476,929 from the State General Fund, and 2) one capital improvement supplemental for \$250,000, all from the State General Fund, in FY 2017.

1) The agency's supplemental request in FY 2017 includes the following operating request:

- **Rehabilitation and Repair Funding.** The agency requests \$1.1 million, including \$476,929 from the State General Fund, for rehabilitation and repair expenditures. The agency notes rehabilitation and repair expenditures include those for 36 Kansas armories (over 1.3 million square feet of armory facilities) and National Guard facilities in order to draw down matching federal money per the Cooperative Agreement with the National Guard Bureau (facilities are eligible for a 50.0 percent or 25.0 percent federal match depending on facility ownership). Expenditures for rehabilitation and repair include security for arms, ammunition and explosives, fire and safety, physical security, intrusion

detection and prevention, heating and cooling, waterproofing, air quality, plumbing, groundskeeping, code compliance, and electrical systems.

2) The agency's supplemental requests in FY 2017 include the following capital improvement request:

- **Crisis City HVAC Replacement.** The agency is requesting \$250,000, all from the State General Fund, to replace the HVAC system at the Crisis City Training Facility outside of Salina, Kansas. The agency states the requested system would be more efficient at heating and cooling and maintaining the building at a temperature between 65 to 78 degrees. The agency's plans would allow for the existing ventilation ductwork, heat exchangers, thermostats, and other control and distribution systems to remain as part of the new system.

The **Governor** does not recommend the agency's operating supplemental request for additional rehabilitation and repair funding, and does not recommend the agency's capital improvements supplemental for Crisis City HVAC replacement in FY 2017.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 47,460,973	\$ 44,918,982	\$ (2,541,991)
FTE Positions	175.5	132.5	(43.0)
<i>Change from FY 2017:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 478,563	\$ (537,778)	
All Other Funds	5,818,681	5,571,123	
TOTAL	<u>\$ 6,297,244</u>	<u>\$ 5,033,345</u>	
<i>Percent Change:</i>			
State General Fund	6.3 %	(7.8) %	
All Other Funds	17.3	16.9	
TOTAL	<u>15.3 %</u>	<u>12.6 %</u>	
Change in FTE Positions	2.0	0.0	

The **agency** requests operating expenditures totaling \$47.5 million, including \$8.1 million from the State General Fund, for FY 2018. This is an all funds increase of \$6.3 million, or 15.3 percent, and a State General Fund increase of \$478,563, or 6.3 percent, above the FY 2017 revised estimate.

Major adjustments include the following:

- **State General Fund.** The State General Fund increase of \$478,563 is due to: 1) the State's estimated portion of disaster relief payouts increases from the FY 2017 revised estimate

(\$604,776), and 2) increased operating expenditures (\$280,663) and rehabilitation and repair expenditures (\$407,241) included as part of the State General Fund portion of the agency's nine FY 2018 enhancement requests (\$1.2 million). These increases are partially offset by reductions due to reappropriation expenditure authority in FY 2017 that does not reoccur for FY 2018; and

- **Federal Funds and All Other Funds.** The increase of \$6.0 million, all from federal and all other funds expenditures, is primarily due to 75.0 percent federal matching funds due to increased disaster relief expenditures (\$4.6 million) and increases in estimated federal funds receipts (\$1.3 million). Approximately \$1.1 million of the federal funds increase is in relation to enhancement requests included within the FY 2018 request.

The FY 2018 request includes 175.5 FTE positions and 121.0 non-FTE positions, which is an increase of 2.0 FTE positions above the FY 2017 revised estimate. This increase is due to the agency's enhancement requests for personnel.

The agency's FY 2018 request includes nine operating enhancements totaling \$2.4 million, including \$1.3 million from the State General Fund, for FY 2018.

The **Governor** recommends FY 2018 operating expenditures of \$44.9 million, including \$6.4 million from the State General Fund. The recommendation is an all funds decrease of \$2.5 million, or 5.4 percent, and a State General Fund decrease of \$1.7 million, or 21.0 percent, below the agency's FY 2018 request. The decrease is partially attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$103,822, including \$20,781 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$22,941, including \$4,593 from the State General Fund. Additional adjustments recommended to the agency's FY 2018 request include:

- A reduction of \$97,263, all from the State General Fund, for a debt service adjustment to accurately reflect payments due to bond refinancing;
- A reduction of \$1.0 million, all from the State General Fund, for additional disaster relief expenditures for FY 2018;
- A reduction of \$1.3 million, including \$540,580 from the State General Fund, due to the Governor not recommending four of the agency's nine FY 2018 enhancement requests; and
- A reduction of 41.0 FTE positions to accurately reflect agency positions for FY 2018.

Enhancements Detail

Enhancements	FY 2018 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Planner II NBAF	\$ 20,007	\$ 80,031	1.0	\$ 0	\$ 0	0.0
PSE II KDEM Response and Recovery	20,007	80,031	1.0	0	0	0.0
Calibrators Decommission and Replacement	315,518	315,518	0.0	315,518	315,518	0.0
Rehabilitation and Repair	486,467	1,072,021	0.0	0	0	0.0
McConnell ASOS	14,099	56,400	0.0	0	0	0.0
Kansas City Firing Range Clean Up	103,059	206,118	0.0	103,059	206,118	0.0
Hutchinson Firing Range Clean Up	80,751	161,502	0.0	80,751	161,502	0.0
Asbestos Tile Remediation	90,051	180,103	0.0	90,051	180,103	0.0
Lead Paint Encapsulation	123,842	247,685	0.0	123,842	247,685	0.0
TOTAL	\$ 1,253,801	\$ 2,399,409	2.0	\$ 713,221	\$ 1,110,926	0.0

The **agency** is requesting nine enhancements totaling \$2.4 million, including \$1.3 million from the State General Fund, for FY 2018. The agency's nine operating enhancements for FY 2018 are detailed below.

Planner II NBAF. The agency requests \$80,031, including \$20,007 from the State General Fund, and 1.0 FTE position to hire an additional Kansas Division of Emergency Management (KDEM) Planner II position to provide emergency management planning specific to the new National Bio and Agro-Defense Facility (NBAF) currently under construction near the Kansas State University's Manhattan Campus for FY 2018. The agency

states the facility is a biocontainment level-4 laboratory replacing the Plum Island Animal Disease Center in New York and studies high-consequence zoonotic diseases treating both animal agricultural industry and public health, and further states the NBAF will be the nation's only animal BSL-4 (Biosafety Level) facility housing pathogens that do not currently have treatments or countermeasures.

The requested planner would be specifically charged with evaluating current local disaster emergency plan standards and adjusting standards as needed to accommodate the arrival of the new facility and large accompanying consequences in the

event of an emergency; assist local emergency management with emergency planning preparations and ensure the state disaster emergency plan and resource management plan successfully address the state's needs in relation to the NBAF; and act as the conduit between private sector, local government, and federal entities for all emergency state preparedness efforts to include planning and exercising. The agency states the current KDEM planning section is not adequately staffed to perform the statutorily required state planning tasks in order to accommodate the emergency planning needs of the nation's only BSL-4.

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

PSE II KDEM Response and Recovery. The agency requests \$80,031, including \$20,007 from the State General Fund, and 1.0 FTE position to hire an additional KDEM Planner II position that will be located within the Response and Recovery branch of KDEM for FY 2018. This position will be responsible for coordinating recovery activities and providing technical support to local levels of government before, during, and after an incident or disaster. The agency notes the position will encompass 60.0 percent program management and coordination, 25.0 percent supervisory duties, 10.0 percent training and outreach, and 5.0 percent State Emergency Operations Center Support. The agency also notes that with policies and procedures implemented by the Federal Emergency Management Agency (FEMA), counties and the State will have a difficult time meeting the established federal dollar thresholds to be eligible to receive a major presidential declaration.

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

Calibrators Decommission and Replacement. The agency requests \$315,518, all from the State General Fund, for KDEM to maintain its statutory responsibility to maintain a

radiological detection and calibration program for FY 2018. The agency states the current radiological detection instruments in the possession of KDEM are from the civil defense era and have decayed to the point where KDEM can no longer effectively calibrate and maintain them. The instruments range from 30 to 50 years old and are no longer supported or manufactured. The CDV-794 calibrators contain high levels of Cesium-137 Chloride that require enhanced security controls to be in place. This poses a significant radiological risk to workers and the public due to possible exposure or contamination caused by fire, tornadoes, vehicular accident, or malicious use. KDEM is bound under its Radioactive Materials License to control public exposure within the legal limits. Funds would be used to decommission 794 calibrators and to purchase a new self-shielded irradiator calibrator.

The **Governor** recommends the enhancement.

Rehabilitation and Repair. The agency requests \$1.1 million, including \$486,467 from the State General Fund, to provide state matching funds to draw down federal matching funds and provide rehabilitation and repair for 36 Kansas armories and a few other National Guard facilities for FY 2018. The Cooperative Agreement between the State and the National Guard Bureau requires mostly a 50.0 percent state match. These funds are requested to obtain necessary matching federal funds for the regular rehab and repair of 1.3 million square feet of armory facilities.

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

McConnell Air Support and Operations Squadron (ASOS). The agency requests \$56,400, including \$14,099 from the State General Fund, to provide for the State's matching share of utility and sustainment costs for the Air Support Operations Squadron (ASOS) facility as part of the Cooperative Agreement with the National Guard Bureau in which the State is

required to provide 25.0 percent of utility and sustainment costs for the facility for FY 2018. The funds will be spent on the following: septic tank pumping, fire alarm inspection, monitoring and repair, monthly pest control, calibration testing of equipment, repair service of machinery and equipment, facility maintenance and repair, custodial services, utilities, propane (heating fuel for facilities), building materials, supplies, parts, agriculture items, small tools for maintenance and repair, and small improvements to facilities. The agency notes the Air National Guard Bureau has validated federal funding if the State provides the requested matching funding.

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

Kansas City Firing Range Clean Up. The agency requests \$206,118, including \$103,059 from the State General Fund, to isolate, prep clean using wet methods for lead remediation, and post cleaning encapsulation to seal all remaining lead dust into existing porous surfaces and/or materials following Environmental Protection Agency (EPA) and Housing and Urban Development (HUD) guidelines and practices for FY 2018. Post encapsulation testing will be conducted to ensure levels are below the acceptable level of 200 micrograms per square foot. All debris, cleaning materials, and personal protective equipment will need to be containerized into a roll-off container and disposed of as non-hazardous waste. Equipment currently being stored in the former firing range shall be cleaned per EPA and HUD guidelines and practices and remediated of lead contamination.

The **Governor** recommends the enhancement.

Hutchinson Firing Range Clean Up. The agency requests \$161,502, including \$80,751 from the State General Fund, to isolate, prep clean using wet methods for lead remediation, and post cleaning encapsulation to seal all remaining lead dust into existing porous surfaces and/or materials following

Environmental Protection Agency (EPA) and Housing and Urban Development (HUD) guidelines and practices for FY 2018. Post encapsulation testing will be conducted to ensure levels are below the acceptable level of 200 micrograms per square foot. All debris, cleaning materials, and personal protective equipment will need to be containerized into a roll-off container and disposed of as non-hazardous waste. Equipment currently being stored in the former firing range shall be cleaned per EPA and HUD guidelines and practices and remediated of lead contamination.

The **Governor** recommends the enhancement.

Asbestos Tile Remediation. The agency requests \$180,103, including \$90,051 from the State General Fund, to remove asbestos at 23 facilities for FY 2018. The agency states many of its facilities were built in 1950. The asbestos National Emission Standards for Hazardous Air Pollutants (NESHAP) regulations specify work practices for asbestos to be followed during demolitions and renovations of all structures, installations, and buildings. The regulations require the owner of the building or the operator to notify the appropriate state agency before any demolition or before any renovations of buildings that could contain a certain threshold amount of asbestos or asbestos-containing material. In addition, particular manufacturing and fabricating operations either cannot emit visible emissions into the outside air or must follow air cleaning procedures, as well as follow certain requirements when removing asbestos containing waste.

The **Governor** recommends the enhancement.

Lead Paint Encapsulation. The agency requests \$247,685, including \$123,842 from the State General Fund, for lead paint encapsulation efforts for FY 2018. National Guard Occupational Health has recently been conducting surveys of the State's facilities. The inspections have discovered high levels of lead in

the paint, which exceeds Environmental Protection Agency (EPA) and National Guard Bureau standards causing potential risk to employees, personnel, and guests occupying this facility and therefore must be contained and cleaned. This contamination puts the agency in violation of many laws and also exposes people and visitors to the lead paint that can cause potential health hazards. The agency can be held liable for any hazards associated with the contamination. The Lead-Based Paint Hazard Reduction Act of 1992 states "abatement" refers to the methods used to permanently get rid of lead-based paint hazards. The agency states the EPA defines a "paint-lead hazard" as "lead-based paint on any friction surface that rubs against another surface and creates a dust-lead hazard; lead-

based paint that is damaged or deteriorated on any impact surface; any chewable lead-painted surface on which there is evidence of teeth marks; and any other deteriorated lead-based paint on the inside or outside of any residential building or child-occupied facility: The agency notes encapsulation technologies can offer safe and effective control of lead-based paint hazards. Encapsulation is the process that makes lead-based paint inaccessible by providing a barrier between the lead-based paint and the environment. This barrier is formed using a liquid-applied coating (with or without reinforcement materials) or an adhesively bonded covering material.

The **Governor** recommends the enhancement.

FY 2018 Reduced Resources

The Governor has requested that specified agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The

information below provides details of the agency's reduced resources budget submission for the State General Fund.

FY 2018 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Administration	\$ (70,403)	\$ (70,403)	0.0	\$ 0	\$ 0	0.0
Emergency Preparedness	(62,237)	(110,054)	0.0	0	0	0.0
State Military Service						
Operations	(3,271)	(3,271)	0.0	0	0	0.0
Physical Plant and Central						
Services	(92,775)	(311,102)	0.0	0	0	0.0
Capital Improvements	(39,689)	(79,378)	0.0	0	0	0.0
TOTAL	\$ (268,375)	\$ (574,208)	0.0	\$ 0	\$ 0	0.0

For a 5.0 percent State General Fund reduced resources target of \$268,375 for FY 2018, the **agency** states it would take the actions detailed below.

Administration. The agency states that to reduce State General Fund expenditures by \$70,403, it would need to layoff an accountant position, reduce the Adjutant General's travel, reduce Civil Air Patrol travel, and reduce office supplies (\$68,367). The agency states the accountant position is a full-time position and would place all existing responsibilities upon existing staff. The accountants responsibilities include auditing, Cooperative Agreements compliance, and bill management. The agency would also have to reduce the Adjutant General's travel. The agency states this action would hinder the position's performance of state duties. It would limit training and interaction with fellow Adjutant Generals, Emergency Management Directors, Homeland Security Directors, the soldiers and airmen the position oversees, and operations as the Director of the Kansas Division of Emergency Management and Director of Homeland Security. Additionally, the agency notes the Civil Air Patrol would need to reduce its travel for training (\$2,036).

Emergency Preparedness. The agency states that to reduce State General Fund expenditures by \$62,237, it would need to reduce all funds expenditures by \$110,054, including \$47,817 in reduced matching federal funds. Decreased expenditures would include printing (\$18,000), repairing and services (\$36,078), travel and subsistence (\$45,976), and office and data supplies (\$10,000). The agency states the Kansas Division of Emergency Management would have to reduce travel, supplies, equipment, and printing training materials.

State Military Service Operations. The agency states that to reduce State General Fund expenditures by \$3,271, it would need to reduce in-state meals and lodging (\$2,477), Military Activation Payments (\$300), and Military Emergency Relief

funding (\$494). The agency states these reductions include Emergency Relief funding to finance financial hardships of soldiers. This funding was established to provide grants and interest-free loans for members and families of the Kansas Air and Army National Guard and Army reserve members to provide assistance to eligible members for financial emergencies related to mobilization, and that reductions include military activation payments set up to give a one-time payment of \$1,500 to state employees upon activation for 180 days or more. The agency does not have enough information to make an accurate estimate of how many soldiers will use this in any given year, but that reducing these funds could cause the agency to not have enough funds to pay for all requested activation payments.

Physical Plant and Central Services. The agency states that to reduce State General Fund expenditures by \$92,775, it would need to reduce all funds expenditures by \$311,102, including \$218,327 in reduced matching federal funds. Decreased expenditures would include repair and service of building grounds and materials, travel and subsistence, and utilities expenditures.

Capital Improvements. The agency states that to reduce State General Fund expenditures by \$39,689, it would need to reduce all funds expenditures by \$79,378, including \$39,689 in reduced matching federal funds. The agency states it would need to reduce rehabilitation and repair (\$294) and operating expenditures (\$39,395).

The agency states that reduced funding for Physical Plant and Central Services and Capital Improvements includes the following:

- **Buildings and facilities—reduce routine maintenance, repair, and improvements.** The agency states that over 75.0 percent of its budget

is in utilities and labor and it may potentially need to shut down or shutter facilities. This would negatively impact the ability of the National Guard to train and accomplish missions. Staff layoffs and reducing facility maintenance may be necessary; and

- **190th Forbes Field and 184th McConnell.** The agency states Forbes and McConnell are funded 25.0 percent state funds and 75.0 percent federal funds, and that the Cooperative Agreement

between the State and the National Guard Bureau makes maintenance of buildings and grounds a top priority. The agency states this would reduce the ability to repair and support buildings and grounds, utilities, pest control, trash, janitorial services, supplies, and tasks that require 24/7 real-time war-fighter support are at risk.

The **Governor** does not recommend the agency's reduced resources for FY 2018.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 41,358,737	\$ 39,237,418	\$ (2,121,319)
FTE Positions	175.5	132.5	(43.0)
<i>Change from FY 2018:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ (1,193,187)	\$ (745,743)	
All Other Funds	(4,909,049)	(4,935,821)	
TOTAL	<u>\$ (6,102,236)</u>	<u>\$ (5,681,564)</u>	
<i>Percent Change:</i>			
State General Fund	(14.8) %	(11.7) %	
All Other Funds	(12.5)	(12.8)	
TOTAL	<u>(12.9) %</u>	<u>(12.6) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures totaling \$41.4 million, including \$6.9 million from the State General Fund, for FY 2019. This is an all funds decrease of \$6.1 million, or 12.9 percent, and a State General Fund decrease of \$1.2 million, or 14.8 percent, below the FY 2018 request.

Major adjustments include the following:

- **State General Fund.** The State General Fund decrease of \$1.2 million is due to: 1) the State's estimated portion of disaster relief payouts (\$480,000), and 2) less operating enhancements

requested than requested for 2018 (\$685,975) and less rehabilitation and repair expenditures as related to FY 2018 enhancement requests (\$387,975).

The State General Fund portion of the agency's five FY 2019 enhancement requests totals \$567,826; and

- **Federal Funds and All Other Funds.** The decrease of \$6.1 million, all from federal and all other funds expenditures, is primarily due to less federal matching funds (75.0 percent) due to decreased budgeted disaster relief expenditures (\$3.5 million) and decreases in estimated federal funds receipts (\$1.4 million). Approximately \$761,906 of federal funds receipts are related to enhancement requests included within the FY 2019 request.

The FY 2019 request includes 175.5 FTE positions and 121.0 non-FTE positions, which is no change from the FY 2018 request. The FY 2019 request includes the continuation of 2.0 FTE positions requested as enhancements within the FY 2018 request.

The agency's FY 2019 request includes operating enhancements totaling \$1.3 million, including \$567,826 from the State General Fund, for FY 2019.

The **Governor** recommends FY 2019 operating expenditures of \$39.2 million, including \$5.6 million from the State General Fund. The recommendation is an all funds decrease of \$2.1 million, or 5.1 percent, and a State General Fund decrease of \$1.2 million, or 18.1 percent, below the agency's FY 2019 request. The decrease is partially attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$144,842, including \$30,684 from the State General Fund. Additional adjustments recommended to the agency's FY 2019 request include:

- A reduction of \$97,263, all from the State General Fund, for a debt service adjustment to accurately reflect payments due to bond refinancing;
- A reduction of \$549,482, all from the State General Fund, for additional disaster relief expenditures for FY 2019;
- A reduction of \$1.3 million, including \$567,826 from the State General Fund, due to the Governor not recommending the agency's five FY 2019 enhancement requests; and
- A reduction of 41.0 FTE positions to accurately reflect agency positions for FY 2019.

Enhancements Detail

FY 2019 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Planner II NBAF	\$ 20,106	\$ 80,427	1.0	\$ 0	\$ 0	0.0
PSE II KDEM Response and Recovery	20,106	80,427	1.0	0	0	0.0
Calibrators Decommission and Replacement	16,752	16,752	0.0	0	0	0.0
Rehabilitation and Repair	496,196	1,093,460	0.0	0	0	0.0
McConnell ASOS	14,666	58,666	0.0	0	0	0.0
TOTAL	\$ 567,826	\$ 1,329,732	2.0	\$ 0	\$ 0	0.0

The **agency** is requesting five operating enhancements totaling \$1.3 million, including \$567,826 from the State General Fund, and 2.0 FTE positions for FY 2019. The agency's six operating enhancements for FY 2019 are detailed below.

Planner II NBAF. The agency requests \$80,427, including \$20,106 from the State General Fund, and 1.0 FTE position to hire an additional Kansas Division of Emergency Management (KDEM) Planner II position to provide emergency management planning specific to the new National Bio and Agro-Defense Facility (NBAF) currently under construction near the Kansas State University's Manhattan Campus for FY 2019. The agency states the facility is a biocontainment level-4 laboratory replacing the Plum Island Animal Disease Center in New York and studies high-consequence zoonotic diseases treating both animal agricultural industry and public health, and further states the NBAF will be the nation's only animal BSL-4 (Biosafety Level) facility housing pathogens that do not currently have

treatments or countermeasures. The requested planner would be specifically charged with evaluating current local disaster emergency plan standards and adjusting standards as needed to accommodate the arrival of the new facility and large accompanying consequences in the event of an emergency; assist local emergency management with emergency planning preparations and ensure the state disaster emergency plan and resource management plan successfully address the state's needs in relation to the NBAF; and act as the conduit between private sector, local government, and federal entities for all emergency state preparedness efforts to include planning and exercising. The agency states the current KDEM planning section is not adequately staffed to perform the statutorily required state planning tasks in order to accommodate the emergency planning needs of the nation's only BSL-4. This is the FY 2019 continuation of the position being requested in FY 2018.

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

PSE II KDEM Response and Recovery. The agency requests \$80,427, including \$20,106 from the State General Fund, and 1.0 FTE position to hire an additional KDEM Planner II position that will be located within the Response & Recovery Branch of KDEM for FY 2019. This position will be responsible for coordinating recovery activities and providing technical support to local levels of government before, during, and after an incident or disaster. The agency notes the position will encompass 60.0 percent program management and coordination, 25.0 percent supervisory duties, 10.0 percent training and outreach, and 5.0 percent State Emergency Operations Center Support. The agency notes that with policies and procedures implemented by the Federal Emergency Management Agency (FEMA), counties and the State will have a difficult time meeting the established federal dollar thresholds to be eligible to receive a major presidential declaration. This is the FY 2019 continuation of the position being requested in FY 2018.

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

Calibrators Decommission and Replacement. The agency requests \$16,752, all from the State General Fund, for KDEM to maintain its statutory responsibility to maintain a radiological detection and calibration program for FY 2019. Funds would be used for repair and maintenance of the new system being requested for FY 2018. The agency states this amount was arrived at using a 20-year cost projection, which includes current capital outlay costs based on projections from past levels of spending and does include cost growth of disposal based upon past rate of vendor increases at 14.0 percent per year.

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

Rehabilitation and Repair. The agency requests \$1.1 million, including \$496,196 from the State General Fund, to provide state matching funds to draw down federal matching funds and provide rehabilitation and repair for 36 Kansas armories and a few other National Guard facilities for FY 2019. The Cooperative Agreement between the State and the National Guard Bureau requires mostly a 50.0 percent state match. These funds are requested to obtain necessary matching federal funds for the regular rehab and repair of 1.3 million square feet of armory facilities.

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

McConnell Air Support and Operations Squadron (ASOS). The agency requests \$58,666, including \$14,666 from the State General Fund, to provide for the State's matching share of utility and sustainment costs for the Air Support Operations Squadron (ASOS) facility as part of the Cooperative Agreement with the National Guard Bureau in which the State is required to provide 25.0 percent of utility and sustainment costs for the facility for FY 2019. The funds will be spent on the following: septic tank pumping, fire alarm inspection, monitoring and repair, monthly pest control, calibration testing of equipment, repair service of machinery and equipment, facility maintenance and repair, custodial services, utilities, propane (heating fuel for facilities), building materials, supplies, parts, agriculture items, small tools for maintenance and repair, and small improvements to facilities. The agency notes the Air National Guard Bureau has validated federal funding if the State provides the requested matching funding.

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

FY 2019 Reduced Resources

The Governor has requested that specified agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The

information below provides details of the agency's reduced resources budget submission for the State General Fund.

Item	FY 2019 REDUCED RESOURCES					
	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Administration	\$ (70,943)	\$ (70,943)	0.0	\$ 0	\$ 0	0.0
Emergency Preparedness	(62,593)	(110,724)	0.0	0	0	0.0
State Military Service Operations	(3,271)	(3,271)	0.0	0	0	0.0
Physical Plant and Central Services	(92,982)	(311,930)	0.0	0	0	0.0
Capital Improvements	(39,764)	(79,528)	0.0	0	0	0.0
TOTAL	\$ (269,553)	\$ (576,396)	0.0	\$ 0	\$ 0	0.0

For a 5.0 percent State General Fund reduced resources target of \$269,553 for FY 2019, the **agency** states it would take the actions detailed below.

Administration. The agency states that to reduce State General Fund expenditures by \$70,943, it would need to layoff an accountant position, reduce the Adjutant General's travel, reduce Civil Air Patrol travel, and reduce office supplies (\$68,897). The agency states the accountant position is a full-time position and would place all existing responsibilities upon existing staff. The accountants responsibilities include auditing, Cooperative Agreements compliance, and bill management. The agency would also have to reduce the Adjutant General's travel. The agency states this action would hinder the position's performance of state duties. It would limit training and

interaction with fellow Adjutant Generals, Emergency Management Directors, Homeland Security Directors, the soldiers and airmen the position oversees, and operations as the Director of the Kansas Division of Emergency Management and Director of Homeland Security. Additionally, the agency notes the Civil Air Patrol would need to reduce its travel for training (\$2,046).

Emergency Preparedness. The agency states that to reduce State General Fund expenditures by \$62,593, it would need to reduce all funds expenditures by \$110,724, including \$48,131 in reduced matching federal funds. Decreased expenditures would include printing (\$18,000), repairing and services (\$36,078), travel and subsistence (\$46,646), and office and data supplies (\$10,000). The agency states the Kansas

Division of Emergency Management would have to reduce travel, supplies, equipment, and printing training materials.

State Military Service Operations. The agency states that to reduce State General Fund expenditures by \$3,271, it would need to reduce in-state meals and lodging (\$2,477), Military Activation Payments (\$300), and Military Emergency Relief funding (\$494). The agency states these reductions include Emergency Relief funding to finance financial hardships of soldiers. This funding was established to provide grants and interest-free loans for members and families of the Kansas Air and Army National Guard and Army reserve members to provide assistance to eligible members for financial emergencies related to mobilization, and that reductions include military activation payments set up to give a one-time payment of \$1,500 to state employees upon activation for 180 days or more. The agency does not have enough information to make an accurate estimate of how many soldiers will use this in any given year, but that reducing these funds could cause the agency to not have enough funds to pay for all requested activation payments.

Physical Plant and Central Services. The agency states that to reduce State General Fund expenditures by \$92,982, it would need to reduce all funds expenditures by \$311,930, including \$218,948 in reduced matching federal funds. Decreased expenditures would include repair and service of building grounds and materials, travel and subsistence, and utilities expenditures; and

Capital Improvements. The agency states that to reduce State General Fund expenditures by \$39,764, it would need to reduce all funds expenditures by \$79,528, including \$39,764 in reduced matching federal funds. The agency states it would

need to reduce rehabilitation and repair (\$294) and operating expenditures (\$39,470).

The agency states reduced funding for Physical Plant and Central Services and Capital Improvements includes the following:

- **Buildings and facilities—reduce routine maintenance, repair, and improvements.** The agency states that over 75.0 percent of its budget is in utilities and labor and it may potentially need to shut down or shutter facilities. This would negatively impact the ability of the National Guard to train and accomplish missions. Staff layoffs and reducing facility maintenance may be necessary; and
- **190th Forbes Field and 184th McConnell.** The agency states Forbes and McConnell are funded 25.0 percent state funds and 75.0 percent federal funds, and that the Cooperative Agreement between the State and the National Guard Bureau makes maintenance of buildings and grounds a top priority. The agency states this would reduce the ability to repair and support buildings and grounds, utilities, pest control, trash, janitorial services, supplies, and tasks that require 24/7 real-time war-fighter support are at risk.

The **Governor** does not recommend the agency's reduced resources for FY 2019.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$13,560, including \$2,565 from the State General Fund; FY 2018 longevity payments total \$14,040, including \$2,627 from the State General Fund; and FY 2019 longevity payments total \$1,680, including \$323 from the State General Fund.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal also eliminates the

scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$34,668, including \$7,006 from the State General Fund, in FY 2017; by \$103,822, including \$20,781 from the State General Fund, for FY 2018; and by \$144,842, including \$30,684 from the State General Fund, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$22,941, including \$4,593 from the State General Fund, for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

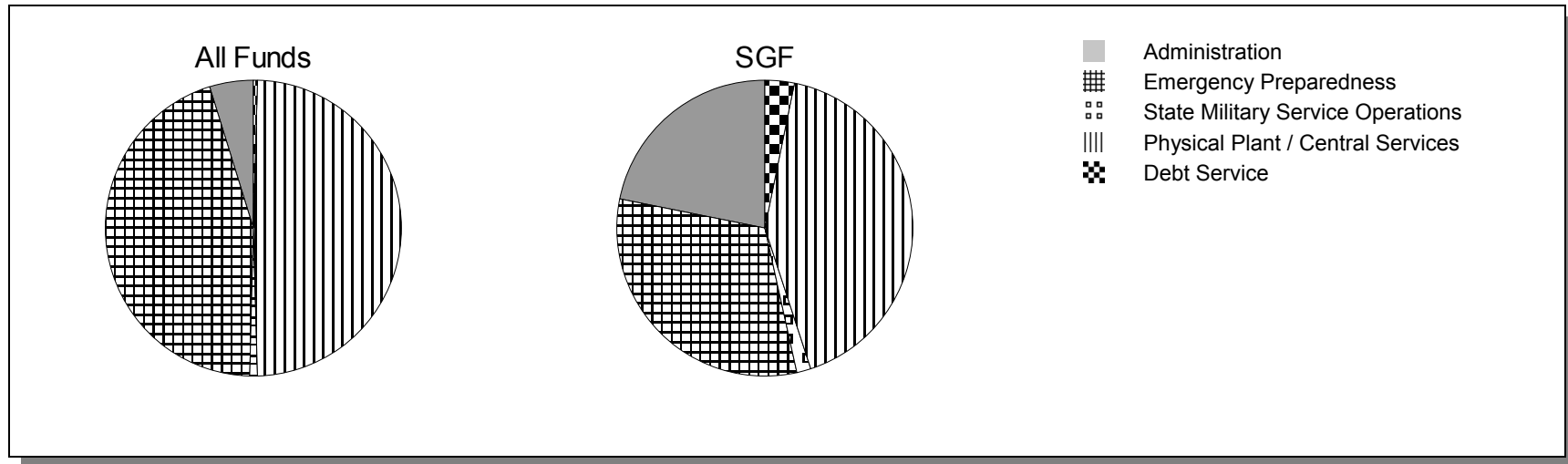
Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State General Fund	17.0 %	14.2 %	16.7 %	14.4 %
Non-Federal Special Revenue Funds	2.6	2.8	2.9	3.0
Federal Emergency Assistance Fund	23.4	24.8	18.6	19.6
Other Federal Funds	56.9	58.2	61.9	63.1
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

PROGRAM DETAIL

EXPENDITURES BY PROGRAM – GOVERNOR’S FY 2018 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Administration	\$ 2,144,900	4.8 %	\$ 1,395,099	21.8 %
Emergency Preparedness	20,141,880	44.8	2,018,792	31.6
State Military Service Operations	376,111	0.8	99,916	1.6
Physical Plant/Central Services	22,051,414	49.1	2,667,072	41.8
Debt Service	204,677	0.5	204,677	3.2
TOTAL	\$ 44,918,982	100.0 %	\$ 6,385,556	100.0 %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

Program	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Administration	25.4	30.1	25.4	30.1	25.4	30.1	25.4
Emergency Preparedness	16.1	18.5	16.1	20.5	16.1	20.5	16.1
State Military Service Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Physical Plant / Central Services	116.0	125.0	91.0	125.0	91.0	125.0	91.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	157.5	173.5	132.5	175.5	132.5	175.5	132.5

A. Administration

The Administration program is responsible for the administrative functions of the agency. Sections include the Adjutant General's Administrative Support Staff, Office of State Human Resources, Comptroller's Office, Public Information Office, State Facilities Office, Information Technology Office, Archives, and Administrative Services. The Administration program also includes the Civil Air Patrol (CAP), which provides disaster relief assistance, search and rescue, aerospace

education training, cadet training, communications, and other functions related to the federal charter of the National Civil Air Patrol. CAP program funding includes salaries and wages for a 0.5 FTE secretary position. This program also includes the functions of the Office of Emergency Communications (OEC), Communications on Wheels (COW), 911 Coordinator, and the State and Local Implementation Grant.

ADMINISTRATION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,979,691	\$ 1,927,669	\$ 1,922,703	\$ 1,906,608	\$ 1,888,459	\$ 1,910,026	\$ 1,888,305
Contractual Services	177,033	189,166	189,166	189,057	189,057	184,931	184,931
Commodities	75,408	297,930	297,930	67,384	67,384	67,384	67,384
Capital Outlay	91,225	0	0	0	0	0	0
Debt Service	(7,439)	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 2,315,918</i>	<i>\$ 2,414,765</i>	<i>\$ 2,409,799</i>	<i>\$ 2,163,049</i>	<i>\$ 2,144,900</i>	<i>\$ 2,162,341</i>	<i>\$ 2,140,620</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	4,000	0	0	0	0	0	0
TOTAL	\$ 2,319,918	\$ 2,414,765	\$ 2,409,799	\$ 2,163,049	\$ 2,144,900	\$ 2,162,341	\$ 2,140,620
Financing:							
State General Fund	\$ 1,630,708	\$ 1,683,055	\$ 1,679,443	\$ 1,408,033	\$ 1,395,099	\$ 1,418,822	\$ 1,403,636
All Other Funds	689,210	731,710	730,356	755,016	749,801	743,519	736,984
TOTAL	\$ 2,319,918	\$ 2,414,765	\$ 2,409,799	\$ 2,163,049	\$ 2,144,900	\$ 2,162,341	\$ 2,140,620
FTE Positions	25.4	30.1	25.4	30.1	25.4	30.1	25.4
Non-FTE Uncl.Perm.Pos.	11.4	8.4	8.4	8.4	8.4	8.4	8.4
TOTAL	36.8	38.5	33.8	38.5	33.8	38.5	33.8

The **agency's** request for FY 2018 expenditures totals \$2.2 million, including \$1.4 million from the State General Fund, for the Administration program. This is an all funds decrease of \$251,716, or 10.4 percent, and a State General Fund decrease of \$275,022, or 16.3 percent, below the FY 2017 revised estimate. Changes from the agency's FY 2017 revised estimate include the following items:

- **Salaries and Wages.** The agency requests expenditures of \$1.9 million, including \$1.4 million from the State General Fund, to fund 30.1 FTE positions and 8.4 non-FTE unclassified positions for FY 2018. The request is an all funds decrease of \$21,061, or 1.1 percent, and a State General Fund decrease of \$43,138, or 3.1 percent, below the FY 2017 revised estimate. Primary decreases from the FY 2017 revised estimate include unclassified temporary (\$609,137) and classified regular (\$158,595). These decreases are primarily due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017. These decreases are partially offset by increases in employer contributions to state employee retirement (\$23,480) and group health insurance (\$9,101);
- **Contractual Services.** The agency requests expenditures of \$189,057, including \$36,408 from the State General Fund, for FY 2018. The request is an all funds decrease of \$109, or 0.1 percent, and a State General Fund decrease of \$1,338, or 3.5 percent, below the FY 2017 revised estimate. Contractual service expenditures include communications, postage,

photocopies, record storage and maintenance, travel for the Adjutant General, and staff; and

- **Commodities.** The agency requests expenditures of \$67,384, including \$12,840 from the State General Fund, for FY 2018. The request is an all funds decrease of \$230,546, or 77.4 percent, and a State General Fund decrease of \$230,546, or 94.7 percent, below the FY 2017 revised estimate. Commodities expenditures include office- and computer-related supplies, and Kansas State flags furnished to validated requests.

The **Governor** recommends \$2.1 million, including \$1.4 million from the State General Fund, for the Administration program for FY 2018. This is an all funds decrease of \$18,149, or 0.8 percent, and a State General Fund decrease of \$12,934, or 0.9 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency's** request for FY 2019 expenditures totals \$2.2 million, including \$1.4 million from the State General Fund, for the Administration program. The request is an all funds decrease of \$708, or less than 0.1 percent, and a State General Fund increase of \$10,789, or 0.8 percent, below the FY 2018 request. Changes from the agency's FY 2018 request include the following items:

- **Salaries and Wages.** The agency requests expenditures of \$1.9 million, including \$1.3 million from the State General Fund, to fund 30.1 FTE positions and 8.4 non-FTE unclassified

positions for FY 2019. The request is an all funds increase of \$3,418, or 0.2 percent, and a State General Fund decrease of \$23,380, or 1.7 percent, below the FY 2018 request. Primary increases include unclassified regular (\$719,248), group health insurance (\$29,380), and employer contributions to state employee retirement (\$22,886). These increases are offset primarily by decreases to unclassified temporary (\$609,137) and classified regular (\$158,595) positions;

- **Contractual Services.** The agency requests expenditures of \$184,931, including \$70,577 from the State General Fund, for FY 2019. The request is an all funds decrease of \$4,126, or 2.2 percent, and a State General Fund increase of \$34,169, or 93.9 percent, above the FY 2018 request. The all funds decrease is primarily due

to less expenditures for travel and subsistence (\$4,128); and

- **Commodities.** The agency requests expenditures of \$67,384, including \$12,840 from the State General Fund, for FY 2019. The request is the same as the FY 2018 request for commodities.

The **Governor** recommends \$2.1 million, including \$1.4 million from the State General Fund, for the Administration program for FY 2019. This is an all funds decrease of \$21,721, or 1.0 percent, and a State General Fund decrease of \$15,186, or 1.1 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

B. Emergency Preparedness

The Division of Emergency Management provides guidance, technical assistance, and coordinates response on a 24-hour basis to state and local governments in the event of emergencies or disasters. The program seeks to protect Kansans from all hazards and to reduce the vulnerability of people, property, and the environment by eliminating or reducing disaster impact, enhancing state and local emergency

management organizational readiness, rapid and effective disaster response, effective recovery, and proactive leadership and advocacy. Expenditures in this program reflect expenditures for the Kansas Division of Emergency Management (KDEM), disaster funding, and the Kansas Intelligence Fusion Center (KIFC).

EMERGENCY PREPAREDNESS							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 3,221,853	\$ 3,296,722	\$ 3,288,121	\$ 3,420,377	\$ 3,228,890	\$ 3,506,421	\$ 3,308,996
Contractual Services	1,726,200	1,646,291	1,516,340	1,153,259	1,153,259	1,145,262	1,145,262
Commodities	156,269	210,613	210,613	241,778	241,778	171,652	171,652
Capital Outlay	249,673	300,277	300,277	554,125	554,125	255,359	238,607
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 5,353,995</i>	<i>\$ 5,453,903</i>	<i>\$ 5,315,351</i>	<i>\$ 5,369,539</i>	<i>\$ 5,178,052</i>	<i>\$ 5,078,694</i>	<i>\$ 4,864,517</i>
Aid to Local Units	15,536,167	8,915,782	8,915,782	13,993,310	12,963,828	9,913,310	9,363,828
Other Assistance	1,604,782	1,000,000	1,037,490	2,000,000	2,000,000	1,000,000	1,000,000
TOTAL	\$ 22,494,944	\$ 15,369,685	\$ 15,268,623	\$ 21,362,849	\$ 20,141,880	\$ 15,992,004	\$ 15,228,345
Financing:							
State General Fund	\$ 2,136,913	\$ 2,658,640	\$ 2,564,265	\$ 3,095,271	\$ 2,018,792	\$ 2,323,833	\$ 1,707,765
All Other Funds	20,358,031	12,711,045	12,704,358	18,267,578	18,123,088	13,668,171	13,520,580
TOTAL	\$ 22,494,944	\$ 15,369,685	\$ 15,268,623	\$ 21,362,849	\$ 20,141,880	\$ 15,992,004	\$ 15,228,345
FTE Positions	16.1	18.5	16.1	20.5	16.1	20.5	16.1
Non-FTE Uncl.Perm.Pos.	33.7	32.7	32.7	32.7	32.7	32.7	32.7
TOTAL	49.8	51.2	48.8	53.2	48.8	53.2	48.8

The **agency** requests FY 2018 operating expenditures totaling \$21.4 million, including \$3.1 million from the State

General Fund, for the Emergency Preparedness program, an all funds increase of \$6.0 million, or 39.0 percent, and a State

General Fund increase of \$436,631, or 16.4 percent, above the FY 2017 revised estimate. The increase is primarily due to three of the agency's operating enhancement requests totaling \$475,580, including \$355,532 from the State General Fund, for FY 2018.

Enhancements requested for this program include: 1.0 FTE Planner II NBAF (\$80,031 from II funds, including \$20,007 from the State General Fund); 1.0 FTE Public Service Executive II Response and Recovery (\$80,031 from all funds, including \$20,007 from the State General Fund); and Calibrators Decommission and Replacement (\$315,518 from the State General Fund). Changes from the agency's FY 2017 revised estimate include the following items:

- **Salaries and Wages.** The agency requests expenditures of \$3.4 million, including \$764,588 from the State General Fund, to fund 20.5 FTE positions and 32.7 non-FTE unclassified positions for FY 2018. The request is an all funds increase of \$123,655, or 3.8 percent, and a State General Fund increase of \$30,808, or 4.2 percent, above the FY 2017 revised estimate. The request is also an increase of 2.0 FTE positions above the FY 2017 revised estimate due to the agency's enhancement requests for 2.0 FTE positions. Primary expenditure increases are due to the agency's enhancement requests for 2.0 additional FTE positions, as well as increases to group health insurance (\$28,165) and employer contributions to state employee retirement (\$55,826);
- **Contractual Services.** The agency requests expenditures of \$1.2 million, including \$333,433 from the State General Fund, for FY 2018. The

request is an all funds decrease of \$493,032, or 29.9 percent, and a State General Fund decrease of \$554,489, or 62.4 percent, below the FY 2017 revised estimate. Contractual services expenditures include rent, travel and subsistence, fees for consulting/computer/other services, security background checks, and travel expenses for training and exercises;

- **Commodities.** The agency requests expenditures of \$241,778, including \$116,182 from the State General Fund, for FY 2018. The request is an all funds increase of \$31,165, or 14.8 percent, and a State General Fund increase of \$30,726, or 36.0 percent, above the FY 2017 revised estimate. Commodities expenditures include stationery and office supplies (fax and copier toner, pens, paper, and envelopes), and professional and scientific supplies (radiological equipment, training videos, handbooks, and reference publications). Primary increases in this category include maintenance and construction material supply (\$20,693), buildings and grounds materials (\$5,000), and other supplies and materials (\$4,123);
- **Capital Outlay.** The agency requests expenditures of \$554,125, including \$386,068 from the State General Fund, for FY 2018. The request is an all funds increase of \$253,848, or 84.5 percent, and a State General Fund increase of \$302,818, or 363.7 percent, above the FY 2017 revised estimate. Capital outlay expenditures include computers, software, and building maintenance. The primary increase in this category is due to the agency's FY 2018

enhancement request for calibrators decommission and replacement (\$315,518);

- **Aid to Local Units of Government.** The agency requests expenditures of \$14.0 million, including \$1.3 million from the State General Fund, for FY 2018. The request is an all funds increase of \$5.1 million, or 56.9 percent, and a State General Fund increase of \$539,638, or 71.4 percent, above the FY 2017 revised estimate. This increase is attributable to disaster relief expenditures (\$3.8 million from federal funds and \$539,638 from the State General Fund) and hazardous mitigation grants (\$750,000) higher than FY 2017; and
- **Other Assistance.** The agency requests expenditures of \$2.0 million, including \$200,000 from the State General Fund, for FY 2018. The request is an increase of \$1.0 million, or 100.0 percent, and a State General Fund increase of \$87,130, or 77.2 percent, above the FY 2017 revised estimate. This increase is attributable to higher disaster relief expenditures (\$912,870 from all funds, including \$87,130 from the State General Fund).

The **Governor** recommends \$20.1 million, including \$2.0 million from the State General Fund, for the Emergency Preparedness program for FY 2018. This is an all funds decrease of \$1.2 million, or 5.7 percent, and a State General Fund decrease of \$1.1 million, or 34.8 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability

for one quarter. Additional adjustments recommended to the agency's FY 2018 request for the Emergency Preparedness program include:

- Not recommending the agency's FY 2018 enhancement requests for a Planner II NBAF position (\$80,031, including \$20,007 from the State General Fund) and a PSE II Response and Recovery position (\$80,031, including \$20,007 from the State General Fund);
- Recommending the agency's FY 2018 enhancement request for Calibrators Decommission and Replacement (\$315,518 from the State General Fund); and
- Reducing by \$1.0 million, all from the State General Fund, additional disaster relief expenditures for FY 2018.

The **agency** requests FY 2019 operating expenditures totaling \$16.0 million, including \$2.3 million from the State General Fund, for the Emergency Preparedness program, an all funds decrease of \$5.4 million, or 25.1 percent, and a State General Fund decrease of \$771,438, or 24.9 percent, below the FY 2018 request. Changes from the agency's FY 2018 request include the following items:

- **Salaries and Wages.** The agency requests expenditures of \$3.5 million, including \$920,493 from the State General Fund, to fund 20.5 FTE positions and 32.7 non-FTE unclassified positions for FY 2019. The request is an all funds increase of \$86,044, or 2.5 percent, and a State General Fund increase of \$155,905, or 20.4

percent, above the FY 2018 request. The request includes continued enhancements for 2.0 FTE positions with associated increases for these positions. Primary increases include employer contributions to state employee retirement (\$55,826) and group health insurance (\$28,165);

- **Contractual Services.** The agency requests expenditures of \$1.1 million, including \$276,883 from the State General Fund, for FY 2019. The request is an all funds decrease of \$7,997, or 0.7 percent, and a State General Fund decrease of \$56,550, or 17.0 percent, below the FY 2018 request. Primary decreases include repairing and servicing (\$20,182) and communication (\$5,985). These decreases are partially offset primarily by increases in travel and subsistence (\$9,297), printing and advertising (\$4,600), and fees—other services (\$3,731);
- **Commodities.** The agency requests expenditures of \$171,652, including \$24,155 from the State General Fund, for FY 2019. The request is an all funds decrease of \$70,126, or 29.0 percent, and a State General Fund decrease of \$92,027, or 79.2 percent, below the FY 2018 request. Primary decreases include buildings and grounds materials (\$31,300), other supplies and materials (\$27,533), and office and data supplies (\$14,350);
- **Capital Outlay.** The agency requests expenditures of \$255,359, including \$87,302 from the State General Fund, for FY 2019. The request is an all funds decrease of \$298,766, or 53.9 percent, and a State General Fund

decrease of \$298,766, or 77.4 percent, below the FY 2018 request. The primary decrease in this category is due to the agency's enhancement request for FY 2018. The agency included an enhancement request for FY 2019 to continue maintenance expenditures for the calibrators decommission and replacement;

- **Aid to Local Units of Government.** The agency requests expenditures of \$9.9 million, including \$859,000 from the State General Fund, for FY 2019. The request is an all funds decrease of \$4.1 million, or 29.2 percent, and a State General Fund decrease of \$436,000, or 33.7 percent, below the FY 2018 request. The decrease is attributable to decreases from the FY 2018 request primarily in disaster relief expenditures (\$2.9 million from all funds, including \$436,000 from the State General Fund) and hazardous mitigation grants (\$1.0 million from all funds); and
- **Other Assistance.** The agency requests expenditures of \$1.0 million, including \$156,000 from the State General Fund, for FY 2019. The request is an all funds decrease of \$1.0 million, or 50.0 percent, and a State General Fund decrease of \$44,000, or 22.0 percent, below the FY 2018 request. The decrease is primarily attributable to decreases from the FY 2018 request in disaster relief expenditures (\$1.0 million from all funds, including \$44,000 from the State General Fund).

The **Governor** recommends \$15.2 million, including \$1.7 million from the State General Fund, for the Emergency Preparedness program for FY 2019. This is an all funds

decrease of \$763,659, or 4.8 percent, and a State General Fund decrease of \$616,068, or 26.5 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. Additional adjustments recommended to the agency's FY 2019 request for the Emergency Preparedness program include:

- Not recommending the agency's FY 2019 enhancement requests for a Planner II NBAF position (\$80,427, including \$20,106 from the

State General Fund); a PSE II Response and Recovery position (\$80,427, including \$20,106 from the State General Fund); and continued expenditures for calibrator decommission and replacement (\$16,752 from the State General Fund); and

- Reducing by \$549,482, all from the State General Fund, additional disaster relief expenditures for FY 2019.

C. State Military Service Operations

The State Military Service Operations program provides funding for payment of Kansas National Guard soldiers when they are called to State Active Duty. Soldiers may be called to State Active Duty for disasters or emergencies such as floods, tornadoes, ice storms, terrorism, or a civil disturbance. The program also pays for the use of federal training equipment on a cost basis for equipment issued to the Kansas National Guard. The Governor has the authority to call approximately 7,000 Kansas National Guard citizen soldiers and airmen to leave their full-time employment and families to serve on emergency or other State Active Duty. The current number of assigned positions is 2,074 Air National Guard Members (2,281 authorized, 91.0 percent of authorized) and 4,886 Army National

Guard Members (4,850 authorized, 100.3 percent of authorized). This program does not contain any FTE positions, however, KSA 75-2935 (g) states that when National Guard Members are called in for State Active Duty, they are considered to be active within the unclassified service and are compensated within these parameters. The State pays the salaries and *per diem* for the service of these members. The Governor also has the authority to commit the large amount of federal training equipment issued to the Kansas National Guard, including helicopters, wheeled vehicles, aircraft, engineer equipment, personnel carriers, generators, and other similar items. The State pays for the use of this equipment on a cost basis.

**STATE MILITARY SERVICE OPERATIONS
SUMMARY OF EXPENDITURES FY 2016 – 2019**

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,196,616	\$ 331,430	\$ 331,430	\$ 243,461	\$ 243,461	\$ 243,461	\$ 243,461
Contractual Services	274,313	122,064	122,064	93,450	93,450	93,450	93,450
Commodities	0	4,200	4,200	4,200	4,200	4,200	4,200
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,470,929</u>	<u>\$ 457,694</u>	<u>\$ 457,694</u>	<u>\$ 341,111</u>	<u>\$ 341,111</u>	<u>\$ 341,111</u>	<u>\$ 341,111</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	29,193	35,000	35,000	35,000	35,000	35,000	35,000
TOTAL	<u>\$ 1,500,122</u>	<u>\$ 492,694</u>	<u>\$ 492,694</u>	<u>\$ 376,111</u>	<u>\$ 376,111</u>	<u>\$ 376,111</u>	<u>\$ 376,111</u>
Financing:							
State General Fund	\$ 689,462	\$ 150,522	\$ 150,522	\$ 99,916	\$ 99,916	\$ 99,916	\$ 99,916
All Other Funds	810,660	342,172	342,172	276,195	276,195	276,195	276,195
TOTAL	<u>\$ 1,500,122</u>	<u>\$ 492,694</u>	<u>\$ 492,694</u>	<u>\$ 376,111</u>	<u>\$ 376,111</u>	<u>\$ 376,111</u>	<u>\$ 376,111</u>
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

The **agency** requests FY 2018 expenditures totaling \$376,111, including \$99,916 from the State General Fund, for the State Military Service Operations program. This is an all funds decrease of \$116,583, or 23.7 percent, and a State General Fund decrease of \$50,606, or 33.6 percent, below the FY 2017 revised estimate. The request includes \$99,916 from the State General Fund, \$119,210 from special revenue funds, and \$156,985 from federal funds. The request includes funding for 4,175 work days: 100 for Emergency State Active Duty; 50

for Civic State Active Duty; 225 to augment Public Assistance duties related to damage to public property for Federally Declared Disasters; 0 for Preliminary Damage Assessments and Training; 3,400 to augment Hazard Mitigation duties related to previous disasters; and 400 for Nuclear Response Training and Exercises.

The **Governor** concurs with the agency's request for FY 2018 operating expenditures for the State Military Service Operations program.

The **agency** requests FY 2019 expenditures totaling \$376,111, including \$99,913 from the State General Fund, for the State Military Service Operations program. This is no

change from the FY 2018 request. The request includes \$99,916 from the State General Fund, \$119,210 from special revenue funds, and \$156,985 from federal funds.

The **Governor** concurs with the agency's request for FY 2019 operating expenditures for the State Military Service Operations program.

D. Physical Plant/Central Services

The Physical Plant Operations program is responsible for the maintenance of the physical facilities and equipment of the Kansas Army and Air National Guard. The agency maintains the State Defense Building, State-owned armories, nine field maintenance sites, six statewide training facilities, the 190th Air

Refueling Wing at Forbes Field, 184th Air Refueling Wing at the McConnell Air Force Base, the Smoky Hill Weapons Range, the 190th Civil Engineering Squadron Fire Protection Branch at Forbes Field, and the Kansas STARBASE Academy.

PHYSICAL PLANT/CENTRAL SERVICES SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 10,007,877	\$ 9,702,680	\$ 9,681,579	\$ 9,599,265	\$ 9,522,076	\$ 9,689,487	\$ 9,602,937
Contractual Services	7,805,546	9,052,483	8,705,652	9,914,334	9,511,900	9,155,620	8,741,191
Commodities	1,096,290	2,211,173	1,507,003	2,123,757	1,397,770	2,062,478	1,324,781
Capital Outlay	377,281	378,431	378,431	359,668	359,668	334,256	334,256
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 19,286,994</u>	<u>\$ 21,344,767</u>	<u>\$ 20,272,665</u>	<u>\$ 21,997,024</u>	<u>\$ 20,791,414</u>	<u>\$ 21,241,841</u>	<u>\$ 20,003,165</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	1,166,819	1,200,000	1,200,000	1,260,000	1,260,000	1,323,000	1,323,000
TOTAL	<u>\$ 20,453,813</u>	<u>\$ 22,544,767</u>	<u>\$ 21,472,665</u>	<u>\$ 23,257,024</u>	<u>\$ 22,051,414</u>	<u>\$ 22,564,841</u>	<u>\$ 21,326,165</u>
Financing:							
State General Fund	\$ 2,104,923	\$ 2,765,657	\$ 2,287,248	\$ 3,173,095	\$ 2,667,072	\$ 2,779,057	\$ 2,262,319
All Other Funds	18,348,890	19,779,110	19,185,417	20,083,929	19,384,342	19,785,784	19,063,846
TOTAL	<u>\$ 20,453,813</u>	<u>\$ 22,544,767</u>	<u>\$ 21,472,665</u>	<u>\$ 23,257,024</u>	<u>\$ 22,051,414</u>	<u>\$ 22,564,841</u>	<u>\$ 21,326,165</u>
FTE Positions	116.0	125.0	91.0	125.0	91.0	125.0	91.0
Non-FTE Uncl.Perm.Pos.	90.0	80.0	80.0	80.0	80.0	80.0	80.0
TOTAL	<u>206.0</u>	<u>205.0</u>	<u>171.0</u>	<u>205.0</u>	<u>171.0</u>	<u>205.0</u>	<u>171.0</u>

The **agency** requests FY 2018 expenditures totaling \$23.3 million, including \$3.2 million from the State General Fund, for the Physical Plant and Central Services program. This is an all funds increase of \$712,257, or 3.2 percent, and a State General Fund increase of \$407,438, or 14.7 percent, above the FY 2017 revised estimate. The increases in this program are due to the agency's six FY 2018 enhancement requests within this program for: 1) Rehabilitation and Repair (\$1.1 million from all funds, including \$585,554 from the State General Fund); 2) McConnell Air Support Operations Squadron (\$56,400 from all funds, including \$14,099 from the State General Fund); 3) Kansas City Firing Range Clean Up (\$206,118 from all funds, including \$103,059 from the State General Fund); Hutchinson Firing Range Clean Up (\$161,502 from all funds, including \$80,751 from the State General Fund); 4) Asbestos Tile Remediation (\$180,103 from all funds, including \$90,051 from the State General Fund); and 5) Lead Paint Encapsulation (\$247,685 from all funds, including \$123,842 from the State General Fund). Funding requested for FY 2018 enhancements totals \$1.9 million, including \$997,356 from the State General Fund. The increase to the FY 2018 request is offset in part by the agency's FY 2017 supplemental request for rehabilitation and repair (\$1.1 million from all funds, including \$476,929 from the State General Fund).

The **Governor** recommends \$22.1 million, including \$2.7 million from the State General Fund, for the Physical Plant and Central Services program for FY 2018. This is an all funds decrease of \$1.2 million, or 5.2 percent, and a State General Fund decrease of \$506,023, or 15.9 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

Additional adjustments recommended to the agency's FY 2018 request for the Physical Plant and Central Services program include:

- Not recommending the agency's FY 2018 enhancement requests for: Rehabilitation and Repair (\$1,072,021, including \$486,467 from the State General Fund) and McConnell ASOS (\$56,400, including \$14,009 from the State General Fund); and
- Recommending the agency's FY 2018 enhancement requests for: Kansas City Firing Range Clean Up (\$206,118, including \$103,059 from the State General Fund); Hutchinson Firing Range Clean Up (\$161,502, including \$80,751 from the State General Fund); Asbestos Tile Remediation (\$180,103, including \$90,051 from the State General Fund); and Lead Paint Encapsulation (\$247,685, including \$123,842 from the State General Fund).

The **agency** requests FY 2019 expenditures totaling \$22.6 million, including \$2.8 million from the State General Fund, for the Physical Plant and Central Services program. This is an all funds decrease of \$692,183, or 3.0 percent, and a State General Fund decrease of \$394,038, or 12.4 percent, below the FY 2018 request. This decrease is due to enhancements requested for FY 2018 that do not reoccur for FY 2019. The agency's request includes two enhancement requests for FY 2019 within this program including: 1) Rehabilitation and Repair (\$1.1 million from all funds, including \$496,196 from the State General Fund) and 2) McConnell Air Support Operations Squadron (\$58,666 from all funds, including \$14,666 from the State General Fund).

The **Governor** recommends \$21.3 million, including \$2.3 million from the State General Fund, for the Physical Plant and Central Services program for FY 2019. This is an all funds decrease of \$1.2 million, or 5.5 percent, and a State General Fund decrease of \$516,738, or 18.6 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. An additional adjustment

recommended to the agency's FY 2019 request for the Physical Plant and Central Services program includes:

- Not recommending the agency's FY 2019 enhancement requests for: Rehabilitation and Repair (\$1,093,460 including \$496,196 from the State General Fund) and McConnell ASOS (\$58,666, including \$14,666 from the State General Fund).

E. Debt Service

The 2000 Legislature approved the issuance of \$22.0 million in revenue bonds in five increments to fund restoration of the Kansas National Guard armories. The first bonds were issued in November 2000 with the final bonds being issued during 2005. This is a 20-year bonding program.

Subsequently, the 2005 Legislature approved the issuance of an additional \$9.0 million in bonds for armory renovation with three bonds issues of \$3.0 million to be made in FY 2007, FY 2008, and FY 2009. Each issuance required State Finance Council approval prior to being issued. The agency received approvals and issued the FY 2007 bonds in September 2007, the FY 2008 bonds in September 2008, and then received approval for the final set of bonds at the June 2010 meeting of the State Finance Council.

The 2005 Legislature also approved the issuance of bonds for the Pittsburg State University and Adjutant General's Department joint use facility. The first debt service payment on these bonds was made in FY 2007 from the Principal and Interest account, and the first payment from the State General Fund was made in FY 2008.

The 2007 Legislature also approved the issuance of \$9.0 million in revenue bonds to construct, equip, and purchase land for the Great Plains Training Center in Salina. These bonds were issued in September 2007. The first debt service payment from the State General Fund was paid in FY 2009.

DEBT SERVICE - INTEREST SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Projects:							
Armory Bonds	\$ 286,129	\$ 269,987	\$ 170,025	\$ 251,984	\$ 154,721	\$ 232,781	\$ 135,518
PSU University Bonds	6,198	3,200	3,200	0	0	0	0
Great Plains Training Center Bonds	85,524	68,631	68,631	49,956	49,956	30,659	30,659
TOTAL	\$ 377,851	\$ 341,818	\$ 241,856	\$ 301,940	\$ 204,677	\$ 263,440	\$ 166,177
Financing:							
State General Fund	\$ 377,851	\$ 341,818	\$ 241,856	\$ 301,940	\$ 204,677	\$ 263,440	\$ 166,177
All Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 377,851	\$ 341,818	\$ 241,856	\$ 301,940	\$ 204,677	\$ 263,440	\$ 166,177

The **agency** requests State General Fund debt service interest payments totaling \$341,818 in FY 2017, \$301,940 for FY 2018, and \$263,440 for FY 2019. Debt service payments for bonds include the following items:

- **Armory Bonds.** The agency requests \$269,987 in FY 2017, \$251,984 for FY 2018, and \$232,781 for FY 2019, for debt service interest payments on bonds for the restoration of Kansas National Guard armories;
- **Pittsburg State University Bonds.** The agency requests \$3,200 in FY 2017 for the final debt service interest payment on bonds issued for the Pittsburg Joint Readiness Center; and
- **Great Plains Training Center Bonds.** The agency requests \$68,631 in FY 2017, \$49,956 for FY 2018, and \$30,659 for FY 2019 for debt service interest payments on the bonds issued for the Great Plains Training Center.

The **Governor** recommends debt service interest payments totaling \$241,856, all from the State General Fund, in FY 2017. This is a State General Fund reduction of \$99,962, or 29.2 percent, below the agency's revised FY 2017 estimate to more accurately reflect debt service interest payments due to bond refinancing.

The **Governor** recommends debt service interest payments totaling \$204,677, all from the State General Fund, for FY 2018. This is a State General Fund reduction of \$97,263, or 32.2 percent, below the agency's FY 2018 request to more accurately reflect debt service interest payments due to bond refinancing.

The **Governor** recommends debt service interest payments totaling \$166,177, all from the State General Fund, for FY 2019. This is a State General Fund reduction of \$97,263, or 36.9 percent, below the agency's FY 2018 request to more accurately reflect debt service interest payments due to bond refinancing.

CAPITAL IMPROVEMENTS

	CAPITAL IMPROVEMENTS					
	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Debt Service Principal:						
Armory Bonds	\$ 420,000	\$ 285,000	\$ 435,000	\$ 435,000	\$ 460,000	\$ 460,000
Pittsburg State University	80,000	80,000	0	0	0	0
GPRT Center Bonds	405,000	405,000	425,000	425,000	445,000	445,000
<i>Subtotal Debt Service</i>						
<i>Principal SGF:</i>	\$ 905,000	\$ 770,000	\$ 860,000	\$ 860,000	\$ 905,000	\$ 905,000
State General Fund Projects:						
Rehab and Repair of Armories	\$ 574,426	\$ 574,426	\$ 374,458	\$ 374,458	\$ 386,731	\$ 386,731
Crisis City HVAC Replacement	250,000	0	0	0	0	0
Emergency Operations Training Center Construction	0	0	0	0	24,058,123	0
<i>Subtotal SGF Projects:</i>	\$ 824,426	\$ 574,426	\$ 374,458	\$ 374,458	\$ 24,444,854	\$ 386,731
Special Revenue / Federal Fund Projects (FED):						
NGB Ops/Maint. R&R Match Base Request FED	\$ 6,314,372	\$ 6,314,372	\$ 6,912,173	\$ 6,912,173	\$ 6,921,021	\$ 6,921,021
General Fees Fund	800,000	800,000	350,000	350,000	350,000	350,000
Military Fees Fund	80,000	80,000	20,000	20,000	0	0
<i>Subtotal SRF & FED Projects</i>	\$ 7,194,372	\$ 7,194,372	\$ 7,282,173	\$ 7,282,173	\$ 7,271,021	\$ 7,271,021
GRAND TOTAL	\$ 8,923,798	\$ 8,538,798	\$ 8,516,631	\$ 8,516,631	\$ 32,620,875	\$ 8,562,752
Financing:						
State General Fund	\$ 1,729,426	\$ 1,344,426	\$ 1,234,458	\$ 1,234,458	\$ 25,349,854	\$ 1,291,731
All Other Funds	7,194,372	7,194,372	7,282,173	7,282,173	7,271,021	7,271,021
TOTAL	\$ 8,923,798	\$ 8,538,798	\$ 8,516,631	\$ 8,516,631	\$ 32,620,875	\$ 8,562,752

Current Year Agency Estimate

FY 2017–Current Year. The agency’s revised estimate for capital improvements expenditures totals \$8.9 million, including \$1.7 million from the State General Fund, in FY 2017. The revised estimate includes one supplemental request in FY 2017. The FY 2017 revised estimate includes the following:

- **State General Fund.** The agency’s FY 2017 revised estimate includes debt service principal expenditures totaling \$905,000, one capital improvements supplemental request for \$250,000, and rehabilitation and repair expenditures of \$574,426; and
- **All Other Funds.** The FY 2017 revised estimate includes \$7.2 million, including \$6.3 million from federal funds and \$880,000 from special revenue funds in FY 2017. This includes matching federal funding for rehabilitation and repair expenditures.

The agency’s revised FY 2017 estimate includes the following supplemental request:

- **Crisis City HVAC Replacement.** The agency is requesting \$250,000, all from the State General Fund, to replace the HVAC system at the Crisis City Training Facility outside of Salina, Kansas. The agency states the requested system would be more efficient at heating and cooling and maintaining the building at a temperature between 65 to 78 degrees. The agency’s plans would allow for the existing ventilation ductwork, heat exchangers, thermostats, and other control and distribution systems to remain as part of the new system.

The agency notes rehabilitation and repair expenditures include those for 36 Kansas armories (over 1.3 million square feet of armory facilities) and National Guard facilities in order to draw down matching federal money per the Cooperative Agreement with the National Guard Bureau (facilities are applicable for a 50.0 percent or 25.0 percent match depending on facility ownership). Expenditures for rehabilitation and repair include security for arms, ammunition and explosives, fire and safety, physical security, intrusion detection and prevention, heating and cooling, waterproofing, air quality, plumbing, groundskeeping, code compliance, and electrical systems.

Current Year Governor Recommendation

The **Governor** recommends capital improvements expenditures totaling \$8.5 million, including \$1.3 million from the State General Fund, in FY 2017. This is a decrease of \$385,000, or 4.3 percent, all from the State General Fund, below the agency’s FY 2017 revised estimate.

This decrease is due to Governor recommending the following adjustments:

- Reduce debt service principal payments by \$135,000, all from the State General Fund, to accurately reflect bond refinancing; and

- The Governor does not recommend the agency's supplemental request for \$250,000, all from the

State General Fund, for the Crisis City HVAC Replacement in FY 2017.

Budget Year Agency Request

FY 2018–Budget Year. The agency requests capital improvements expenditures totaling \$8.5 million, including \$1.2 million from the State General Fund, for FY 2018. The FY 2018 request includes the following:

- **State General Fund.** The agency's FY 2018 request includes debt service principal

expenditures totaling \$860,000 and rehabilitation and repair expenditures of \$374,458; and

- **All Other Funds.** The FY 2018 request includes \$7.3 million, including \$6.9 million from federal funds and \$370,000 from special revenue funds for FY 2018.

Budget Year Governor Recommendation

The **Governor** concurs with the agency's request for capital improvements expenditures for FY 2018.

Budget Year Agency Request

FY 2019–Budget Year. The agency requests capital improvements expenditures totaling \$32.6 million, including \$25.3 million from the State General Fund, for FY 2019. The FY 2019 request includes the following:

- **State General Fund.** The agency's FY 2019 request includes debt service principal expenditures totaling \$905,000, one capital improvement enhancement request totaling \$24.1 million, and rehabilitation and repair expenditures of \$386,731; and
- **All Other Funds.** The FY 2019 request includes \$7.3 million, including \$6.9 million from federal

funds and \$350,000 from special revenue funds for FY 2019.

The agency's FY 2019 request includes the following enhancement request:

- **Emergency Operations Training Center Construction.** The agency requests \$24.1 million, all from the State General Fund, to finance the construction of a new State Emergency Management Operations and Training Center to be located on land adjacent to the grounds of the Kansas National Guard 190th

Refueling Wing at Forbes Field in Topeka. The agency notes the following:

- The facility will be approximately 38,173 square feet and will be the primary state center for all state emergency response operations and training;
- The facility will have streamlined access to the airfield and the Kansas National Guard's Joint Force Headquarters;
- The facility will house the Kansas Department of Emergency Management, Joint Operation Center (JOC);

- The facility will include a new State Emergency Operations Center and related supporting spaces;
- The project also will include all necessary parking and emergency generation;
- The facility will enable the agency to consume less than half of its current energy usage; and
- The project is part of the agency's relocation of the Kansas National Guard's Headquarters' from central Topeka to Forbes Field, 190th Air Wing property.

Budget Year Governor Recommendation

The **Governor** recommends capital improvements expenditures totaling \$8.6 million, including \$1.3 million from the State General Fund, for FY 2019. This is an all funds decrease of \$24.1 million, or 73.8 percent, and a State General Fund decrease of \$24.1 million, or 94.9 percent, below the agency's

FY 2019 request. This decrease is due to the Governor not recommending the agency's State General Fund enhancement request for Emergency Operations Training Center Construction for FY 2019.

PERFORMANCE MEASURES					
<u>Measure</u>	<u>Gov. Rec. for FY 2016</u>	<u>Actual FY 2016</u>	<u>Gov. Rec. FY 2017</u>	<u>Gov. Rec. FY 2018</u>	<u>Gov. Rec. FY 2019</u>
Percent of monthly reporting deadlines met	100.0%	98.0%	98.0%	100.0%	100.0%
Number of training workshops sponsored by KDEM	119	83	100	100	100
Number of county emergency operation plans reviewed for compliance	34	12	9	13	13
Number of training and exercise planning workshops conducted across the state	71	70	71	71	71
Percent of missions within the time-frame specified by the requester	100.0%	100.0%	100.0%	100.0%	100.0%
Percent of payments for state active duty made on time	100.0%	100.0%	100.0%	100.0%	100.0%
Percent of restoration and modernization projects executed	12.0%	17.0%	16.0%	18.0%	19.0%
Percent of scheduled maintenance executed	75.0%	73.0%	70.0%	70.0%	70.0%

KANSAS BUREAU OF INVESTIGATION

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 19,355,529	\$ 22,312,630	\$ 21,759,292	\$ 25,098,888	\$ 20,392,574	\$ 24,509,428	\$ 20,384,807
Other Funds	13,004,936	12,558,514	12,546,003	12,462,749	13,236,338	12,292,036	13,056,339
TOTAL	\$ 32,360,465	\$ 34,871,144	\$ 34,305,295	\$ 37,561,637	\$ 33,628,912	\$ 36,801,464	\$ 33,441,146
Capital Improvements:							
State General Fund	\$ 2,095,000	\$ 2,105,000	\$ 2,105,000	\$ 2,170,000	\$ 2,170,000	\$ 2,280,000	\$ 2,280,000
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 2,095,000	\$ 2,105,000	\$ 2,105,000	\$ 2,170,000	\$ 2,170,000	\$ 2,280,000	\$ 2,280,000
GRAND TOTAL	\$ 34,455,465	\$ 36,976,144	\$ 36,410,295	\$ 39,731,637	\$ 35,798,912	\$ 39,081,464	\$ 35,721,146
Percentage Change:							
Operating Expenditures							
State General Fund	20.4 %	15.3 %	12.4 %	12.5 %	(6.3) %	(2.3) %	(0.0) %
All Funds	18.2	7.8	6.0	7.7	(2.0)	(2.0)	(0.6)
FTE Positions	223.0	223.0	223.0	235.0	223.0	235.0	223.0
Non-FTE							
Perm.Uncl.Pos.	83.0	83.0	83.0	96.0	83.0	96.0	83.0
TOTAL	306.0	306.0	306.0	331.0	306.0	331.0	306.0

AGENCY OVERVIEW

The Kansas Bureau of Investigation (KBI) was established in 1939 as a division within the Office of the Attorney General. The mission of the KBI is to provide professional investigative and laboratory services to Kansas criminal justice agencies and to collect and disseminate criminal justice information for the

purpose of promoting public safety and the prevention of crime in Kansas. The KBI headquarters is located in Topeka and has regional offices in Wichita and Overland Park. Laboratory facilities are located in Topeka, Great Bend, Pittsburg, and Kansas City.

MAJOR ISSUES FROM PRIOR YEARS

The **2006 Legislature** added funding of \$2.4 million, all from the State General Fund, for the purchase of the Insurance Management Agency building (IMA) building in Topeka; security, communications, and laboratory renovations at the KBI headquarters and IMA buildings; and completion of the second floor at the Great Bend Laboratory in FY 2007. The Personal and Family Protection Act was enacted allowing certain persons licensed by the Kansas Attorney General to carry concealed handguns. The 2006 Legislature increased expenditures from the Record Check Fee Fund by \$120,568 and added 4.0 FTE positions in FY 2007 for implementation of the Act.

The **2006 Legislature** added \$263,212, all from the State General Fund, for 4.0 additional agent positions in FY 2007 and enacted HB 2554 requiring DNA sample collection for the DNA database of any adult arrested or juvenile placed in custody for the commission or attempted commission of a felony or specific non-felony offense. Also added was a total of 13.0 new FTE positions, including 3.0 laboratory positions, 3.0 record check positions, 2.0 Offender Registration Unit positions, and 3.0 positions to be utilized for either the implementation of legislation regarding DNA specimen collections or for the Offender Registration Unit.

HB 2754 was enacted in FY 2007, which requires offenders to register with the KBI for the commission of person felonies when a court makes a finding that a deadly weapon was used, commonly referred to as “Miki’s Law.” The Legislature added \$65,464, all from the State General Fund, in FY 2007, for the Offender Registration for implementation of the legislation.

The **2007 Legislature** added \$124,000, all from the State General Fund, for KBI to purchase property in Topeka in the block containing the headquarters building in FY 2008.

The **2008 Legislature** added language providing for the reappropriation of the \$124,000, all from the State General Fund, to FY 2009 for the KBI to purchase property in Topeka in the block containing the headquarters building and added \$50,000, all from the State General Fund, to complete the buyout and demolition of properties on the same block as the headquarters.

The **2009 Legislature** added language to reappropriate the total unencumbered State General Fund balance of the Land Acquisition Fund savings to operating expenditures in FY 2010 to provide funding for Kansas Criminal Justice Information System (KCJIS) communication lines. The legislation added \$326,000, all from the State General Fund, for the KCJIS

Central Message Switch Replacement project in FY 2010 and reduced the agency's budget by 1.25 percent as part of an across-the-board reduction to the Governor's FY 2009 recommended State General Fund operating expenditures, excluding debt service payments and caseload estimates for FY 2009 (\$212,814) and FY 2010 (\$209,672). The legislation also reduced the agency's budget by 2.75 percent, as part of an across-the-board reduction to the Governor's FY 2010 recommended State General Fund operating expenditures excluding debt service payments and caseload estimates for FY 2010 (\$423,085).

The **2010 Legislature** deleted \$218,000 from the State General Fund and added \$660,000 from the Criminal Justice Information System Line Fund in FY 2011 with the passage of 2010 Senate Sub. for HB 2226, which raised district court traffic fines by \$5 to provide funding for the KCJIS circuits. The legislation added \$1,080,630, all from the State General Fund, to assist in reducing the DNA backlog in FY 2011. The funds allowed for the purchase of new equipment and consumables, as well as for computer and software licenses.

The **2011 Legislature** added \$150,000, all from the State General Fund, in FY 2011 and \$450,000, all from the State General Fund, in FY 2012 to provide funding for methamphetamine laboratory cleanup, and approved a reduced resources budget in FY 2012, which was an all funds reduction of \$556,598 and a State General Fund reduction of \$783,941.

The **2013 Legislature** added language authorizing expenditures for an agreement with Washburn University for the construction of the forensic laboratory in FY 2014 and added \$608,532, all from the State General Fund, and 5.0 FTE positions in FY 2014 and FY 2015 for the Crimes Against Children Unit.

The **2013 Legislature** deleted \$384,785 in FY 2013 and \$200,000 in FY 2014 for the methamphetamine laboratory

cleanup program and deleted \$987,465, including \$176,270 from the State General Fund, in FY 2014 and deleted \$1,032,241, including \$203,729 from the State General Fund, to reflect reduced funding for salaries and wages in FY 2015.

The **2014 Legislature** added \$1,350, all from the Kansas Criminal Justice Information System (KCJIS) Line Fund, to procure and operate telecommunications circuits for each county in FY 2014 and FY 2015, and made the KCJIS Line Fund a no-limit fund. The legislation also added \$940,646, all from the State General Fund, for a 10.0 percent base pay increase for all forensic scientist and special agent positions for FY 2015.

The **2015 Legislature** added 12.0 non-FTE positions for the forensic laboratory at Washburn University for FY 2016 and FY 2017. The legislation added \$4.3 million, all from the State General Fund, for debt service payments for the new forensic laboratory at Washburn University for FY 2016 and FY 2017. The legislation also added \$1.0 million, all from special revenue funds, for maintenance and support of KCJIS, and added language permitting the KBI to use funds in the KCJIS Line Fund for maintenance and support of KCJIS.

The **2016 Legislature** deleted \$346,463, all from the State General Fund, in FY 2016 as part of the Governor's July 30, 2015 allotment. In addition, the legislation added \$1.1 million, all from special revenue funds, in FY 2016 for operational adjustments, including increased expenditures from the KCJIS Line Fund (\$256,320), Record Check Fee Fund (\$91,435), and federal funds (\$763,501). The legislation also added language allowing the use of existing funds of not more than \$340,000 to repair the Topeka headquarters parking garage in FY 2016.

The **2016 Legislature** added \$1.5 million, all from special revenue funds, for FY 2017 for operational adjustments, including increased expenditures from the KCJIS Line Fund (\$256,320), Record Check Fee Fund (\$307,733), forfeiture

funds (\$250,000), and federal funds (\$658,722). The legislation deleted \$150,000, all from the State General Fund, for FY 2017 to reduce methamphetamine laboratory cleanup expenditures. The legislation also added language allowing the use of existing

funds for salaries and wages expenditures for FY 2017. This language allows for progression within the existing pay structure for the agency's employees.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency** estimates \$37.0 million, including \$24.4 million from the State General Fund, in FY 2017. This is an all funds decrease of \$109,319, or 0.3 percent, and the same State General Fund amount as that approved by the 2016 Legislature. The all funds decrease is due to decreased expenditures on

scientific (\$44,350) and office (\$13,663) supplies. Several classified employees transferred from the Investigation program to the Forensic Laboratory program. The agency's revised estimate includes 223.0 FTE positions, which is the same as the approved amount.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$36.4 million, including \$23.9 million from the State General Fund. The recommendation is an all funds decrease of \$565,849, or 1.5 percent, and a State General Fund decrease of \$553,338, or 2.3 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the

Governor's recommendation to reduce expenditures for repairs to the agency's forensic science laboratory by \$421,163, all from the State General Fund; reduce expenditures for methamphetamine laboratory clean-up by \$109,788, all from the State General Fund; and hold KPERS employer contributions at the FY 2016 amount.

FY 2018 Agency Request

The **agency** requests an operating budget of \$37.6 million, including \$25.1 million from the State General Fund, for FY 2018. This is an all funds increase of \$2.7 million, or 7.7 percent, and a State General Fund increase of \$2.8 million, or 12.5 percent, above the FY 2017 agency's revised estimate.

The all funds increase is largely due to the agency's supplemental requests. The agency's request includes 235.0 FTE positions, which is an increase of 12.0 FTE positions above the FY 2017 agency's revised estimate. The FTE increase is attributable to the agency's enhancement requests.

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$33.6 million, including \$20.4 million from the State General Fund. The recommendation is an all funds decrease of \$3.9 million, or 10.5 percent, and a State General Fund decrease of \$4.7 million, or 18.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to decline \$3.8 million and 12.0 FTE positions in enhancement requests; reduce expenditures

for methamphetamine laboratory clean-up by \$50,000, all from the State General Fund; hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$105,048, including \$67,036 from the State General Fund; and provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$23,212, including \$14,813 from the State General Fund.

FY 2019 Agency Request

The **agency** requests \$36.8 million, including \$24.5 million from the State General Fund, for FY 2019. This is an all funds decrease of \$760,173, or 2.0 percent, and a State General Fund decrease of \$589,460, or 2.3 percent, below the FY 2018 agency request. The all funds reduction is largely due to the

agency's supplemental requests, but does not include \$450,000 in supplemental capital outlay expenditures that are present in FY 2018. The agency's request includes 235.0 FTE positions, which is the same number as the FY 2018 agency request.

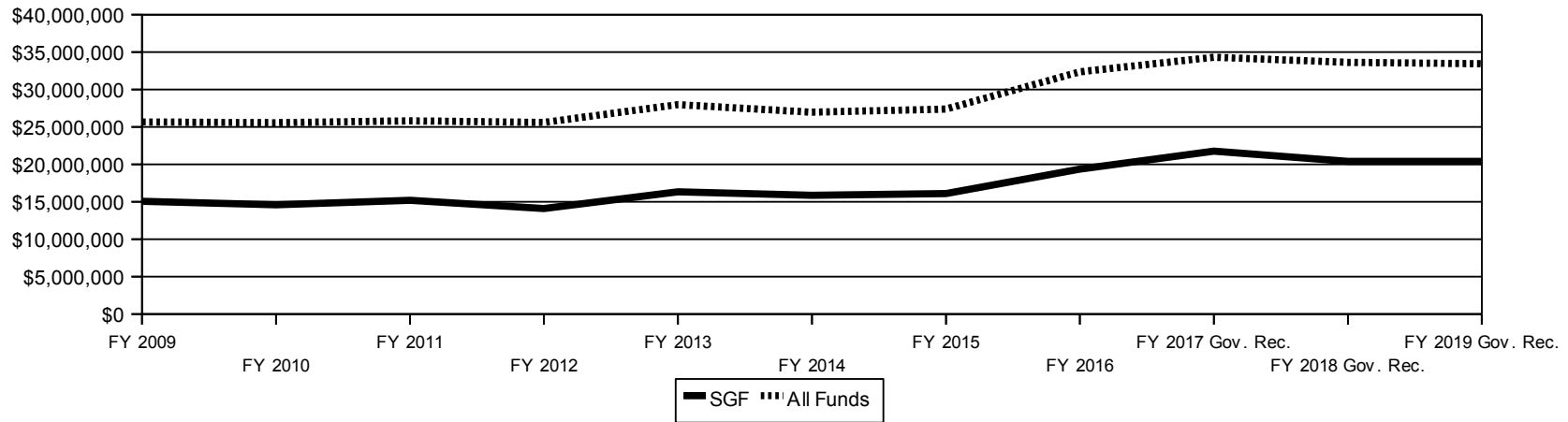
FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$33.4 million, including \$20.4 million from the State General Fund. The recommendation is an all funds decrease of \$3.4 million, or 9.1 percent, and a State General Fund decrease of \$4.1 million, or 16.8 percent, below the agency's FY 2019 request. The decrease is attributable to the

Governor's recommendation to decline \$3.8 million and 12.0 FTE positions in enhancement requests; reduce expenditures for methamphetamine laboratory clean-up by \$50,000, all from the State General Fund; and hold KPERS employer contributions at the FY 2016 amount.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 15,055,052	(11.3)%	\$ 25,662,582	(4.1)%	0.0
2010	14,607,892	(3.0)	25,551,718	(0.4)	0.0
2011	15,180,709	3.9	25,813,836	1.0	0.0
2012	14,102,572	(7.1)	25,598,545	(0.8)	0.0
2013	16,343,055	15.9	27,972,736	9.3	0.0
2014	15,872,266	(2.9)	26,967,017	(3.6)	0.0
2015	16,082,694	1.3	27,380,504	1.5	0.0
2016	19,355,529	20.4	32,360,465	18.2	223.0
2017 Gov. Rec.	21,759,292	12.4	34,305,295	6.0	223.0
2018 Gov. Rec.	20,392,574	(6.3)	33,628,912	(2.0)	223.0
2019 Gov. Rec.	20,384,807	(0.0)	33,441,146	(0.6)	223.0
Eleven-Year Change	\$ 5,329,755	35.4 %	\$ 7,778,564	30.3 %	223.0

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
General Services	\$ 8,459,122	\$ 9,015,368	\$ 8,786,142	\$ (229,226)	(2.5) %	\$ 9,003,712	\$ 8,742,041	\$ (261,671)	(2.9)%
Investigations	12,946,878	13,140,971	14,942,173	1,801,202	13.7	13,026,782	12,537,070	(489,712)	(3.8)
Forensic Laboratory	8,638,443	10,398,736	11,579,397	1,180,661	11.4	9,958,732	10,095,876	137,144	1.4
Debt Service	2,229,724	2,216,069	2,153,925	(62,144)	(2.8)	2,216,069	2,153,925	(62,144)	(2.8)
Capital Improvements	86,298	100,000	100,000	0	0.0	100,000	100,000	0	0.0
TOTAL	\$ 32,360,465	\$ 34,871,144	\$ 37,561,637	\$ 2,690,493	7.7 %	\$ 34,305,295	\$ 33,628,912	\$ (676,383)	(2.0)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 18,261,155	\$ 20,655,594	\$ 23,362,983	\$ 2,707,389	13.1 %	\$ 20,620,696	\$ 20,492,843	\$ (127,853)	(0.6)%
Contractual Services	7,296,863	7,347,426	7,643,477	296,051	4.0	6,816,475	7,431,200	614,725	9.0
Commodities	1,072,524	1,139,701	1,298,621	158,920	13.9	1,139,701	1,055,958	(83,743)	(7.3)
Capital Outlay	1,935,751	2,003,583	1,624,548	(379,035)	(18.9)	2,003,583	1,016,903	(986,680)	(49.2)
Debt Service	2,229,724	2,216,069	2,153,925	(62,144)	(2.8)	2,216,069	2,153,925	(62,144)	(2.8)
Subtotal - Operations	\$ 30,796,017	\$ 33,362,373	\$ 36,083,554	\$ 2,721,181	8.2 %	\$ 32,796,524	\$ 32,150,829	\$ (645,695)	(2.0)%
Aid to Local Units	1,558,174	1,372,437	1,364,839	(7,598)	(0.6)	1,372,437	1,364,839	(7,598)	(0.6)
Other Assistance	6,274	136,334	113,244	(23,090)	(16.9)	136,334	113,244	(23,090)	(16.9)
TOTAL	\$ 32,360,465	\$ 34,871,144	\$ 37,561,637	\$ 2,690,493	7.7 %	\$ 34,305,295	\$ 33,628,912	\$ (676,383)	(2.0)%
Financing:									
State General Fund	\$ 19,355,529	\$ 22,312,630	\$ 25,098,888	\$ 2,786,258	12.5 %	\$ 21,759,292	\$ 20,392,574	\$ (1,366,718)	(6.3)%
Record Check Fee Fund	2,777,905	2,476,243	2,914,618	438,375	17.7	2,471,085	3,715,030	1,243,945	50.3
KCJIS Line Fund	1,574,695	1,941,917	1,640,674	(301,243)	(15.5)	1,941,136	1,637,759	(303,377)	(15.6)
All Other Funds	8,652,336	8,140,354	7,907,457	(232,897)	(2.9)	8,133,782	7,883,549	(250,233)	(3.1)
TOTAL	\$ 32,360,465	\$ 34,871,144	\$ 37,561,637	\$ 2,690,493	7.7 %	\$ 34,305,295	\$ 33,628,912	\$ (676,383)	(2.0)%

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
General Services	\$ 8,786,142	\$ 8,504,916	\$ (281,226)	(3.2) %	\$ 8,742,041	\$ 8,450,808	\$ (291,233)	(3.3)%
Investigations	14,942,173	14,522,240	(419,933)	(2.8)	12,537,070	12,550,157	13,087	0.1
Forensic Laboratory	11,579,397	11,631,633	52,236	0.5	10,095,876	10,297,506	201,630	2.0
Debt Service	2,153,925	2,042,675	(111,250)	(5.2)	2,153,925	2,042,675	(111,250)	(5.2)
Capital Improvements	100,000	100,000	0	0.0	100,000	100,000	0	0.0
TOTAL	\$ 37,561,637	\$ 36,801,464	\$ (760,173)	(2.0) %	\$ 33,628,912	\$ 33,441,146	\$ (187,766)	(0.6)%
By Major Object of Expenditure:								
Salaries and Wages	\$ 23,362,983	\$ 23,664,695	\$ 301,712	1.3 %	\$ 20,492,843	\$ 20,779,927	\$ 287,084	1.4 %
Contractual Services	7,643,477	7,579,056	(64,421)	(0.8)	7,431,200	7,311,734	(119,466)	(1.6)
Commodities	1,298,621	1,238,558	(60,063)	(4.6)	1,055,958	1,034,330	(21,628)	(2.0)
Capital Outlay	1,624,548	1,022,966	(601,582)	(37.0)	1,016,903	1,018,966	2,063	0.2
Debt Service	2,153,925	2,042,675	(111,250)	(5.2)	2,153,925	2,042,675	(111,250)	(5.2)
Subtotal - Operations	\$ 36,083,554	\$ 35,547,950	\$ (535,604)	(1.5) %	\$ 32,150,829	\$ 32,187,632	\$ 36,803	0.1 %
Aid to Local Units	1,364,839	1,225,201	(139,638)	(10.2)	1,364,839	1,225,201	(139,638)	(10.2)
Other Assistance	113,244	28,313	(84,931)	(75.0)	113,244	28,313	(84,931)	(75.0)
TOTAL	\$ 37,561,637	\$ 36,801,464	\$ (760,173)	(2.0) %	\$ 33,628,912	\$ 33,441,146	\$ (187,766)	(0.6)%
Financing:								
State General Fund	\$ 25,098,888	\$ 24,509,428	\$ (589,460)	(2.3) %	\$ 20,392,574	\$ 20,384,807	\$ (7,767)	(0.0)%
Record Check Fee Fund	2,914,618	2,995,843	81,225	2.8	3,715,030	3,791,314	76,284	2.1
KCJIS Line Fund	1,640,674	1,835,426	194,752	11.9	1,637,759	1,831,784	194,025	11.8
All Other Funds	7,907,457	7,460,767	(446,690)	(5.6)	7,883,549	7,433,241	(450,308)	(5.7)
TOTAL	\$ 37,561,637	\$ 36,801,464	\$ (760,173)	(2.0) %	\$ 33,628,912	\$ 33,441,146	\$ (187,766)	(0.6)%

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

The 2016 Legislature approved a State General Fund budget of \$23.1 million for the Kansas Bureau of Investigation in FY 2017. One adjustment has been made subsequently to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made:

- An increase of \$1.3 million, based on the reappropriation of FY 2016 funding which was not spent in FY 2016 and has shifted to FY 2017.

This adjustment changes the FY 2017 approved State General Fund to \$24.4 million. That amount is reflected in the table below as the currently approved FY 2017 State General Fund amount. The agency's budget was submitted after the Governor's July allotment, but prior to the November allotment, so the agency's revised budget estimates do not incorporate the second allotment.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 24,417,630	\$ 24,417,630	\$ 0	\$ 23,864,292	\$ (553,338)
All Other Funds	12,667,833	12,558,514	(109,319)	12,546,003	(121,830)
TOTAL	<u>\$ 37,085,463</u>	<u>\$ 36,976,144</u>	<u>\$ (109,319)</u>	<u>\$ 36,410,295</u>	<u>\$ (675,168)</u>
FTE Positions	223.0	223.0	0.0	223.0	0.0

The **agency** estimates \$37.0 million, including \$24.4 million from the State General Fund, in FY 2017. This is an all funds decrease of \$109,319, or 0.3 percent, and the same State

General Fund amount as that approved by the 2016 Legislature. The all funds decrease is due to decreased expenditures on scientific (\$44,350) and office (\$13,663) supplies. Several

classified employees transferred from the Investigation program to the Forensic Laboratory program. The agency's revised estimate includes 223.0 FTE positions, which is the same as the approved amount. Major objects of expenditure are detailed below:

- **Salaries and Wages.** The agency estimates expenditures of \$20.1 million, including \$14.3 million from the State General Fund, for salaries and wages in FY 2017. This is an all funds increase of \$559,191, or 2.8 percent, and a State General Fund increase of \$680,101, or 4.7 percent, above the FY 2017 approved amount. The increase is primarily due to increased expenditures in the General Services (\$138,151) and Forensic Laboratory (\$446,525) programs. More specifically, the agency estimates higher expenditures for unclassified positions (\$570,442) and lower expenditures for classified regular positions (\$393,282);
- **Contractual Services.** The agency estimates expenditures of \$7.3 million, including \$4.1 million from the State General Fund, for contractual services in FY 2017. This is an all funds increase of \$30,360, or 0.4 percent, and a State General Fund increase of \$607,617, or 17.6 percent, above the FY 2017 approved amount. The increase is primarily due to increased expenditures in the Forensic Laboratory program (\$455,338) and is partially offset by decreased expenditures in the General Services program (\$483,537). More specifically, the agency estimates higher expenditures for building repair and services (\$421,163) from reappropriated funds;
- **Commodities.** The agency estimates expenditures of \$1.1 million, including \$693,895 from the State General Fund, for commodities in FY 2017. This is an all funds decrease of \$68,834, or 5.7 percent, and a State General Fund increase of \$20,215, or 3.0 percent, from the FY 2017 approved amount. The decrease is primarily due to decreased expenditures in the General Services program (\$65,885). More specifically, the agency estimates decreased expenditures for supplies related to the SAKI project (\$44,350) and office supplies (\$13,663);
- **Capital Outlay.** The agency estimates expenditures of \$2.0 million, including \$313,398 from the State General Fund, for capital outlay in FY 2017. This is an all funds increase of \$588,020, or 41.5 percent, and a State General Fund decrease of \$6,982, or 2.2 percent, from the FY 2017 approved amount. The increase is primarily due to increased expenditures in the General Services (\$511,582) and Forensic Laboratory (\$81,381) programs. More specifically, the agency estimates increased expenditures for software and scientific equipment (\$824,286);
- **Aid to Local Units of Government.** The agency estimates expenditures of \$1.4 million, all from special revenue funds, for aid to local units of government in FY 2017. This is an all funds increase of \$60,066, or 4.6 percent, above the FY 2017 approved amount. The increase is primarily due to a federal grant the agency received as part of the national Sexual Assault Kit Initiative (SAKI) in the General Services

program (\$60,066). The funds will support local governments who investigate cases based on the analysis of sexual assault kits; and

- **Other Assistance.** The agency estimates expenditures of \$136,334, including \$9,638 from the State General Fund, for other assistance in FY 2017. This is an all funds increase of \$22,829, or 20.1 percent, and no change to the State General Fund amount, from the FY 2017 approved amount. The increase is due to the SAKI grant in the General Services program. The funds will support organizations that aim to reduce victimization, encourage reporting of sexual assault, and enhance victim services and support.

The **Governor** recommends FY 2017 operating expenditures of \$36.4 million, including \$23.9 million from the State General Fund. The recommendation is an all funds decrease of \$565,849, or 1.5 percent, and a State General Fund decrease of \$553,338, or 2.3 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to:

- Reduce expenditures for repairs to the agency's forensic science laboratory by \$421,163, all from the State General Fund;
- Reduce expenditures for methamphetamine laboratory clean-up by \$109,788, all from the State General Fund; and
- Hold KPERS employer contributions at the FY 2016 amount.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 37,561,637	\$ 33,628,912	\$ (3,932,725)
FTE Positions	235.0	223.0	(12.0)
<i>Change from FY 2017:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 2,786,258	\$ (1,366,718)	
All Other Funds	(95,765)	690,335	
TOTAL	<u>\$ 2,690,493</u>	<u>\$ (676,383)</u>	
<i>Percent Change:</i>			
State General Fund	12.5 %	(6.3) %	
All Other Funds	(0.8)	5.5	
TOTAL	<u>7.7 %</u>	<u>(2.0) %</u>	
Change in FTE Positions	12.0	0.0	

The **agency** requests an operating budget of \$37.6 million, including \$25.1 million from the State General Fund, for FY 2018. This is an all funds increase of \$2.7 million, or 7.7 percent, and a State General Fund increase of \$2.8 million, or 12.5 percent, above the FY 2017 agency's revised estimate. The all funds increase is largely due to the agency's

supplemental requests. The agency's request includes 235.0 FTE positions, which is an increase of 12.0 FTE positions above the FY 2017 agency request. The FTE increase is attributable to the agency's enhancement requests.

Major objects of expenditure are detailed below:

- **Salaries and Wages.** The agency requests expenditures of \$23.4 million, including \$17.7 million from the State General Fund, for salaries and wages for FY 2018. This is an all funds increase of \$2.7 million, or 13.1 percent, and a State General Fund increase of \$2.6 million, or 17.6 percent, above the FY 2017 agency's revised estimate. The increase is due to the agency's enhancement requests (\$1.4 million) and increased expenditures on pay to unclassified employees (\$1.0 million), which offsets the reduction for the 27th payroll period in FY 2017;
- **Contractual Services.** The agency requests expenditures of \$7.6 million, including \$3.7 million from the State General Fund, for contractual services for FY 2018. This is an all funds increase of \$296,051, or 4.0 percent, and a State General Fund decrease of \$393,967, or 9.7 percent, from the FY 2017 agency's revised estimate. The increase is primarily due to increased expenditures on professional fees related to KCJIS, computer programming services, and data processing services;
- **Commodities.** The agency requests expenditures of \$1.3 million, including \$809,402 from the State General Fund, for commodities for FY 2018. This is an all funds increase of \$158,920, or 13.9 percent, and a State General Fund increase of \$115,507, or 16.6 percent, above the FY 2017 agency's revised estimate. The increase is primarily due to increased

expenditures on professional and scientific supplies related to the testing of sexual assault kits (\$132,253);

- **Capital Outlay.** The agency requests expenditures of \$1.6 million, including \$800,769 from the State General Fund, for capital outlay for FY 2018. This is an all funds decrease of \$379,035, or 18.9 percent, and a State General Fund increase of \$487,371, or 155.5 percent, from the FY 2017 agency's revised estimate. The all funds decrease is due to decreased expenditures software, scientific supplies, and video recording equipment (\$899,850), partially offset by the purchase of 12 vehicles related to the agency's enhancement request (\$335,500);
- **Aid to Local Units of Government.** The agency requests expenditures of \$1.4 million, all from special revenue funds, for aid to local units of government for FY 2018. This is an all funds decrease of \$7,598, or 0.6 percent, below the FY 2017 agency's revised estimate. The decrease is largely due to adjusted funding from a federal grant the agency received as part of the national SAKI in the General Services program. The funds are used to support local governments that investigate cases based on the results of the analysis of sexual assault kits; and
- **Other Assistance.** The agency requests expenditures of \$113,244, all from special revenue funds, for other assistance for FY 2018. This is an all funds decrease of \$23,090, or 16.9 percent, and a State General Fund decrease of \$9,638, or 100.0 percent, below the FY 2017

agency's revised estimate. The decrease is largely due to adjusted funding from the SAKI grant in the General Services program. Funds are used to support organizations that aim to reduce victimization, encourage reporting of sexual assault, and enhance victim services and support.

The **Governor** recommends FY 2018 operating expenditures of \$33.6 million, including \$20.4 million from the State General Fund. The recommendation is an all funds decrease of \$3.9 million, or 10.5 percent, and a State General Fund decrease of \$4.7 million, or 18.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to:

- Decline \$3.8 million and 12.0 FTE positions in enhancement requests;
- Reduce expenditures for methamphetamine laboratory clean-up by \$50,000, all from the State General Fund;
- Hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$105,048, including \$67,036 from the State General Fund; and
- Provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$23,212, including \$14,813 from the State General Fund.

Enhancements Detail

Enhancements	FY 2018 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Recruitment and Retention Plan –Investigations Program	\$ 600,000	\$ 600,000	0.0	\$ 0	\$ 600,000	0.0
Investigative Overtime Initiative	949,500	949,500	0.0	0	0	0.0
Investigations Positions	1,390,872	1,390,872	12.0	0	0	0.0
Recruitment and Retention Plan –Forensic Laboratory Program	220,000	220,000	0.0	0	220,000	0.0
Forensic Science Center Staffing–Phase II	558,227	558,227	0.0	0	0	0.0
Forensic Science Center Staffing–Pay Adjustment	53,297	53,297	0.0	0	0	0.0
Increased Laboratory Capacity	802,569	802,569	0.0	0	0	0.0
TOTAL	\$ 4,574,465	\$ 4,574,465	12.0	\$ 0	\$ 820,000	0.0

The **agency** requests operating expenditure supplementals totaling \$4.6 million, all from the State General Fund, for FY 2018. These include the following items.

Recruitment and Retention Plan—Investigations Program. The agency requests \$600,000, all from the State General Fund, for FY 2018 to implement a retention and recruitment program in its Investigations program. Executive Directive No. 16-471, signed by the Governor on June 2, 2016, placed KBI agents on a pay plan with pay adjustments based upon years in rank. The agency notes the retention and recruitment program would place KBI commissioned personnel at the equivalent of the Kansas Highway Patrol ranks and pay bands and assumes the same three-year, two-year alternating

plan as the Kansas Highway Patrol for scheduled pay raises within the prescribed pay bands. Additionally, the agency will use the retention and recruitment program to equalize the classifications and pay of its criminal intelligence analysts. The enhancement request includes funding for salaries and wages only, the majority of which is for overtime pay. The agency notes the funding will eliminate compensatory time accrual, fill funded vacant positions, and establish a fixed source for overtime pay.

The **Governor** does not recommend funding the enhancement request from the State General Fund, but recommends that the funding come from the Record Check Fee Fund.

Investigative Overtime Initiative. The agency requests \$949,500, all from the State General Fund, for FY 2018 to establish a budgeted funding source to provide overtime pay for existing personnel. The agency states it has retained vacant funded Special Agent positions to provide for overtime funding in lieu of compensatory time off. This request assumes current personnel will accumulate ten hours of overtime per pay period. This request would also seek authorization to utilize overtime funding to provide the rotating pay increases prescribed within the compensation plan adopted by the 2016 Legislature.

The **Governor** does not recommend this enhancement request.

Investigations Positions. The agency requests \$1.4 million, all from the State General Fund, and 12.0 FTE positions for FY 2018 for additional crime scene investigators and special agents who will work in the Crime Scene Response Team. The majority of the request is for salaries and wages (\$822,972) and capital outlay (\$453,600) expenditures.

The **Governor** does not recommend this enhancement request.

Recruitment and Retention Plan—Forensic Laboratory Program. The agency requests \$220,000, all from the State General Fund, for FY 2018 to provide a salary increase for all Forensic Scientist III positions. The agency states it continues to lose forensic scientists as they transition from completing their training as a Forensic Scientist II to accepting a Forensic Scientist III position.

The **Governor** does not recommend funding the enhancement request from the State General Fund, but recommends that the funding come from the Record Check Fee Fund.

Forensic Science Center Staffing—Phase II. The agency requests \$558,227, all from the State General Fund, for FY 2018 for seven additional Forensic Scientist positions, pursuant to the 20-year staffing plan approved by the 2016 Legislature. The agency states because of a loss of personnel, it has had to institute evidence submission guidelines to reduce the number of evidence samples submitted for analysis and temporarily suspended firearms examinations. The majority of the request is for salaries and wages (\$460,426) expenditures.

The **Governor** does not recommend this enhancement request.

Forensic Science Center Staffing—Pay Adjustment. The agency requests \$53,297, all from the State General Fund, for FY 2018 for pay increases for managerial and upper-level laboratory management positions. The agency states salary increases for senior scientists has negatively impacted the laboratory's ability to attract personnel for supervisory positions. The entirety of the request is for salaries and wages expenditures.

The **Governor** does not recommend this enhancement request.

Increased Laboratory Capacity. The agency requests \$802,569, all from the State General Fund, for FY 2018 for one Forensic Scientist I and five Forensic Scientist II positions for SAKI. The agency states laboratory resources must be increased to accommodate for increased Sexual Assault Kit submissions. The majority of the request is for salaries and wages (\$455,685) expenditures.

The **Governor** does not recommend this enhancement request.

FY 2018 Reduced Resources

The Governor has requested that specified agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The

information below provides details of the agency's reduced resources budget submission.

FY 2018 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
CO-OP Manager Vacancy	\$ (60,634)	\$ (60,634)	(1.0)	\$ 0	\$ 0	0.0
IT Division Reallocation	(189,429)	(189,429)	0.0	0	0	0.0
FID Support	(258,462)	(258,462)	0.0	0	0	0.0
Eliminate Methamphetamine Laboratory Cleanup Fund	(100,000)	(100,000)	0.0	0	0	0.0
Vehicle Replacement	(100,000)	(100,000)	0.0	0	0	0.0
Laboratory Staffing	(110,000)	(110,000)	0.0	0	0	0.0
TOTAL	\$ (818,525)	\$ (818,525)	(1.0)	\$ 0	\$ 0	0.0

The **agency** would achieve a 5.0 percent reduced resources target of \$779,096 by adjusting the following:

- CO-OP Manager Vacancy.** The agency would leave a continuous operations (CO-OP) manager position vacant, reducing expenditure allocations by \$60,634 and 1.0 FTE position. The agency states the position is vital in ensuring the KBI has contingency plans to continue operations during and after extraordinary events, such as a tornado, domestic terrorist attack, or electrical grid failure;
- IT Division Reallocation.** The agency would move two Information Technologies Division employee salaries to the Record Check Fee Fund, reducing expenditure allocations by \$189,429. The agency states doing so would necessitate a \$39,429 State General Fund transfer to the Record Check Fee Fund for operating expenditures;
- Field Investigations Division Support.** The agency would discontinue providing polygraph support and background investigations to Kansas law enforcement agencies, reducing expenditure allocations by \$258,462. The agency states that,

to make the necessary reductions, the Field Investigations Division would:

- Eliminate six part-time special project positions;
 - Eliminate two full-time unclassified special investigator positions;
 - Require two current special agent polygraphists to absorb the internal background investigations polygraphs currently conducted by the two eliminated special investigator positions; and
 - Discontinue support for background investigations required for appointments by the Governor and for non-gubernatorial appointments requiring Senate confirmation;
- **Methamphetamine Laboratory Cleanup Fund.** The agency would eliminate the funding source for the Methamphetamine Laboratory Cleanup Fund, reducing expenditure allocations by

\$100,000. The agency states that, without funding, the State of Kansas would be responsible for all associated cleanup costs and the reduction would also eliminate the ability to pay for vehicle maintenance, fuel, and storage container security. The agency proposes funding the cleanup from the Federal Forfeiture Fund;

- **Vehicle Replacement.** The agency would reduce vehicle replacements by 25.0 percent, reducing expenditure allocations by \$100,000. The agency states such a reduction puts special agents at greater risk of vehicle malfunction due to high mileage; and
- **Laboratory Staffing.** The agency would reduce laboratory staffing, reducing expenditure allocations by \$110,000. The agency states such a reduction would increase the number of case backlogs and reduce services available.

The **Governor** does not recommend any of the agency's reduced resources packages at this time.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 36,801,464	\$ 33,441,146	\$ (3,360,318)
FTE Positions	235.0	223.0	(12.0)
Change from FY 2018:			
<i>Dollar Change:</i>			
State General Fund	\$ (589,460)	\$ (7,767)	
All Other Funds	(170,713)	(179,999)	
TOTAL	<u>\$ (760,173)</u>	<u>\$ (187,766)</u>	
<i>Percent Change:</i>			
State General Fund	(2.3) %	(0.0) %	
All Other Funds	(1.4)	(1.4)	
TOTAL	<u>(2.0) %</u>	<u>(0.6) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$36.8 million, including \$24.5 million from the State General Fund, for FY 2019. This is an all funds decrease of \$760,173, or 2.0 percent, and a State General Fund decrease of \$589,460, or 2.3 percent, below the FY 2018 agency request. The all funds reduction is largely due to the agency's supplemental requests, but does not include \$450,000 in supplemental capital outlay expenditures that are present in FY 2018. The agency's request includes 235.0 FTE positions,

which is the same number as the FY 2018 agency request. Major objects of expenditure are detailed below:

- **Salaries and Wages.** The agency requests expenditures of \$23.7 million, including \$17.8 million from the State General Fund, for salaries and wages for FY 2019. This is an all funds increase of \$301,712, or 1.3 percent, and a State

General Fund increase of \$105,324, or 0.6 percent, above the FY 2018 agency request. The increase is largely due to budgeting adjustments that resulted in increased expenditures on pay for classified employees (\$5.6 million), partially offset by decreased expenditures for unclassified temporary employees (\$4.5 million);

- **Contractual Services.** The agency requests expenditures of \$7.6 million, including \$3.7 million from the State General Fund, for contractual services for FY 2019. This is an all funds decrease of \$64,421, or 0.8 percent, and a State General Fund increase of \$45,302, or 1.2 percent, from the FY 2018 agency request. The all funds decrease is largely due to decreased expenditures for information systems consulting (\$144,304);
- **Commodities.** The agency requests expenditures of \$1.2 million, including \$748,339 from the State General Fund, for commodities for FY 2019. This is an all funds decrease of \$60,063, or 4.6 percent, and a State General Fund decrease of \$61,063, or 7.5 percent, below the FY 2018 agency request. The decrease is largely due to decreased expenditures on professional and scientific supplies (\$55,917);
- **Capital Outlay.** The agency requests expenditures of \$1.0 million, including \$232,996 from the State General Fund, for capital outlay for FY 2019. This is an all funds decrease of \$601,582, or 37.0 percent, and a State General Fund decrease of \$567,773, or 70.9 percent, below the FY 2018 agency request. The

decrease is largely due to FY 2018 expenditures for additional passenger cars that are not present in FY 2019;

- **Aid to Local Units of Government.** The agency requests expenditures of \$1.2 million, all from special revenue funds, for aid to local units of government for FY 2019. This is an all funds decrease of \$139,638, or 10.2 percent, below the FY 2018 agency request. The decrease is primarily due to adjusted funding from a federal grant the agency received as part of the national SAKI in the General Services program. The funds are used to support local governments which investigate cases based on the results of the analysis of sexual assault kits; and
- **Other Assistance.** The agency requests expenditures of \$28,313, all from special revenue funds, for other assistance for FY 2019. This is an all funds decrease of \$84,931, or 75.0 percent, below the FY 2018 agency request. The decrease is primarily due to adjusted funding from the SAKI grant in the General Services program. Funds are used to support organizations that aim to reduce victimization, encourage reporting of sexual assault, and enhance victim services and support.

The **Governor** recommends FY 2019 operating expenditures of \$33.4 million, including \$20.4 million from the State General Fund. The recommendation is an all funds decrease of \$3.4 million, or 9.1 percent, and a State General Fund decrease of \$4.1 million, or 16.8 percent, below the agency's FY 2019 request.

The decrease is attributable to the Governor's recommendation to:

- Decline \$3.8 million and 12.0 FTE positions in enhancement requests;

- Reduce expenditures for methamphetamine laboratory clean-up by \$50,000, all from the State General Fund; and
- Hold KPERs employer contributions at the FY 2016 amount.

Enhancements Detail

Enhancements	FY 2019 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Recruitment and Retention Plan –Investigations Program	\$ 600,000	\$ 600,000	0.0	\$ 0	\$ 600,000	0.0
Investigative Overtime Initiative	914,358	914,358	0.0	0	0	0.0
Investigations Positions	990,032	990,032	0.0	0	0	0.0
Recruitment and Retention Program–Forensic Laboratory Program	220,000	220,000	0.0	0	220,000	0.0
Forensic Science Center Staffing–Phase II	533,185	533,185	0.0	0	0	0.0
Forensic Science Center Staffing–Pay Adjustment	53,825	53,825				
Increased Laboratory Capacity	664,737	664,737	0.0	0	0	0.0
TOTAL	\$ 3,976,137	\$ 3,976,137	0.0	\$ 0	\$ 820,000	0.0

The **agency** requests operating expenditure supplementals totaling \$4.6 million, all from the State General Fund, for FY 2018. These include the following items.

Recruitment and Retention Plan—Investigations Program. The agency requests \$600,000, all from the State

General Fund, for FY 2019 to implement a retention and recruitment program in its Investigations program. Executive Directive No. 16-471, signed by the Governor on June 2, 2016, placed KBI agents on a pay plan with pay adjustments based upon years in rank. The agency notes the retention and recruitment program would place KBI commissioned personnel

at the equivalent of the Kansas Highway Patrol ranks and pay bands and assumes the same three-year, two-year alternating plan as the Kansas Highway Patrol for scheduled pay raises within the prescribed pay bands. Additionally, the agency will use the retention and recruitment program to equalize the classifications and pay of its criminal intelligence analysts. The enhancement request includes funding for salaries and wages only, the majority of which is for overtime pay. The agency notes the funding will eliminate compensatory time accrual, fill funded vacant positions, and establish a fixed source for overtime pay.

The **Governor** does not recommend funding the enhancement request from the State General Fund, but recommends that the funding come from the Record Check Fee Fund.

Investigative Overtime Initiative. The agency requests \$914,358, all from the State General Fund, for FY 2019 to establish a budgeted funding source to provide overtime pay for existing personnel. The agency states it has retained vacant funded special agent positions to provide for overtime funding in lieu of compensatory time off. This request assumes current personnel will accumulate ten hours of overtime per pay period. This request would also seek authorization to utilize overtime funding to provide the rotating pay increases prescribed within the compensation plan adopted by the 2016 Legislature.

The **Governor** does not recommend this enhancement request.

Investigations Positions. The agency requests \$990,032, all from the State General Fund, for FY 2019 for additional crime scene investigators and special agents who will work in the Crime Scene Response Team. The majority of the request is for salaries and wages (\$886,632) and other operating expenditures (\$156,400).

The **Governor** does not recommend this enhancement request.

Recruitment and Retention Plan—Forensic Laboratory Program. The agency requests \$220,000, all from the State General Fund, for FY 2019 to provide a salary increase for all Forensic Scientist III positions. The agency states it continues to lose forensic scientists as they transition from completing their training as a Forensic Scientist II to accepting a Forensic Scientist III position.

The **Governor** does not recommend funding the enhancement request from the State General Fund, but recommends that the funding come from the Record Check Fee Fund.

Forensic Science Center Staffing—Phase II. The agency requests \$553,185, all from the State General Fund, for FY 2019 for seven additional Forensic Scientist positions, pursuant to the 20-year staffing plan approved by the 2016 Legislature. The agency states because of a loss of personnel, it has had to institute evidence submission guidelines to reduce the number of evidence samples submitted for analysis and temporarily suspended firearms examinations. The majority of the request is for salaries and wages (\$460,426) expenditures.

The **Governor** does not recommend this enhancement request.

Forensic Science Center Staffing—Pay Adjustment. The agency requests \$53,825, all from the State General Fund, for FY 2018 for pay increases for managerial and upper-level laboratory management positions. The agency states salary increases for senior scientists has negatively impacted the laboratory's ability to attract personnel for supervisory positions.

The entirety of the request is for salaries and wages expenditures.

The **Governor** does not recommend this enhancement request.

Increased Laboratory Capacity. The agency requests \$664,737, all from the State General Fund, for FY 2019 for one

Forensic Scientist I and five Forensic Scientist II positions for SAKI. The agency states laboratory resources must be increased to accommodate for increased Sexual Assault Kit submissions. The majority of the request is for salaries and wages (\$455,685) expenditures.

The **Governor** does not recommend this enhancement request.

FY 2019 Reduced Resources

The Governor has requested that specified agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The

information below provides details of the agency's reduced resources budget submission.

Item	FY 2019 REDUCED RESOURCES					
	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
CO-OP Manager Vacancy	\$ (60,634)	\$ (60,634)	(1.0)	\$ 0	\$ 0	0.0
IT Division Reallocation	(189,429)	(189,429)	0.0	0	0	0.0
FID Support	(258,462)	(258,462)	0.0	0	0	0.0
Eliminate Methamphetamine Laboratory Cleanup Fund	(100,000)	(100,000)	0.0	0	0	0.0
Vehicle Replacement	(100,000)	(100,000)	0.0	0	0	0.0
Laboratory Staffing	(110,000)	(110,000)	0.0	0	0	0.0
TOTAL	\$ (818,525)	\$ (818,525)	(1.0)	\$ 0	\$ 0	0.0

The **agency** would achieve a 5.0 percent reduced resources target of \$779,096 by adjusting the following:

- CO-OP Manager Vacancy.** The agency would leave a continuous operations (CO-OP) manager position vacant, reducing expenditure allocations by \$60,634 and 1.0 FTE position. The agency states the position is vital in ensuring the KBI has contingency plans to continue operations during and after extraordinary events, such as a tornado, domestic terrorist attack, or electrical grid failure;
- IT Division Reallocation.** The agency would move two Information Technologies Division employee salaries to the Record Check Fee Fund, reducing expenditure allocations by \$189,429. The agency states doing so would necessitate a \$39,429 State General Fund transfer to the Record Check Fee Fund for operating expenditures;
- Field Investigations Division Support.** The agency would discontinue providing polygraph support and background investigations to Kansas law enforcement agencies, reducing expenditure allocations by \$258,462. The agency states that,

to make the necessary reductions, the Field Investigations Division would:

- Eliminate six part-time special project positions;
 - Eliminate two full-time unclassified special investigator positions;
 - Require two current special agent polygraphists to absorb the internal background investigations polygraphs currently conducted by the two eliminated special investigator positions; and
 - Discontinue support for background investigations required for appointments by the Governor and for non-gubernatorial appointments requiring Senate confirmation;
- **Methamphetamine Laboratory Cleanup Fund.** The agency would eliminate the funding source for the Methamphetamine Laboratory Cleanup Fund, reducing expenditure allocations by

\$100,000. The agency states that, without funding, the State of Kansas would be responsible for all associated cleanup costs and the reduction would also eliminate the ability to pay for vehicle maintenance, fuel, and storage container security. The agency proposes funding the cleanup from the Federal Forfeiture Fund;

- **Vehicle Replacement.** The agency would reduce vehicle replacements by 25.0 percent, reducing expenditure allocations by \$100,000. The agency states such a reduction puts special agents at greater risk of vehicle malfunction due to high mileage; and
- **Laboratory Staffing.** The agency would reduce laboratory staffing, reducing expenditure allocations by \$110,000. The agency states such a reduction would increase the number of case backlogs and reduce services available.

The **Governor** does not recommend any of the agency's reduced resources packages at this time.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$73,200, including \$53,260 from the State General Fund; FY 2018 longevity payments total \$72,360, including \$49,544 from the State General Fund; and FY 2019 longevity payments total \$64,040, including \$43,550 from the State General Fund.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal also eliminates the scheduled contribution rate increases for FY

2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$38,708, including \$22,387 from the State General Fund, in FY 2017; by \$116,520, including \$67,036 from the State General Fund, for FY 2018; and by \$170,692, including \$98,484 from the State General Fund, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$25,747, including \$14,813 from the State General Fund, for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State General Fund	66.8 %	60.6 %	66.6 %	61.0 %
Record Check Fee Fund	7.8	11.0	8.1	11.3
KCJIS Line Fund	2.0	4.9	2.1	5.5
All other funds	23.4	23.4	23.2	22.2
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Record Check Fee Fund Analysis

The Record Check Fee Fund, which is a no limit fee fund, was established to collect fees in order to recover all or part of the direct and indirect operating expenses for criminal history record checks conducted for non-criminal justice entities and private organizations. Expenditures may be made from the

Record Check Fee Fund for operating expenditures of the KBI. There are a variety of record checks, each with a different fee. In addition, moneys collected pay the Federal Bureau of Investigation (FBI) for fingerprint searches done at the national level.

Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ 1,451,526	\$ 1,578,892	\$ 1,578,892	\$ 2,089,239	\$ 2,094,397	\$ 2,206,010	\$ 1,410,756
Revenue	2,905,271	2,986,590	2,986,590	3,031,389	3,031,389	3,076,859	3,076,859
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 4,356,797	\$ 4,565,482	\$ 4,565,482	\$ 5,120,628	\$ 5,125,786	\$ 5,282,869	\$ 4,487,615
Less: Expenditures	2,777,905	2,476,243	2,471,085	2,914,618	3,715,030	2,995,843	3,791,314
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 1,578,892</u>	<u>\$ 2,089,239</u>	<u>\$ 2,094,397</u>	<u>\$ 2,206,010</u>	<u>\$ 1,410,756</u>	<u>\$ 2,287,026</u>	<u>\$ 696,301</u>
Ending Balance as Percent of Expenditures	56.8%	84.4%	84.8%	75.7%	38.0%	76.3%	18.4%
Month Highest Ending Balance	April <u>\$ 1,828,934</u>	April <u>\$ 2,420,102</u>	April <u>\$ 2,426,077</u>	April <u>\$ 2,555,366</u>	April <u>\$ 1,634,171</u>	April <u>\$ 2,649,212</u>	April <u>\$ 806,571</u>
Month Lowest Ending Balance	July <u>\$ 1,356,760</u>	July <u>\$ 1,795,306</u>	July <u>\$ 1,799,739</u>	July <u>\$ 1,895,649</u>	July <u>\$ 1,212,278</u>	July <u>\$ 1,965,267</u>	July <u>\$ 598,339</u>

Kansas Criminal Justice Information System (KCJIS) Line Fund Analysis

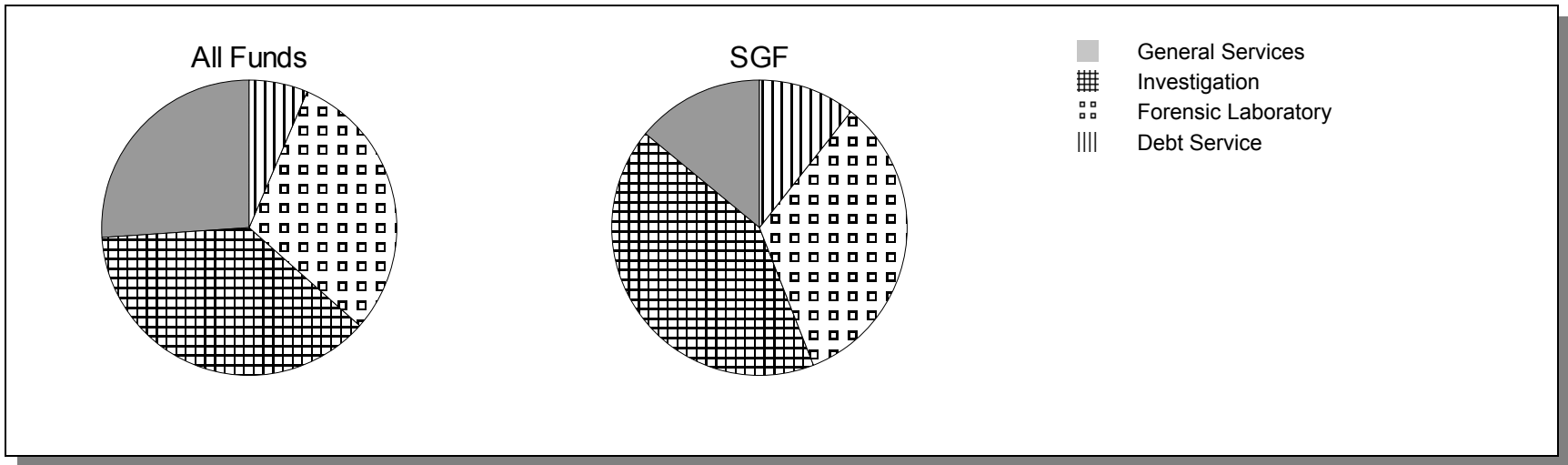
Expenditures from the KCJIS Line Fund are used to provide communication lines, outlets, and terminals to each county for KCJIS, pursuant to KSA 74-5707. The 2015 Legislature added proviso language to 2015 House Sub. for SB 112, which allows the KBI to expend money from the fund for maintenance and support of KCJIS for FY 2016 and FY 2017. Revenues deposited into the fund include 4.4 percent of all remittances,

penalties, and forfeitures received from district courts. Additionally, 2015 House Sub. for SB 112 allows for additional revenue, up to \$1.0 million annually, to be deposited into the Fund for FY 2016 and FY 2017. The source of the additional revenue is \$1 of the Division of Vehicles modernization surcharge collected and remitted to the Secretary of Revenue.

Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ 556	\$ 180,145	\$ 180,145	\$ 23,228	\$ 24,009	\$ 167,554	\$ 171,250
Revenue	1,754,284	1,785,000	1,785,000	1,785,000	1,785,000	1,785,000	1,785,000
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 1,754,840	\$ 1,965,145	\$ 1,965,145	\$ 1,808,228	\$ 1,809,009	\$ 1,952,554	\$ 1,956,250
Less: Expenditures	1,574,695	1,941,917	1,941,136	1,640,674	1,637,759	1,835,426	1,831,784
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	\$ 180,145	\$ 23,228	\$ 24,009	\$ 167,554	\$ 171,250	\$ 117,128	\$ 124,466
Ending Balance as Percent of Expenditures	11.4%	1.2%	1.2%	10.2%	10.5%	6.4%	6.8%
Month Highest Ending Balance	September \$ 915,835	September \$ 118,088	September \$ 122,059	September \$ 851,824	September \$ 870,614	September \$ 595,464	September \$ 632,770
Month Lowest Ending Balance	April \$ 274,134	April \$ 35,347	April \$ 36,535	April \$ 254,974	April \$ 260,598	April \$ 178,239	April \$ 189,405

PROGRAM DETAIL

EXPENDITURES BY PROGRAM – GOVERNOR’S FY 2018 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
General Services	\$ 8,742,041	26.1 %	\$ 2,846,101	14.0 %
Investigation	12,537,070	37.4	8,511,844	41.9
Forensic Laboratory	10,095,876	30.1	6,780,704	33.4
Debt Service	2,153,925	6.4	2,153,925	10.6
TOTAL	\$ 33,528,912	100.0 %	\$ 20,292,574	100.0 %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

<u>Program</u>	<u>Actual FY 2016</u>	<u>Agency Est. FY 2017</u>	<u>Gov. Rec. FY 2017</u>	<u>Agency Req. FY 2018</u>	<u>Gov. Rec. FY 2018</u>	<u>Agency Req. FY 2019</u>	<u>Gov. Rec. FY 2019</u>
General Services	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Investigations	105.0	105.0	105.0	117.0	105.0	117.0	105.0
Forensic Laboratory	62.0	62.0	62.0	62.0	62.0	62.0	62.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off Budget	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Capital Improvements	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>223.0</u>	<u>223.0</u>	<u>223.0</u>	<u>235.0</u>	<u>223.0</u>	<u>235.0</u>	<u>223.0</u>

A. General Services

The General Services program is responsible for establishing efficient and effective programs, policies, and procedures that provide relevant and timely management, data processing, and administrative services in support of KBI

operations and the Kansas criminal justice community. All administrative functions in KBI are carried out by the General Services program.

GENERAL SERVICES							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 4,299,562	\$ 4,950,808	\$ 4,939,152	\$ 5,015,882	\$ 4,971,781	\$ 5,123,530	\$ 5,069,422
Contractual Services	3,234,555	2,545,540	2,545,540	2,923,789	2,923,789	2,790,291	2,790,291
Commodities	73,217	67,067	67,067	54,973	54,973	55,773	55,773
Capital Outlay	812,029	1,123,363	1,123,363	482,715	482,715	451,108	451,108
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 8,419,363</u>	<u>\$ 8,686,778</u>	<u>\$ 8,675,122</u>	<u>\$ 8,477,359</u>	<u>\$ 8,433,258</u>	<u>\$ 8,420,702</u>	<u>\$ 8,366,594</u>
Aid to Local Units	39,759	203,151	203,151	195,539	195,539	55,901	55,901
Other Assistance	0	125,439	125,439	113,244	113,244	28,313	28,313
TOTAL	<u>\$ 8,459,122</u>	<u>\$ 9,015,368</u>	<u>\$ 9,003,712</u>	<u>\$ 8,786,142</u>	<u>\$ 8,742,041</u>	<u>\$ 8,504,916</u>	<u>\$ 8,450,808</u>
Financing:							
State General Fund	\$ 2,892,035	\$ 2,833,038	\$ 2,828,429	\$ 2,863,533	\$ 2,846,101	\$ 2,885,043	\$ 2,863,051
All Other Funds	5,567,087	6,182,330	6,175,283	5,922,609	5,895,940	5,619,873	5,587,757
TOTAL	<u>\$ 8,459,122</u>	<u>\$ 9,015,368</u>	<u>\$ 9,003,712</u>	<u>\$ 8,786,142</u>	<u>\$ 8,742,041</u>	<u>\$ 8,504,916</u>	<u>\$ 8,450,808</u>
FTE Positions	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Non-FTE Uncl.Perm.Pos.	38.5	38.5	38.5	38.5	38.5	38.5	38.5
TOTAL	<u>76.5</u>	<u>76.5</u>	<u>76.5</u>	<u>76.5</u>	<u>76.5</u>	<u>76.5</u>	<u>76.5</u>

The **agency** requests expenditures totaling \$8.8 million, including \$2.9 million from the State General Fund, for FY 2018 for the General Services program. This is an all funds decrease of \$229,226, or 2.5 percent, and a State General Fund increase of \$30,495, or 1.1 percent, from the FY 2017 agency's revised estimate. The request includes 76.5 FTE positions, the same amount as the FY 2017 agency's revised estimate. Objects of expenditure are detailed below:

- **Salaries and Wages.** The agency requests expenditures of \$5.0 million, including \$2.0 million from the State General Fund, for salaries and wages for FY 2018. This is an all funds increase of \$65,074, or 1.3 percent, and a State General Fund decrease of \$46,754, or 2.3 percent, from the FY 2017 agency's revised estimate. The increase is primarily due to increased employer contributions to KPERS and is partially offset by reduced expenditures on pay to classified employees;
- **Contractual Services.** The agency requests expenditures of \$2.1 million, including \$802,166 from the State General Fund, for contractual services for FY 2018. This is an all funds increase of \$300,306, or 16.5 percent, and a State General Fund increase of \$77,943, or 10.8 percent, above the FY 2017 agency's revised estimate. The increase is primarily due to increased computer programming (\$154,500), data processing (\$70,240), and information systems consulting (\$73,804) expenditures;
- **Commodities.** The agency requests expenditures of \$54,973, including \$41,233 from the State General Fund, for commodities for FY

2018. This is an all funds decrease of \$12,094, or 18.0 percent, and a State General Fund decrease of \$8,754, or 17.5 percent, below the FY 2017 agency's revised estimate. The decrease is primarily due to decreased expenditures for data processing (\$4,783) and office supplies (\$3,225);

- **Capital Outlay.** The agency requests expenditures of \$464,794, including \$17,921 from the State General Fund, for capital outlay for FY 2018. This is an all funds decrease of \$648,708, or 58.3 percent, and a State General Fund increase of \$8,060, or 81.7 percent, from the FY 2017 agency estimate. The decrease is primarily due to FY 2017 expenditures for computer equipment for employees working under the National Criminal History Improvement grant that are not present in FY 2018;
- **Aid to Local Units of Government.** The agency requests expenditures of \$195,539, all from special revenue funds, for aid to local units of government for FY 2018. This is an all funds decrease of \$7,612, or 3.7 percent, below the FY 2017 agency's revised estimate. The decrease is primarily due to adjustments to a federal grant as part of SAKI, which provides funding to process evidence found in sexual assault kits that were previously untested; and
- **Other Assistance.** The agency requests expenditures of \$113,224, all from special revenue funds, for other assistance for FY 2018. This is an all funds decrease of \$12,195, or 9.7 percent, below the FY 2017 agency's revised

estimate. The decrease is primarily due to adjustments to funds administered to organizations that aim to reduce victimization, encourage reporting of sexual assault, and enhance victim services and support as part of SAKI.

The **Governor** recommends \$8.7 million, including \$2.8 million from the State General Fund, for the General Services program for FY 2018. This is an all funds decrease of \$44,101, or 0.5 percent, and a State General Fund decrease of \$17,432, or 0.6 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to decline the agency's enhancement requests; hold KPERS employer contributions at the FY 2016 amount; and provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests expenditures totaling \$8.5 million, including \$2.9 million from the State General Fund, for FY 2019 for the General Services program. This is an all funds decrease of \$281,226, or 3.2 percent, and a State General Fund increase of \$21,510, or 0.8 percent, from the FY 2018 agency request. The request includes 76.5 FTE positions, the same amount as the FY 2018 agency request. Objects of expenditure are detailed below:

- **Salaries and Wages.** The agency requests expenditures of \$5.1 million, including \$2.0 million from the State General Fund, for salaries and wages for FY 2019. This is an all funds increase of \$107,648, or 2.1 percent, and a State General Fund increase of \$34,506, or 1.7 percent, above the FY 2018 agency request. The increase is primarily due to an increase in expenditures on pay to classified employees

(\$2.3 million), partially offset by a decrease on pay to unclassified temporary employees (\$1.8 million);

- **Contractual Services.** The agency requests expenditures of \$2.8 million, including \$795,591 from the State General Fund, for contractual services for FY 2019. This is an all funds decrease of \$133,498, or 4.6 percent, and a State General Fund decrease of \$6,575, or 0.8 percent, below the FY 2018 agency request. The decrease is primarily due to a decrease in expenditures for information systems consulting services (\$144,304);
- **Commodities.** The agency requests expenditures of \$55,773, including \$41,833 from the State General Fund, for commodities for FY 2019. This is an all funds increase of \$800, or 1.5 percent, and a State General Fund decrease of \$600, or 1.5 percent, from the FY 2018 agency request. The all funds increase is primarily due to increased expenditures for household supplies (\$500);
- **Capital Outlay.** The agency requests expenditures of \$451,108, including \$10,900 from the State General Fund, for capital outlay for FY 2019. This is an all funds decrease of \$31,607, or 6.5 percent, and a State General Fund decrease of \$7,021, or 39.2 percent, below the FY 2018 agency request. The decrease is primarily due to decreased expenditures for scientific equipment (\$52,554) and software (\$26,912), partially offset by increased expenditures for information processing

(\$20,000) and microcomputer (\$26,510) equipment;

- **Aid to Local Units of Government.** The agency requests expenditures of \$55,901, all from special revenue funds, for aid to local units of government for FY 2019. This is an all funds decrease of \$139,638, or 71.4 percent, below the FY 2018 agency request. The decrease is primarily due to adjustments to a federal grant as part of SAKI, which provides funding to process evidence found in sexual assault kits that were previously untested; and
- **Other Assistance.** The agency requests expenditures of \$28,313, all from special revenue

funds, for other assistance for FY 2019. This is an all funds decrease of \$84,931, or 75.0 percent, below the FY 2018 agency request. The decrease is primarily due to adjustments to funds administered to organizations that aim to reduce victimization, encourage reporting of sexual assault, and enhance victim services and support as part of SAKI.

The **Governor** recommends \$8.5 million, including \$2.9 million from the State General Fund, for the General Services program for FY 2019. This is an all funds decrease of \$54,108, or 0.6 percent, and a State General Fund decrease of \$21,992, or 0.6 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to decline the agency's enhancement requests and to hold KPERS employer contributions at the FY 2016 amount.

B. Investigations

The Investigations program is responsible for promoting public safety and governmental integrity, at the request of partner law enforcement agencies and the Attorney General, through the aggressive and efficient investigation of serious criminal violations, the collection of information and evidence, the collection and dissemination of criminal intelligence

information, and the completion of background investigations. The program prioritizes the investigation of major crimes of violence, major drug trafficking organizations, crimes involving child victims, crimes involving governmental integrity, and crimes wherein the local jurisdiction has a recognized conflict of interest in investigating the offense.

INVESTIGATIONS							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 8,163,256	\$ 8,738,656	\$ 8,734,255	\$ 10,271,081	\$ 8,483,878	\$ 10,253,248	\$ 8,487,565
Contractual Services	2,674,592	2,526,579	2,416,791	2,606,787	2,470,015	2,661,187	2,479,415
Commodities	175,841	150,823	150,823	151,402	123,874	144,502	123,874
Capital Outlay	408,500	544,732	544,732	743,603	290,003	294,003	290,003
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 11,422,189</u>	<u>\$ 11,960,790</u>	<u>\$ 11,846,601</u>	<u>\$ 13,772,873</u>	<u>\$ 11,367,770</u>	<u>\$ 13,352,940</u>	<u>\$ 11,380,857</u>
Aid to Local Units	1,518,415	1,169,286	1,169,286	1,169,300	1,169,300	1,169,300	1,169,300
Other Assistance	6,274	10,895	10,895	0	0	0	0
TOTAL	<u>\$ 12,946,878</u>	<u>\$ 13,140,971</u>	<u>\$ 13,026,782</u>	<u>\$ 14,942,173</u>	<u>\$ 12,537,070</u>	<u>\$ 14,522,240</u>	<u>\$ 12,550,157</u>
Financing:							
State General Fund	\$ 8,743,588	\$ 9,391,687	\$ 9,277,887	\$ 11,515,791	\$ 8,511,844	\$ 11,019,992	\$ 8,449,395
All Other Funds	4,203,290	3,749,284	3,748,895	3,426,382	4,025,226	3,502,248	4,100,762
TOTAL	<u>\$ 12,946,878</u>	<u>\$ 13,140,971</u>	<u>\$ 13,026,782</u>	<u>\$ 14,942,173</u>	<u>\$ 12,537,070</u>	<u>\$ 14,522,240</u>	<u>\$ 12,550,157</u>
FTE Positions	105.0	105.0	105.0	117.0	105.0	117.0	105.0
Non-FTE Uncl.Perm.Pos.	15.0	15.0	15.0	15.0	15.0	15.0	15.0
TOTAL	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>132.0</u>	<u>120.0</u>	<u>132.0</u>	<u>120.0</u>

The **agency** requests expenditures totaling \$14.9 million, including \$11.5 million from the State General Fund, for FY 2018 for the Investigations program. This is an all funds increase of \$1.8 million, or 13.7 percent, and a State General Fund increase of \$2.1 million, or 22.6 percent, above the FY 2017 agency's revised estimate. The request includes 132.0 FTE positions, which is 12.0 FTE positions above the FY 2017 agency estimate. Objects of expenditure are detailed below:

- **Salaries and Wages.** The agency requests expenditures of \$10.3 million, including \$9.6 million from the State General Fund, for salaries and wages for FY 2018. This is an all funds increase of \$1.5 million, or 17.5 percent, and a State General Fund increase of \$1.6 million, or 20.3 percent, above the FY 2017 agency's revised estimate. The increase is primarily due to the agency's enhancement requests for recruitment and retention (\$600,000), overtime pay (\$949,500), and increasing investigative capacity (\$822,972);
- **Contractual Services.** The agency requests expenditures of \$2.6 million, including \$1.3 million from the State General Fund, for contractual services for FY 2018. This is an all funds increase of \$80,208, or 3.2 percent, and a State General Fund increase of \$68,616, or 5.6 percent, above the FY 2017 agency's revised estimate. The increase is primarily due to the agency's enhancement request for increasing investigative capacity (\$86,772);
- **Commodities.** The agency requests expenditures of \$151,402, including \$104,652 from the State General Fund, for commodities for

FY 2018. This is an all funds increase of \$579, or 0.4 percent, and a State General Fund increase of \$1,663, or 1.6 percent, above the FY 2017 agency's revised estimate. The increase is primarily due to the agency's enhancement request for increasing investigative capacity (\$27,528) and is partially offset by expenditures for other supplies and materials (\$18,125);

- **Capital Outlay.** The agency requests expenditures of \$743,603, including \$542,703 from the State General Fund, for capital outlay for FY 2018. This is an all funds increase of \$198,871, or 36.5 percent, and a State General Fund increase of \$448,881, or 478.4 percent, above the FY 2017 agency's revised estimate. The increase is primarily due to the agency's enhancement request for increasing investigative capacity (\$453,600) and is partially offset by a decrease in expenditures for scientific equipment (\$231,387);
- **Aid to Local Units of Government.** The agency requests expenditures of \$1.2 million, all from special revenue funds, for aid to local units of government for FY 2018. This is an all funds increase of \$14, or less than 0.1 percent, above the FY 2017 agency's revised estimate; and
- **Other Assistance.** The agency requests expenditures of \$0, all from special revenue funds, for other assistance for FY 2018. This is an all funds decrease of \$10,895, or 100.0 percent, below the FY 2017 agency's revised estimate. The decrease is entirely due to a

decrease in expenditures for voluntary retirement incentives.

The **Governor** recommends \$12.5 million, including \$8.5 million from the State General Fund, for the Investigations program for FY 2018. This is an all funds decrease of \$2.4 million, or 16.1 percent, and a State General Fund decrease of \$3.0 million, or 26.1 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to decline the agency's enhancement requests; reduce methamphetamine laboratory clean-up expenditures; hold KPERS employer contributions at the FY 2016 amount; and provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests expenditures totaling \$14.5 million, including \$11.0 million from the State General Fund, for FY 2019 for the Investigations program. This is an all funds decrease of \$419,933, or 2.8 percent, and a State General Fund decrease of \$495,799, or 4.3 percent, below the FY 2018 agency request. The request includes 132.0 FTE positions, the same amount as the FY 2018 agency request. Objects of expenditure are detailed below:

- **Salaries and Wages.** The agency requests expenditures of \$10.3 million, including \$9.5 million from the State General Fund, for salaries and wages for FY 2019. This is an all funds increase of \$17,833, or 0.2 percent, and a State General Fund decrease of \$84,299, or 0.9 percent, from the FY 2018 agency request. The increase is primarily due to changes in employer contributions for fringe benefits;
- **Contractual Services.** The agency requests expenditures of \$2.7 million, including \$1.3

million from the State General Fund, for contractual services for FY 2019. This is an all funds increase of \$54,400, or 2.1 percent, and a State General Fund increase of \$45,000, or 3.5 percent, above the FY 2018 agency request. The increase is primarily due to additional training;

- **Commodities.** The agency requests expenditures of \$144,502, including \$97,752 from the State General Fund, for commodities for FY 2019. This is an all funds decrease of \$6,900, or 4.6 percent, and a State General Fund decrease of \$6,900, or 6.6 percent, below the FY 2018 agency request. The decrease is entirely due to decreased expenditures for clothing;
- **Capital Outlay.** The agency requests expenditures of \$294,003, including \$93,103 from the State General Fund, for capital outlay for FY 2019. This is an all funds decrease of \$449,600, or 60.5 percent, and a State General Fund decrease of \$449,600, or 82.8 percent, below the FY 2018 agency request. The decrease is primarily due to FY 2018 expenditures for passenger cars (\$360,000) that is not present in FY 2018;
- **Aid to Local Units of Government.** The agency requests expenditures of \$1.2 million, all from special revenue funds, for aid to local units of government for FY 2019. This is the same amount as the FY 2018 agency request; and
- **Other Assistance.** The agency requests expenditures of \$0, all from special revenue funds, for other assistance for FY 2019. This is

the same amount as the FY 2018 agency request.

The **Governor** recommends \$12.6 million, including \$8.4 million from the State General Fund, for the Investigations program for FY 2019. This is an all funds decrease of \$2.0

million, or 13.6 percent, and a State General Fund decrease of \$2.6 million, or 23.3 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to decline the agency's enhancement requests; reduce methamphetamine laboratory clean-up expenditures; and hold KPERS employer contributions at the FY 2016 amount.

C. Forensic Laboratory

The Forensic Laboratory program is responsible for providing timely, state-of-the-art forensic services to the Kansas public safety community through science and modern technology. To accomplish this, the forensic laboratory seeks to

maintain its accreditation as a forensic laboratory, develop and retain a staff of highly trained and qualified forensic scientists, improve technology levels and facilities, and be consistent with best practices in forensic science.

FORENSIC LABORATORY SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 5,798,337	\$ 6,966,130	\$ 6,947,289	\$ 8,076,020	\$ 7,037,184	\$ 8,287,917	\$ 7,222,940
Contractual Services	1,304,838	2,175,307	1,754,144	2,012,901	1,937,396	2,027,578	1,942,028
Commodities	823,466	921,811	921,811	1,092,246	877,111	1,038,283	854,683
Capital Outlay	711,802	335,488	335,488	398,230	244,185	277,855	277,855
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 8,638,443</i>	<i>\$ 10,398,736</i>	<i>\$ 9,958,732</i>	<i>\$ 11,579,397</i>	<i>\$ 10,095,876</i>	<i>\$ 11,631,633</i>	<i>\$ 10,297,506</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 8,638,443</u>	<u>\$ 10,398,736</u>	<u>\$ 9,958,732</u>	<u>\$ 11,579,397</u>	<u>\$ 10,095,876</u>	<u>\$ 11,631,633</u>	<u>\$ 10,297,506</u>
Financing:							
State General Fund	\$ 5,403,884	\$ 7,771,836	\$ 7,336,907	\$ 8,465,639	\$ 6,780,704	\$ 8,461,718	\$ 6,929,686
All Other Funds	3,234,559	2,626,900	2,621,825	3,113,758	3,315,172	3,169,915	3,367,820
TOTAL	<u>\$ 8,638,443</u>	<u>\$ 10,398,736</u>	<u>\$ 9,958,732</u>	<u>\$ 11,579,397</u>	<u>\$ 10,095,876</u>	<u>\$ 11,631,633</u>	<u>\$ 10,297,506</u>
FTE Positions	62.0	62.0	62.0	62.0	62.0	62.0	62.0
Non-FTE Uncl.Perm.Pos.	29.5	29.5	29.5	42.5	29.5	42.5	29.5
TOTAL	<u>91.5</u>	<u>91.5</u>	<u>91.5</u>	<u>104.5</u>	<u>91.5</u>	<u>104.5</u>	<u>91.5</u>

The **agency** requests expenditures totaling \$11.6 million, including \$8.5 million from the State General Fund, for FY 2018 for the Forensic Laboratory program. This is an all funds increase of \$1.2 million, or 11.4 percent, and a State General Fund increase of \$693,803, or 8.9 percent, above the FY 2017 agency's revised estimate. The request includes 104.5 FTE positions, 13.0 FTE positions above the FY 2017 agency's revised estimate. Objects of expenditure are detailed below:

- **Salaries and Wages.** The agency requests expenditures of \$8.1 million, including \$6.1 million from the State General Fund, for salaries and wages for FY 2018. This is an all funds increase of \$1.1 million, or 15.9 percent, and a State General Fund increase of \$1.1 million, or 21.6 percent, above the FY 2017 agency's revised estimate. The increase is primarily due to increased expenditures on pay for classified employees (\$474,847), pay for unclassified temporary employees (\$412,594), and employer contributions to KPERS (\$232,760);
- **Contractual Services.** The agency requests expenditures of \$2.0 million, including \$1.5 million from the State General Fund, for contractual services for FY 2018. This is an all funds decrease of \$162,406, or 7.5 percent, and a State General Fund decrease of \$540,526, or 26.9 percent, below the FY 2017 agency's revised estimate. The decrease is primarily due to decreased expenditures for building and grounds repair and service (\$381,663);
- **Commodities.** The agency requests expenditures of \$1.1 million, including \$663,517 from the State General Fund, for commodities for

FY 2018. This is an all funds increase of \$170,435, or 18.5 percent, and a State General Fund increase of \$122,598, or 22.7 percent, above the FY 2017 agency's revised estimate. The increase is primarily due to increased expenditures for scientific supplies (\$132,870) and buildings and grounds materials (\$25,198); and

- **Capital Outlay.** The agency requests expenditures of \$398,230, including \$240,145 from the State General Fund, for capital outlay for FY 2018. This is an all funds increase of \$62,742, or 18.7 percent, and a State General Fund increase of \$30,430, or 14.5 percent, above the FY 2017 agency's revised estimate. The increase is primarily due to increased expenditures for professional and scientific equipment (\$67,000).

The **Governor** recommends \$10.1 million, including \$6.8 million from the State General Fund, for the Forensic Laboratory program for FY 2018. This is an all funds decrease of \$1.5 million, or 12.8 percent, and a State General Fund decrease of \$1.9 million, or 19.9 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to decline the agency's enhancement requests; hold KPERS employer contributions at the FY 2016 amount; and provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests expenditures totaling \$11.6 million, including \$8.5 million from the State General Fund, for FY 2019 for the Forensic Laboratory program. This is an all funds increase of \$52,236, or 0.5 percent, and a State General Fund decrease of \$3,921, or less than 0.1 percent, from the FY 2018

agency request. The request includes 104.5 FTE positions, the same amount as the FY 2018 agency request. Objects of expenditure are detailed below:

- **Salaries and Wages.** The agency requests expenditures of \$8.3 million, including \$6.2 million from the State General Fund, for salaries and wages for FY 2019. This is an all funds increase of \$211,897, or 2.6 percent, and a State General Fund increase of \$155,117, or 2.5 percent, above the FY 2018 agency request. The increase is primarily due to increased expenditures on pay for classified employees (\$2.0 million), partially offset by decreased expenditures on pay for unclassified temporary employees (\$1.8 million);
- **Contractual Services.** The agency requests expenditures of \$2.0 million, including \$1.5 million from the State General Fund, for contractual services for FY 2019. This is an all funds increase of \$14,677, or 0.7 percent, and a State General Fund increase of \$6,877, or 0.5 percent, above the FY 2018 agency request. The decrease is primarily due to job-related training and conference expenditures (\$6,590);
- **Commodities.** The agency requests expenditures of \$1.0 million, including \$608,754

from the State General Fund, for commodities for FY 2019. This is an all funds decrease of \$53,963, or 4.9 percent, and a State General Fund decrease of \$54,763, or 8.3 percent, below the FY 2018 agency request. The decrease is primarily due to decreased expenditures for scientific supplies (\$55,917); and

- **Capital Outlay.** The agency requests expenditures of \$277,855, including \$128,993 from the State General Fund, for capital outlay for FY 2019. This is an all funds decrease of \$120,375, or 30.2 percent, and a State General Fund decrease of \$111,152, or 46.3 percent, below the FY 2018 agency request. The decrease is primarily due to decreased expenditures for professional and scientific equipment (\$85,177).

The **Governor** recommends \$10.3 million, including \$6.9 million from the State General Fund, for the Forensic Laboratory program for FY 2019. This is an all funds decrease of \$1.3 million, or 11.5 percent, and a State General Fund decrease of \$1.5 million, or 18.1 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to decline the agency's enhancement requests and to hold KPERS employer contributions at the FY 2016 amount.

D. Debt Service Interest

Debt service interest expenditures are for payments on the forensic science laboratory located at Washburn University. The laboratory officially opened in November 2015. The Topeka

Building Commission authorized the issuance of its Public Building Commission Leasehold Revenue Bonds in the principal amount not exceeding \$59.0 million.

DEBT SERVICE SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	<u>2,229,724</u>	<u>2,216,069</u>	<u>2,216,069</u>	<u>2,153,925</u>	<u>2,153,925</u>	<u>2,042,975</u>	<u>2,042,675</u>
<i>Subtotal - Operations</i>	<i>\$ 2,229,724</i>	<i>\$ 2,216,069</i>	<i>\$ 2,216,069</i>	<i>\$ 2,153,925</i>	<i>\$ 2,153,925</i>	<i>\$ 2,042,975</i>	<i>\$ 2,042,675</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 2,229,724</u>	<u>\$ 2,216,069</u>	<u>\$ 2,216,069</u>	<u>\$ 2,153,925</u>	<u>\$ 2,153,925</u>	<u>\$ 2,042,975</u>	<u>\$ 2,042,675</u>
Financing:							
State General Fund	\$ 2,229,724	\$ 2,216,069	\$ 2,216,069	\$ 2,153,925	\$ 2,153,925	\$ 2,042,675	\$ 2,042,675
All Other Funds	0	0	0	0	0	0	0
TOTAL	<u>\$ 2,229,724</u>	<u>\$ 2,216,069</u>	<u>\$ 2,216,069</u>	<u>\$ 2,153,925</u>	<u>\$ 2,153,925</u>	<u>\$ 2,042,675</u>	<u>\$ 2,042,675</u>
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

The **agency** requests \$2.2 million, all from the State General Fund, for debt service principal payments for the forensic laboratory at Washburn University for FY 2018. This is

a State General Fund decrease of \$62,144, or 2.8 percent, below the FY 2017 agency's revised estimate.

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

The **agency** requests \$2.0 million, all from the State General Fund, for debt service principal payments for the

forensic laboratory at Washburn University for FY 2019. This is a State General Fund decrease of \$111,250, or 5.2 percent, below the FY 2018 agency request.

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

E. Off Budget

This section is included for information purposes only and the expenditures for this program are not included in other parts of this budget analysis unless specifically noted. Primary funding for the agency's off budget program comes from the Intergovernmental Service Fund, which was established to collect fees in order to recover all or part of the direct and indirect operating expenses for criminal history record checks

conducted for other state agencies by statute or request. Additionally, the Off-Budget Motor Pool Fund provides some of the program's funding. The Off-Budget Motor Pool Fund's revenue comes from money charged internally for mileage. Currently, the charge is \$0.41 per mile. This money is used to pay for gas, vehicle repairs, and vehicle replacement costs.

OFF BUDGET PROGRAM SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,301,913	\$ 1,493,662	\$ 1,489,852	\$ 1,486,059	\$ 1,472,052	\$ 1,513,358	\$ 1,496,847
Contractual Services	1,187,415	1,191,930	1,191,930	1,180,200	1,180,200	1,176,500	1,176,500
Commodities	195,720	225,348	225,348	225,890	225,890	235,890	235,890
Capital Outlay	210,799	355,824	355,824	342,400	342,400	342,400	342,400
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 2,895,847</i>	<i>\$ 3,266,764</i>	<i>\$ 3,262,954</i>	<i>\$ 3,234,549</i>	<i>\$ 3,220,542</i>	<i>\$ 3,268,148</i>	<i>\$ 3,251,637</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 2,895,847</u>	<u>\$ 3,266,764</u>	<u>\$ 3,262,954</u>	<u>\$ 3,234,549</u>	<u>\$ 3,220,542</u>	<u>\$ 3,268,148</u>	<u>\$ 3,251,637</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	2,895,847	3,266,764	3,262,954	3,234,549	3,220,542	3,268,148	3,251,637
TOTAL	<u>\$ 2,895,847</u>	<u>\$ 3,266,764</u>	<u>\$ 3,262,954</u>	<u>\$ 3,234,549</u>	<u>\$ 3,220,542</u>	<u>\$ 3,268,148</u>	<u>\$ 3,251,637</u>
FTE Positions	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Non-FTE Uncl.Perm.Pos.	11.0	11.0	11.0	11.0	11.0	11.0	11.0
TOTAL	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>	<u>29.0</u>

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS						
	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
KBI Lab Debt Service	\$ 2,105,000	\$ 2,105,000	\$ 2,170,000	\$ 2,170,000	\$ 2,280,000	\$ 2,280,000
Financing:						
State General Fund	\$ 2,105,000	\$ 2,105,000	\$ 2,170,000	\$ 2,170,000	\$ 2,280,000	\$ 2,280,000
All Other Funds	0	0	0	0	0	0
TOTAL	\$ 2,105,000	\$ 2,105,000	\$ 2,170,000	\$ 2,170,000	\$ 2,280,000	\$ 2,280,000

Current Year Agency Estimate

FY 2017–Current Year. The agency estimates a revised estimate totaling \$2.1 million, all from the State General Fund, in FY 2017. This is an increase of \$10,000, or 0.5 percent, above

the amount approved by the 2016 Legislature. The increase is due to a shift to principal from interest on the bond.

Current Year Governor Recommendation

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

Budget Year Agency Request

FY 2018–Budget Year. The agency requests an estimate totaling \$2.2 million, all from the State General Fund, for FY 2018. This is an increase of \$65,000, or 31.1 percent, above the

FY 2017 agency estimate. The increase is due to a shift to principal from interest on the bond.

Budget Year Governor Recommendation

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

Budget Year Agency Request

FY 2019–Budget Year. The agency requests an estimate totaling \$2.3 million, all from the State General Fund, for FY 2019. This is an increase of \$110,000, or 5.1 percent, above the

FY 2018 agency request. The increase is due to a shift to principal from interest on the bond.

Budget Year Governor Recommendation

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

Measure	PERFORMANCE MEASURES				
	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
General Services:					
Number of new adult criminal records created	31,862	28,878	29,500	30,000	30,700
Number of criminal history abstracts prepared and disseminated to criminal justice agencies	872,670	802,915	827,000	852,000	877,000
Number of criminal history abstracts prepared and disseminated to non-criminal justice agencies	69,288	65,989	73,000	76,500	80,000
Number of Kansas users connected to the Kansas Criminal Justice Information System	9,385	9,668	9,705	10,105	10,555
Investigation:					
Number of agent training hours received	750	1,065	851	750	750
Number of background investigation polygraphs	78	92	89	82	82
Number of polygraph examination admissions	61	62	57	57	57
Number of theft investigations	10	21	10	10	10
Forensic Laboratory:					
Number of laboratory reports issued	16,000	15,600	15,800	16,500	17,000
Number of testimonies provided	190	152	160	175	190
Number of sessions of professional training/education received	115	116	120	130	145

KANSAS COMMISSION ON PEACE OFFICERS' STANDARDS AND TRAINING

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	868,020	817,394	816,736	803,679	801,275	835,189	829,473
TOTAL	\$ 868,020	\$ 817,394	\$ 816,736	\$ 803,679	\$ 801,275	\$ 835,189	\$ 829,473
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 868,020	\$ 817,394	\$ 816,736	\$ 803,679	\$ 801,275	\$ 835,189	\$ 829,473

Percentage Change:

Operating Expenditures

State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	13.2	(5.8)	(5.9)	(1.7)	(1.9)	3.9	3.5
FTE Positions							
	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Non-FTE							
Perm.Uncl.Pos.	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	7.0	7.0	7.0	7.0	7.0	7.0	7.0

AGENCY OVERVIEW

The Kansas Commission on Peace Officers' Standards and Training (KS CPOST) was created by the 2006 Legislature. Initial funding and operation as a separate state agency occurred in 2008. The mission of KS CPOST is to provide the citizens of Kansas with qualified, trained, ethical, competent, and professional peace officers, as well as to adopt and enforce professional standards for certification of peace officers. The Commission maintains a central registry of the demographics of Kansas law enforcement officers and their qualifications and

employment history. This registry is available for all agencies that appoint or elect law enforcement officers for use as a reference when reviewing employment applications. In addition, the Commission conducts criminal and administrative investigations related to law enforcement officers' qualifications. As a result of these investigations, the Commission may suspend, revoke, or deny the certification of a law enforcement officer.

MAJOR ISSUES FROM PRIOR YEARS

The **2006 Legislature** created the Kansas Commission on Peace Officers' Standards and Training, with funding provided through docket fees. Initial funding and full staffing was first included in the FY 2008 budget.

During the **2009 Session**, the Governor recommended a special one-time transfer of \$500,000 from the Kansas Commission on Peace Officers' Standards and Training Fee Fund to the State General Fund in FY 2009. The Legislature accepted the Governor's recommendation but reduced the transfer by 21.5 percent for a total transfer of \$392,500. Additionally, the Legislature deleted \$77,067, all from the KS CPOST Fund, to apply a 10.0 percent reduction based on the Governor's FY 2009 recommendation to the FY 2010 budget.

The **2010 Legislature** transferred \$200,000, all from the KS CPOST fund, to the State General Fund in FY 2011.

The **2011 Legislature** appropriated the Local Law Enforcement Training Reimbursement Fund in FY 2012. The fund was added as the result of HB 2001, which transferred the

oversight of the fund from the Kansas Law Enforcement Training Center to the KS CPOST.

The **2012 Legislature** recommended KS CPOST remain a separate state agency with a budget of \$840,000, all from special revenue funds, and 7.0 FTE positions. For FY 2013, the Governor had recommended the duties and functions of KS CPOST be transferred to the Office of the Kansas Attorney General.

The **2013 Legislature** deleted \$55,832, all from special revenue funds, to reflect reduced funding for salaries and wages in FY 2014 and also deleted \$58,061, all from special revenue funds, to reflect reduced funding for salaries and wages in FY 2015.

The **2014 Legislature** transferred \$53,000 from the Local Law Enforcement Reimbursement Fee Fund to the KS CPOST Fund in FY 2014 and FY 2015. The Legislature also added \$5,336, all from special revenue funds, in FY 2015.

The **2016 Legislature** added \$140,000, all from special revenue funds, for a database replacement in FY 2016 and \$10,000, all from special revenue funds, for database maintenance for FY 2017.

The **2016 Legislature** also passed HB 2696, which increased the fee assessed in certain cases filed in municipal courts from \$20.00 to \$22.50. The revenue generated from the fee increase is deposited into the KS CPOST Fund. Additionally, the bill stated the Legislature intended the fund be used only for the purposes set forth in the law creating this fund.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency** estimates operating expenditures totaling \$817,394, all from special revenue funds, in FY 2017. This is an all funds decrease of \$349, or less than 0.1 percent, below the amount approved by the 2016 Legislature. After shifts in categories of expenditures, the decrease is attributable to the agency requesting less expenditures from the Local Law

Enforcement Training Reimbursement Fund (LLETRF)(KSA 12-4117). This requested level of expenditures from the fund puts the agency in line with actual FY 2016 expenditures from the LLETRF. The agency's revised estimate includes 5.0 FTE positions and 2.0 non-FTE positions, which is unchanged from the approved number.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$816,736, all from special revenue funds. The recommendation is a decrease of \$658, or less than 0.1

percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

FY 2018 Agency Request

The **agency** requests operating expenditures totaling \$803,679, all from special revenue funds, for FY 2018. This is an all funds decrease of \$13,715, or 1.7 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to decreases in salaries and wages and aid to local units of government expenditures. The largest decrease is in salary and

wage expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017. The agency's request includes 5.0 FTE positions and 2.0 non-FTE positions, which is no change from the FY 2017 revised estimate.

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$801,275, all from special revenue funds. The recommendation is a decrease of \$2,404, or 0.3 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer

contributions at the FY 2016 amount, which results in a reduction of \$1,969, and to provide a moratorium on agency death and disability payments for one quarter, which results in a reduction of \$435.

FY 2019 Agency Request

The **agency** requests operating expenditures totaling \$835,189, all from special revenue funds, for FY 2019. This is an all funds increase of \$31,510, or 3.9 percent, above the FY 2018 request. The increase is primarily attributable to increases in salaries and wages, contractual services, and commodities

expenditures. The increase is primarily attributable to additional expenditures for employer contributions to state employee retirement and fringe benefit expenditures. The agency's request includes 5.0 FTE positions and 2.0 non-FTE positions, which is no change from the FY 2018 request.

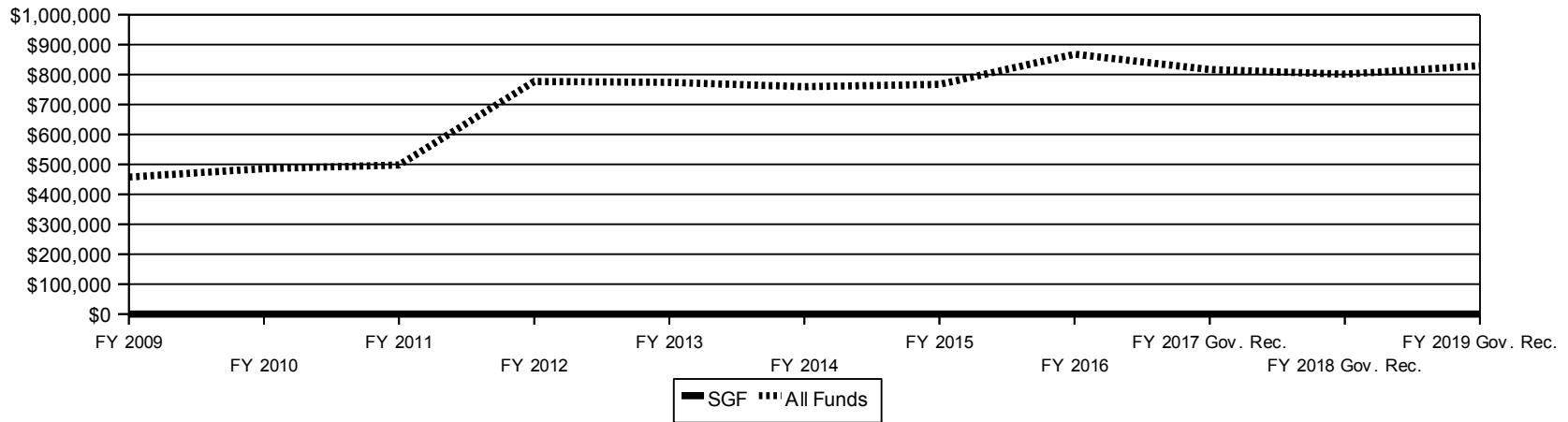
FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$829,473, all from special revenue funds. The recommendation is a decrease of \$5,716, or 0.7 percent, below

the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 0	-- %	\$ 457,623	34.0 %	3.0
2010	0	--	485,748	6.1	7.0
2011	0	--	497,823	2.5	7.0
2012	0	--	776,871	56.1	7.0
2013	0	--	773,881	(0.4)	6.0
2014	0	--	759,484	(1.9)	5.0
2015	0	--	767,116	1.0	5.0
2016	0	--	868,020	13.2	5.0
2017 Gov. Rec.	0	--	816,736	(5.9)	5.0
2018 Gov. Rec.	0	--	801,275	(1.9)	5.0
2019 Gov. Rec.	0	--	829,473	3.5	5.0
Eleven-Year Change	\$ 0	-- %	\$ 371,850	81.3 %	2.0

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Administration	\$ 868,020	\$ 817,394	\$ 803,679	\$ (13,715)	(1.7)%	\$ 816,736	\$ 801,275	\$ (15,461)	(1.9)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 414,338	\$ 470,108	\$ 461,027	\$ (9,081)	(1.9)%	\$ 469,450	\$ 458,623	\$ (10,827)	(2.3)%
Contractual Services	307,013	116,302	117,756	1,454	1.3	116,302	117,756	1,454	1.3
Commodities	3,921	5,000	5,450	450	9.0	5,000	5,450	450	9.0
Capital Outlay	142,748	11,240	11,275	35	0.3	11,240	11,275	35	0.3
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 868,020	\$ 602,650	\$ 595,508	\$ (7,142)	(1.2)%	\$ 601,992	\$ 593,104	\$ (8,888)	(1.5)%
Aid to Local Units	0	214,744	208,171	(6,573)	(3.1)	214,744	208,171	(6,573)	(3.1)
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 868,020	\$ 817,394	\$ 803,679	\$ (13,715)	(1.7)%	\$ 816,736	\$ 801,275	\$ (15,461)	(1.9)%
Financing:									
KS CPOST Fund	\$ 653,276	\$ 602,650	\$ 595,508	\$ (7,142)	(1.2)%	\$ 601,992	\$ 593,104	\$ (8,888)	(1.5)%
Local Law Enforcement Training Reimbursement Fund	214,744	214,744	208,171	(6,573)	(3.1)	214,744	208,171	(6,573)	(3.1)
TOTAL	\$ 868,020	\$ 817,394	\$ 803,679	\$ (13,715)	(1.7)%	\$ 816,736	\$ 801,275	\$ (15,461)	(1.9)%

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration	\$ 803,679	\$ 835,189	\$ 31,510	3.9 %	\$ 801,275	\$ 829,473	\$ 28,198	3.5 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 461,027	\$ 491,512	\$ 30,485	6.6 %	\$ 458,623	\$ 485,796	\$ 27,173	5.9 %
Contractual Services	117,756	118,256	500	0.4	117,756	118,256	500	0.4
Commodities	5,450	5,950	500	9.2	5,450	5,950	500	9.2
Capital Outlay	11,275	11,300	25	0.2	11,275	11,300	25	0.2
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 595,508	\$ 627,018	\$ 31,510	5.3 %	\$ 593,104	\$ 621,302	\$ 28,198	4.8 %
Aid to Local Units	208,171	208,171	0	--	208,171	208,171	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 803,679	\$ 835,189	\$ 31,510	3.9 %	\$ 801,275	\$ 829,473	\$ 28,198	3.5 %
Financing:								
KS CPOST Fund	\$ 595,508	\$ 627,018	\$ 31,510	5.3 %	\$ 593,104	\$ 621,302	\$ 28,198	4.8 %
Local Law Enforcement Training Reimbursement Fund	208,171	208,171	0	--	208,171	208,171	0	--
TOTAL	\$ 803,679	\$ 835,189	\$ 31,510	3.9 %	\$ 801,275	\$ 829,473	\$ 28,198	3.5 %

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	817,743	817,394	(349)	816,736	(1,007)
TOTAL	\$ 817,743	\$ 817,394	\$ (349)	\$ 816,736	\$ (1,007)
FTE Positions	5.0	5.0	0.0	5.0	0.0

The **agency** requests a revised estimate totaling \$817,394, all from special revenue funds, in FY 2017. This is an all funds decrease of \$349, or less than 0.1 percent, below the amount approved by the 2016 Legislature. This decrease is attributable to the agency requesting less expenditures from the Local Law Enforcement Training Reimbursement Fund (LLET RF). This requested level of expenditures from the fund puts the agency in line with actual FY 2016 expenditures from the LLET RF. The agency’s revised estimate includes 5.0 FTE positions and 2.0 non-FTE positions, which is unchanged from the approved number.

Categories of expenditure are detailed below:

- **Salaries and Wages.** The agency’s revised estimate includes \$470,108, which is an all funds decrease of \$487, or 0.1 percent, below the amount approved by the 2016 Legislature. The decrease is attributable to lower unemployment compensation expenditures;
- **Contractual Services.** The agency’s revised estimate includes \$116,302, which is an all funds decrease of \$10,901, or 8.6 percent, below the

amount approved by the 2016 Legislature. Decreases from the FY 2017 approved amount primarily include inter-governmental local communication services operations—DISC (\$13,674), other contractual services (\$10,000), and computer programming—not DISC (\$6,688). These decreases are offset by increases in commercial local communication services (\$11,264), database access fees—not DISC (\$6,071), and meals and lodging (\$2,500);

- **Commodities.** The agency's revised estimate includes \$5,000, which is an all funds increase of \$1,000, or 25.0 percent, above the amount approved by the 2016 Legislature. The increase is due to increases in expenditures for stationery and office supplies (\$800) and other supplies and materials (\$800). These increases are partially offset by a decrease in gasoline expenditures (\$700);
- **Capital Outlay.** The agency's revised estimate includes \$11,240, which is an all funds increase of \$10,388, or 1,219.2 percent, above the amount approved by the 2016 Legislature. The increase is primarily attributable to increased

expenditures for microcomputer equipment (\$10,000) and office furniture (\$600). The agency states it has delayed replacement expenditures for printers, furniture, chairs, computers, telephones, and other equipment related to the network, and that FY 2017 expenditures increased to account for additional replacement expenditures; and

- **Aid to Local Units of Government.** The agency estimates \$214,744, which is an all funds decrease of \$349, or 0.2 percent, below the amount approved by the 2016 Legislature. Expenditures in this category are reimbursements to municipalities that operate and train officers in their own satellite law enforcement academies. Expenditures are made according to funds available in the Local Law Enforcement Training Fund (KSA 12-4117).

The **Governor** recommends FY 2017 operating expenditures of \$816,736, all from special revenue funds. The recommendation is a decrease of \$658, or less than 0.1 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 803,679	\$ 801,275	\$ (2,404)
FTE Positions	5.0	5.0	0.0
<i>Change from FY 2017:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	(13,715)	(15,461)	
TOTAL	<u>\$ (13,715)</u>	<u>\$ (15,461)</u>	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	(1.7)	(1.9)	
TOTAL	<u>(1.7) %</u>	<u>(1.9) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures totaling \$803,679, all from special revenue funds, for FY 2018. This is an all funds decrease of \$13,715, or 1.7 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to reductions in salaries and wages and aid to local units of government expenditures. The largest decrease is in salaries and wages expenditures due to expenditures returning to a

normal level absent the one-time 27th payroll period in FY 2017. The agency's request includes 5.0 FTE positions and 2.0 non-FTE positions, which is no change from the FY 2017 revised estimate.

Categories of expenditure are detailed below:

- **Salaries and Wages.** The agency requests \$461,027, which is an all funds decrease of \$9,081, or 1.9 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to the agency budgeting reductions in unclassified regular pay (\$10,038) and unclassified temporary pay (\$3,763). These reductions are partially offset by an increase to group health insurance expenditures (\$2,385);
- **Contractual Services.** The agency requests \$117,756, which is an all funds increase of \$1,454, or 1.3 percent, above the FY 2017 revised estimate. Increases from the FY 2017 revised estimate occur in computer software maintenance services (\$10,101), computer programming—not DISC (\$6,188), commercial communication service—other (\$3,653), copy and printing equipment rental (\$688), and building space rental (\$537). These increases are partially offset by decreases in commercial local communication services (\$11,764) and database access fees—not DISC (\$8,601). Expenditures for this agency include travel, rental of office space and equipment, copier and postage expenditures, and communications. The agency notes it anticipates an increase in expenditures for Microsoft Office 365 (\$2,400), which hasn't been part of their budget in previous fiscal years, as well as additional expenditures related to increased usage, programming, and operations surrounding the agency's Central Registry;

- **Commodities.** The agency requests \$5,450, which is an all funds increase of \$450, or 9.0 percent, above the FY 2017 revised estimate. The increase is primarily due to increased expenditures for gasoline (\$200) and stationery and office supplies (\$200);
- **Capital Outlay.** The agency requests \$11,275, which is an all funds increase of \$35, or 0.3 percent, above the FY 2017 revised estimate. The agency states the budget continues expenditures at an increased level to account for delayed replacement of printers, furniture, chairs, computers, telephones, and other equipment related to the network; and
- **Aid to Local Units of Government.** The agency requests \$208,171, which is an all funds decrease of \$6,573, or 3.1 percent, below the FY 2017 revised estimate. Expenditures in this category are reimbursements to municipalities that operate and train officers in their own satellite law enforcement academies. Expenditures are made according to funds available in the Local Law Enforcement Training Fund.

The **Governor** recommends FY 2018 operating expenditures of \$801,275, all from special revenue funds. The recommendation is a decrease of \$2,404, or 0.3 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$1,969, and to provide a moratorium on agency death and disability payments for one quarter, which results in a reduction of \$435.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 835,189	\$ 829,473	\$ (5,716)
FTE Positions	5.0	5.0	0.0
Change from FY 2018:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 28,198	
All Other Funds	31,510	28,198	
TOTAL	<u>\$ 31,510</u>	<u>\$ 56,396</u>	
<i>Percent Change:</i>			
State General Fund	-- %	0.0 %	
All Other Funds	3.9	3.5	
TOTAL	<u>3.9 %</u>	<u>3.5 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures totaling \$835,189, all from special revenue funds, for FY 2019. This is an all funds increase of \$31,510, or 3.9 percent, above the FY 2018 request. The increase is primarily attributable to increases in salaries and wages, contractual services, and commodities expenditures. The largest increase is for employer contributions to state employee retirement and fringe benefit expenditures. The agency's request includes 5.0 FTE positions and 2.0 non-

FTE positions, which is no change from the FY 2018 request. Categories of expenditure are detailed below:

- **Salaries and Wages.** The agency requests \$491,512, which is an all funds increase of \$30,485, or 6.6 percent, above the FY 2018 request. The increase is primarily attributable to

an increase in public employee retirement system expenditures (\$28,355);

- **Contractual Services.** The agency requests \$118,256, which is an all funds increase of \$500, or 0.4 percent, above the FY 2018 request. Increases from the FY 2018 request occur in out-of-state air, rail, and bus fare (\$300); out-of-state meals and lodging (\$100); and meals and lodging (\$100). Expenditures for this agency include travel, rental of office space and equipment, copier and postage expenditures, and communications;
- **Commodities.** The agency requests \$5,950, which is an all funds increase of \$500, or 9.2 percent, above the FY 2018 request. The increase is primarily due to increased expenditures for gasoline (\$300) and stationery and office supplies (\$200);

- **Capital Outlay.** The agency requests \$11,300, which is an all funds increase of \$25, or 0.2 percent, above the FY 2018 request. The increase is due to increased expenditures for office equipment (\$25); and
- **Aid to Local Units of Government.** The agency requests \$208,171, which is no change from the FY 2018 request. Expenditures in this category are reimbursements to municipalities that operate and train officers in their own satellite law enforcement academies. Expenditures are made according to funds available in the Local Law Enforcement Training Fund.

The **Governor** recommends FY 2019 operating expenditures of \$829,473, all from special revenue funds. The recommendation is a decrease of \$5,716, or 0.7 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, there are no budgeted longevity payments in FY 2017, for FY 2018, or for FY 2019.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal also eliminates the scheduled contribution rate increases for FY

2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$658, all from special revenue funds, in FY 2017; by \$1,969, all from special revenue funds, for FY 2018; and by \$5,716, all from special revenue funds, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$435, all from special revenue funds, for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
KS CPOST Fund	74.1 %	74.0 %	75.1 %	74.9 %
Local Law Enforcement Training Reimbursement Fund	25.9	26.0	24.9	25.1
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Kansas Commission on Peace Officers' Standards and Training Fund

The Kansas Commission on Peace Officers' Standards and Training (KS CPOST) Fund is primarily funded through docket fees. KSA 12-4117 provides that a sum of \$20.00 is assessed on each case filed in municipal court, other than a non-moving traffic violation, where there is a finding of guilty or a plea of no contest,

forfeiture of bond, or a diversion. Of the \$22.50, \$2.50 is deposited into the KS CPOST Fund. In addition, KSA 74-5619 allows the agency to receive and deposit into the Fund any public or private grants, gifts, or donations.

Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ 432,884	\$ 300,867	\$ 300,867	\$ 698,217	\$ 698,875	\$ 1,102,709	\$ 1,105,771
Revenue	521,259	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 954,143	\$ 1,300,867	\$ 1,300,867	\$ 1,698,217	\$ 1,698,875	\$ 2,102,709	\$ 2,105,771
Less: Expenditures	653,276	602,650	601,992	595,508	593,104	627,018	621,302
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 300,867</u>	<u>\$ 698,217</u>	<u>\$ 698,875</u>	<u>\$ 1,102,709</u>	<u>\$ 1,105,771</u>	<u>\$ 1,475,691</u>	<u>\$ 1,484,469</u>
Ending Balance as Percent of Expenditures	46.1%	115.9%	116.1%	185.2%	186.4%	235.4%	238.9%
Month Highest Ending Balance	April \$ 303,103	April \$ 703,407	April \$ 704,070	April \$ 1,110,905	April \$ 1,113,990	April \$ 1,486,660	April \$ 1,495,503
Month Lowest Ending Balance	May \$ 208,471	May \$ 483,795	May \$ 484,250	May \$ 764,067	May \$ 766,189	May \$ 1,022,506	May \$ 1,028,589

Local Law Enforcement Training Fund

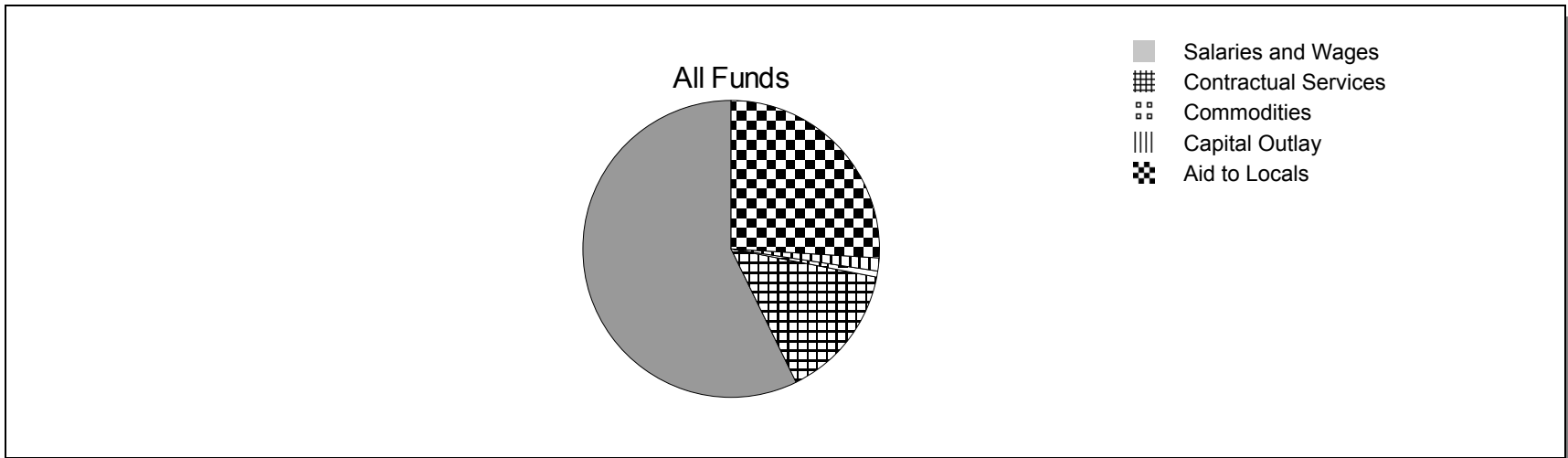
The Local Law Enforcement Training Fund is used to reimburse municipalities that have officers participating in local law enforcement training programs. KSA 12-4117 provides that a sum of \$20.00 is assessed on each case filed in municipal

court, other than a non-moving traffic violation, where there is a finding of guilty or a plea of no contest, forfeiture of bond, or a diversion. Of the \$22.50, \$1.00 is deposited into the Local Law Enforcement Training Fund.

Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ 215,093	\$ 208,551	\$ 208,551	\$ 208,551	\$ 208,551	\$ 208,551	\$ 208,551
Revenue	208,202	214,744	214,744	208,171	208,171	208,171	208,171
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 423,295	\$ 423,295	\$ 423,295	\$ 416,722	\$ 416,722	\$ 416,722	\$ 416,722
Less: Expenditures	214,744	214,744	214,744	208,171	208,171	208,171	208,171
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 208,551</u>	<u>\$ 208,551</u>	<u>\$ 208,551</u>	<u>\$ 208,551</u>	<u>\$ 208,551</u>	<u>\$ 208,551</u>	<u>\$ 208,551</u>
Ending Balance as Percent of Expenditures	97.1%	97.1%	97.1%	100.2%	100.2%	100.2%	100.2%
Month Highest Ending Balance	July \$ 208,551	July \$ 225,591	July \$ 225,591	July \$ 225,591	July \$ 225,591	July \$ 225,591	July \$ 225,591
Month Lowest Ending Balance	August \$ 30,541	August \$ 30,541	August \$ 30,541	August \$ 30,541	August \$ 30,541	August \$ 30,541	August \$ 30,541

PROGRAM DETAIL

EXPENDITURES BY OBJECT – GOVERNOR’S FY 2018 RECOMMENDATION



Object	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Salaries and Wages	\$ 469,450	57.5 %	\$ 0	-- %
Contractual Services	116,302	14.2	0	--
Commodities	5,000	0.6	0	--
Capital Outlay	11,240	1.4	0	--
Aid to Locals	214,744	26.3	0	--
TOTAL	\$ 816,736	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

<u>Program</u>	<u>Actual FY 2016</u>	<u>Agency Est. FY 2017</u>	<u>Gov. Rec. FY 2017</u>	<u>Agency Req. FY 2018</u>	<u>Gov. Rec. FY 2018</u>	<u>Agency Req. FY 2019</u>	<u>Gov. Rec. FY 2019</u>
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0

PERFORMANCE MEASURES

<u>Measure</u>	<u>Gov. Rec. for FY 2016</u>	<u>Actual FY 2016</u>	<u>Gov. Rec. FY 2017</u>	<u>Gov. Rec. FY 2018</u>	<u>Gov. Rec. FY 2019</u>
Number of complaints checked	95	122	120	125	130
Cases assigned to investigators	105	109	115	120	130
Number of officer licensing actions	--	30	35	40	45

EMERGENCY MEDICAL SERVICES BOARD

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	1,991,563	2,089,620	2,087,367	2,191,376	2,183,143	2,190,440	2,180,950
TOTAL	\$ 1,991,563	\$ 2,089,620	\$ 2,087,367	\$ 2,191,376	\$ 2,183,143	\$ 2,190,440	\$ 2,180,950
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 1,991,563	\$ 2,089,620	\$ 2,087,367	\$ 2,191,376	\$ 2,183,143	\$ 2,190,440	\$ 2,180,950

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	12.3	4.9	4.8	4.9	4.6	(0.0)	(0.1)
FTE Positions	14.0	14.0	10.0	14.0	10.0	14.0	10.0
Non-FTE							
Perm.Uncl.Pos.	4.0	4.0	4.0	6.0	6.0	6.0	6.0
TOTAL	18.0	18.0	14.0	20.0	16.0	20.0	16.0

AGENCY OVERVIEW

The mission of the Emergency Medical Services Board (KBEMS) is to protect and promote the welfare of the citizens of Kansas through the efficient and effective regulation of emergency medical services (EMS) and to ensure quality out-of-hospital care is available throughout the state. Duties include issuing permits and inspecting ambulance services operating in the state, examining and certifying ambulance attendants, training and certifying EMS instructors, and approving EMS training programs and continuing education courses.

Attendants certified and trained by the agency include emergency medical responders, advanced emergency medical technicians, paramedics, and emergency medical technicians. In addition, the Board certifies instructor-coordinators.

The agency also operates the Education Incentive Grant program, which provides funding for education to individuals and ambulance services to help address the shortage of EMS attendants in rural Kansas. Another priority is the Kansas Emergency Medical Services Information System (KEMSIS), a project with the goal of greater EMS data collection and information analysis to assist the agency, the Governor, and the Legislature in assessing and supporting the training and funding needs of EMS in Kansas.

The agency is one program divided into four services: Administrative, Operations (investigations and inspections),

Technician (education, examination, and certification), and Information Technology. Staffing includes 13.0 regular classified FTE positions and 1.0 FTE regular unclassified position.

The Board is primarily funded by a 1.25 percent levy imposed on fire insurance premiums. The 2004 Legislature established permanent funding for the Board of Emergency Medical Services with the passage of SB 312, which allows the Board 0.25 percent of fire insurance premiums (KSA 75-1508).

The Board is comprised of 15 members, 9 of whom are appointed by the Governor: one member of the Kansas Medical Society actively involved in EMS; two county commissioners, both from counties making a levy for EMS, but one from a county with a population less than 15,000; one instructor-coordinator; one hospital administrator actively involved in EMS; one member of a firefighting unit providing EMS; and three attendants actively involved in EMS who represent at least two classifications of attendants, one of whom is from a volunteer emergency medical service.

The other four members of the Board are: one member of the Kansas Senate appointed by the President of the Senate; one member of the Kansas Senate appointed by the Minority Leader of the Senate; one member of the Kansas House of Representatives appointed by the Speaker of the House; and one member of the Kansas House of Representatives appointed by the Minority Leader of the House.

MAJOR ISSUES FROM PRIOR YEARS

The **2006 Legislature** passed legislation directing the agency, within the limits of appropriations, to develop and

maintain a statewide data collection system to collect and analyze EMS information that will assist the Board in improving

the quality of EMS in Kansas. For this purpose, the Legislature added \$200,000 in funding from the EMS Operating Fund in FY 2007. The 2006 Legislature also allocated an additional \$200,000 from the EMS Operating Fund in FY 2007 to continue the Education Incentive Grant program.

The **2007 Legislature** added \$100,000 from the EMS Operating Fund in FY 2008 to increase the Education Incentive Grant program. The Legislature also passed SB 8, which created the EMS Revolving Fund, the purpose of which is to improve and enhance emergency services in Kansas. The bill also contained several seat belt laws, and 2.5 percent of remittances from those violations were directed to the EMS Revolving Fund. The Fund was given no-limit expenditure authority.

In addition, SB 8 authorized the issuance of non-transferable EMS license plates. The plates have been available since January 1, 2008, to any resident owner or lessee of one or more passenger vehicles, trucks of a gross weight of 20,000 pounds or less, or motorcycles who provides proof that he or she is an emergency medical services attendant.

The **2007 Legislature** also added \$20,000 from the EMS Operating Fund for exam proctors and required KBEMS to report to the House Appropriations Committee and Senate Ways and Means Committee on or before February 1, 2008, regarding the use of the EMS Revolving Fund.

The **2008 Legislature** added language requiring a report from all six EMS regions regarding the most recent EMS examination in each region in FY 2008. Additional legislation passed in 2008 affecting EMS include the following items:

- SB 438 prohibited an employer from terminating any employee because the employee serves as a volunteer firefighter, volunteer certified EMS

attendant, volunteer reserve law enforcement officer, or volunteer part-time law enforcement officer. The protection does not apply to full-time firefighters or law enforcement officers who volunteer as EMS attendants, firefighters, or law enforcement officers;

- SB 514 allowed the Board to grant a temporary variance from identified regulations when a literal application or enforcement of the regulations would result in serious hardship and the relief granted would not result in an unreasonable risk to the public interest, safety, or welfare; and
- SB 512 provided clarification on certificates, temporary certificates, and sanctions:
 - The agency may not grant an EMS attendant certificate unless they have successfully completed coursework or passed the required exam;
 - The Board may grant a temporary attendant's certificate if the applicant is certified or licensed in another jurisdiction and can complete the coursework within one year, or if the applicant is waiting on exam results;
 - Any applicant who has been granted a temporary certificate must be under the direct supervision of a physician, a physician's assistant, a professional nurse, or an attendant holding a certificate higher or equivalent to the applicant; and
 - The bill required the Board to adopt, through rules and regulations, a

graduated list of sanctions for violations of the Emergency Medical Services Act, which specifies the number and severity of violations for the imposition of each level of sanction.

The **2009 Legislature** transferred \$41,665 from the EMS Operating Fund to the State General Fund in FY 2009 and \$54,160 in FY 2010.

The **2010 Legislature** adjusted the distribution of the administrative fee related to the 1.25 percent levy on fire insurance premiums in order to proportionately distribute the fee across the three agencies the levy supports. Previously, this fee was charged solely to the State Fire Marshal. The 2010 Legislature assessed the \$200,000 fee as follows for FY 2011: \$128,000 from the State Fire Marshal; \$40,000 from the Emergency Medical Services Board; and \$32,000 from the University of Kansas Fire and Rescue Training Institute.

Additionally, the **2010 Legislature** passed House Sub. for SB 262, which made changes to the levels of attendants certified by the Board and expanded certain levels' scope of practice. This included the following transitions:

- First responders transitioned to emergency medical responders;
- Emergency medical technician-intermediates, emergency medical technician-defibrillators, and emergency medical technician-intermediate/defibrillators all transitioned to advanced emergency medical technicians;
- Emergency medical technicians remained the same; and

- Mobile intensive care technicians transitioned to paramedics.

The **2010 Legislature** also passed SB 262, which created a Medical Advisory Council consisting of six members. One member is a non-physician Board member, one is both a Board member and a physician, and the other four are physicians who are not Board members but are active in EMS. The purpose of this council is to advise and assist the Board in matters of medical standards and practices, as determined by the Board.

The **2011 Legislature** added 1.0 FTE position, for a total of 14.0 FTE positions for FY 2012. This maintained a Deputy Director position that was eliminated in the Governor's recommendation.

The **2013 Legislature** deleted \$19,644, all from special revenue funds, to reflect reduced funding for salaries and wages for FY 2014. It also deleted \$25,989, all from special revenue funds, to reflect reduced funding for salaries and wages for FY 2015.

The **2015 Legislature** passed Senate Sub. for HB 2135, which authorized the Director of the Budget, if the Director determines the unencumbered ending balance of the State General Fund for FY 2016 will be less than \$100.0 million, to lapse appropriations or transfer funding from special revenue funds to the State General Fund, up to a total of \$100.0 million, for FY 2016. The authority does not apply to appropriations for the Judicial Branch; Legislative Branch agencies; debt service; employer contributions to the Kansas Public Employees Retirement System; the Department of Education, except the operating expenditures account of the State General Fund; or demand transfers to the School District Capital Improvements Fund. The authority included a \$500,000 straight budget transfer from the Emergency Medical Services Operating Fund

to the State General Fund, of which \$250,000 was certified in August and \$250,000 was certified in January to transfer.

The **2016 Legislature** added \$40,000 in FY 2016 and \$30,000 for FY 2017, all from special revenue funds, for SB 225, which is the Interstate Compact for Recognition of Emergency Medical Personnel Licensure.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency** estimates a revised FY 2017 estimate of \$2.1 million, all from special revenue funds. The revised estimate is an increase of \$33,002, or 1.6 percent, above the amount approved by the 2016 Legislature. The increase is due to higher expenditures on aid to local units of government, commodities,

and contractual services, partially offset by reduced expenditures on salaries and wages. The revised estimate includes 14.0 FTE positions, which is the same number approved by the 2016 Legislature.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$2.1 million, all from special revenue funds. The recommendation is a decrease of \$2,253, or 0.1 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERs

employer contributions at the FY 2016 amount. The Governor's recommendation includes the reduction of 4.0 FTE positions to accurately reflect the agency's reclassification of 4.0 positions from the classified service to the unclassified service in FY 2017.

FY 2018 Agency Request

The **agency** requests operating expenditures of \$2.2 million, all from special revenue funds, for FY 2018. The request is an increase of \$101,756, or 4.9 percent, above the FY 2017 revised estimate. The increase is primarily attributable to increases in contractual services, salaries and wages, commodities, and capital outlay. The agency's request includes 14.0 FTE positions and 6.0 non-FTE positions, which is an increase of 2.0 non-FTE positions above the FY 2017 revised estimate. This increase is primarily due to the agency's

enhancement request for \$107,195, all from special revenue funds, and 2.0 non-FTE unclassified permanent positions to provide examination services for skills testing across the state rather than contracting this service out.

Absent the enhancement request, the agency's FY 2018 request is a decrease of \$5,439, or 0.3 percent, below the FY 2017 revised estimate, and no change in positions.

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$2.2 million, all from special revenue funds. The recommendation is a decrease of \$8,233, or 0.4 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$6,743, and to provide a moratorium on agency

death and disability payments for one quarter, which results in a reduction of \$1,490. The Governor's recommendation also includes adjustments to reduce 4.0 FTE positions to accurately reflect the agency's reclassification of 4.0 positions from the classified service to the unclassified service for FY 2018 and the transfer of \$250,000 from the Emergency Medical Services Operating Fund to the State General Fund for FY 2018.

FY 2019 Agency Request

The **agency** requests operating expenditures of \$2.2 million, all from special revenue funds, for FY 2019. The request is a decrease of \$936, or less than 0.1 percent, below the FY 2018 request. The decrease is primarily attributable to decreases in commodities, aid to local units of government, and capital outlay. These decreases are partially offset by increases in salaries and wages and contractual services. The agency's request includes 14.0 FTE positions and 6.0 non-FTE positions, which is no change from the FY 2018 request. The expenditure decrease is primarily due to the agency's FY 2019 enhancement request for \$89,468, all from special revenue

funds, and 2.0 non-FTE unclassified permanent positions to provide examination services for skills testing across the state rather than contracting this service out. This is the continuation of the FY 2018 enhancement request, but is a decrease of \$17,727, or 16.5 percent, below the FY 2018 enhancement requested amount, reflective of expenditures related to the initial establishment of the agency provided exam administration.

Absent the enhancement request, the agency's FY 2019 request is a decrease of \$90,404, or 4.1 percent, below the FY 2018 request.

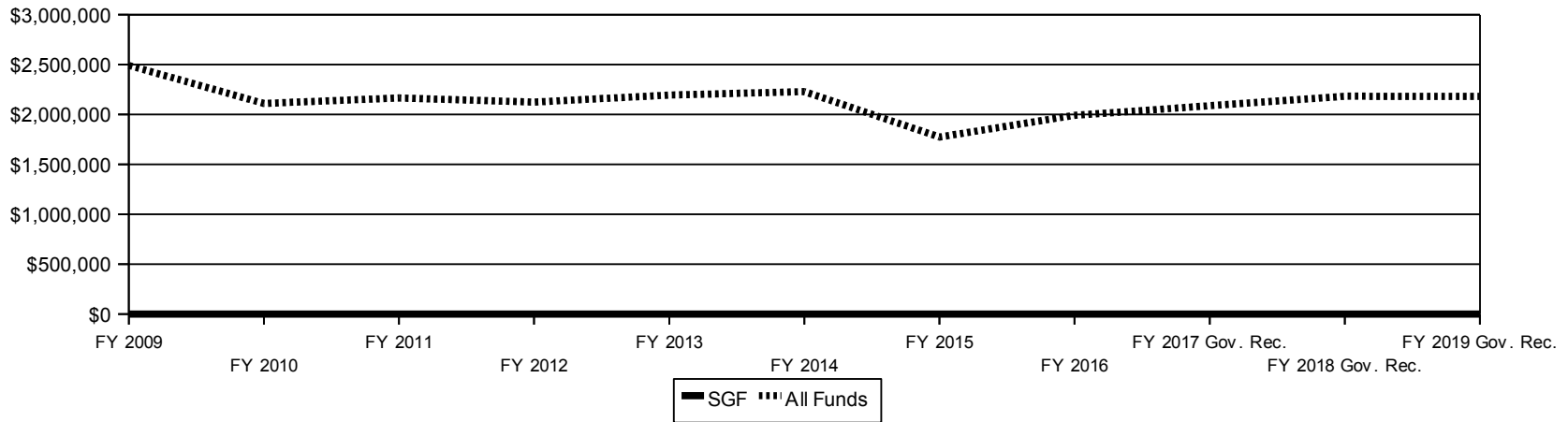
FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$2.2 million, all from special revenue funds. The recommendation is a decrease of \$9,490, or 0.4 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor's

recommendation also includes adjustments to reduce 4.0 FTE positions to accurately reflect the agency's reclassification of 4.0 positions from the classified service to the unclassified service for FY 2019 and transfer of \$250,000 from the Emergency Medical Services Operating Fund to the State General Fund for FY 2019.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 0	-- %	\$ 2,491,547	2.8 %	14.0
2010	0	--	2,110,600	(15.3)	14.0
2011	0	--	2,165,172	2.6	14.0
2012	0	--	2,123,938	(1.9)	14.0
2013	0	--	2,194,293	3.3	14.0
2014	0	--	2,229,209	1.6	14.0
2015	0	--	1,773,664	(20.4)	14.0
2016	0	--	1,991,563	12.3	14.0
2017 Gov. Rec.	0	--	2,087,367	4.8	10.0
2018 Gov. Rec.	0	--	2,183,143	4.6	10.0
2019 Gov. Rec.	0	--	2,180,950	(0.1)	10.0
Eleven-Year Change	\$ 0	-- %	\$ (310,597)	(12.5)%	(4.0)

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Administration	\$ 1,991,563	\$ 2,089,620	\$ 2,191,376	\$ 101,756	4.9 %	\$ 2,087,367	\$ 2,183,143	\$ 95,776	4.6 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 736,763	\$ 859,552	\$ 892,092	\$ 32,540	3.8 %	\$ 857,299	\$ 883,859	\$ 26,560	3.1 %
Contractual Services	370,557	385,644	433,087	47,443	12.3	385,644	433,087	47,443	12.3
Commodities	27,464	27,503	59,139	31,636	115.0	27,503	59,139	31,636	115.0
Capital Outlay	11,499	0	13,808	13,808	--	0	13,808	13,808	--
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 1,146,283	\$ 1,272,699	\$ 1,398,126	\$ 125,427	9.9 %	\$ 1,270,446	\$ 1,389,893	\$ 119,447	9.4 %
Aid to Local Units	695,280	666,921	643,250	(23,671)	(3.5)	666,921	643,250	(23,671)	(3.5)
Other Assistance	150,000	150,000	150,000	0	0.0	150,000	150,000	0	0.0
TOTAL	\$ 1,991,563	\$ 2,089,620	\$ 2,191,376	\$ 101,756	4.9 %	\$ 2,087,367	\$ 2,183,143	\$ 95,776	4.6 %
Financing:									
State General Fund	\$ --	\$ --	\$ --	\$ --	-- %	\$ --	\$ --	\$ --	-- %
Emergency Medical Services Operating Fund	1,240,729	1,374,590	1,499,257	124,667	9.1	1,372,337	1,491,024	118,687	8.6
Education Incentive Grant Payment Fund	366,070	314,359	315,119	760	0.2	314,359	315,119	760	0.2
EMS Revolving Fund	384,764	400,671	377,000	(23,671)	(5.9)	400,671	377,000	(23,671)	(5.9)
TOTAL	\$ 1,991,563	\$ 2,089,620	\$ 2,191,376	\$ 101,756	4.9 %	\$ 2,087,367	\$ 2,183,143	\$ 95,776	4.6 %

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration	\$ 2,191,376	\$ 2,190,440	\$ (936)	(0.0) %	\$ 2,183,143	\$ 2,180,950	\$ (2,193)	(0.1)%
By Major Object of Expenditure:								
Salaries and Wages	\$ 892,092	\$ 903,305	\$ 11,213	1.3 %	\$ 883,859	\$ 893,815	\$ 9,956	1.1 %
Contractual Services	433,087	443,948	10,861	2.5	433,087	443,948	10,861	2.5
Commodities	59,139	39,832	(19,307)	(32.6)	59,139	39,832	(19,307)	(32.6)
Capital Outlay	13,808	13,105	(703)	(5.1)	13,808	13,105	(703)	(5.1)
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 1,398,126	\$ 1,400,190	\$ 2,064	0.1 %	\$ 1,389,893	\$ 1,390,700	\$ 807	0.1 %
Aid to Local Units	643,250	640,250	(3,000)	(0.5)	643,250	640,250	(3,000)	(0.5)
Other Assistance	150,000	150,000	0	0.0	150,000	150,000	0	0.0
TOTAL	\$ 2,191,376	\$ 2,190,440	\$ (936)	(0.0) %	\$ 2,183,143	\$ 2,180,950	\$ (2,193)	(0.1)%
Financing:								
State General Fund	\$ --	\$ --	\$ --	-- %	\$ --	\$ --	\$ --	-- %
Emergency Medical Services Operating Fund	1,499,257	1,500,974	1,717	0.1	1,491,024	1,491,484	460	0.0
Education Incentive Grant Payment Fund	315,119	315,466	347	0.1	315,119	315,466	347	0.1
EMS Revolving Fund	377,000	374,000	(3,000)	(0.8)	377,000	374,000	(3,000)	(0.8)
TOTAL	\$ 2,191,376	\$ 2,190,440	\$ (936)	(0.0) %	\$ 2,183,143	\$ 2,180,950	\$ (2,193)	(0.1)%

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

This agency's revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	2,056,618	2,089,620	33,002	2,087,367	30,749
TOTAL	\$ 2,056,618	\$ 2,089,620	\$ 33,002	\$ 2,087,367	\$ 30,749
FTE Positions	14.0	14.0	0.0	10.0	(4.0)

The **agency** requests a revised FY 2017 estimate of \$2.1 million, all from special revenue funds. The revised estimate is an increase of \$33,002, or 1.6 percent, above the amount approved by the 2016 Legislature. The increase is due to higher expenditures on aid to local units of government, commodities, and contractual services, partially offset by reduced expenditures on salaries and wages. The revised estimate includes 14.0 FTE and 4.0 non-FTE positions, which is the same number of FTE positions as the amount approved by the 2016 Legislature, but an increase of 4.0 non-FTE unclassified permanent positions from the approved amount.

Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency's revised FY 2017 estimate includes \$859,552, all from special revenue funds, for salaries and wages. The FY 2017 revised estimate is a decrease of \$1,704, or 0.2 percent, below the FY 2017 approved amount. Funding supports 14.0 regular classified FTE positions; 4.0 regular unclassified positions; and 15 Board members. Primary decreases include classified regular (\$163,490), classified longevity pay (\$1,520), and unemployment

compensation (\$845). These decreases are partially offset by primary increases in unclassified temporary (\$161,757) and group health insurance (\$2,904);

- **Contractual Services.** The agency's revised FY 2017 estimate includes \$385,644, all from special revenue funds, for contractual services. The FY 2017 revised estimate is an increase of \$6,849, or 1.8 percent, above the FY 2017 approved amount. Funding supports assisting attendants and ambulance services throughout the state. The agency notes this involves a significant amount of travel statewide. Funding also is included for ongoing costs associated with rent within the Landon State Office Building and with the Kansas Emergency Medical Services Information System (KEMSIS) for statewide data collection. Primary increases include meals and lodging (\$53,683), dues and subscriptions (\$25,071), hire of transportation (cars, planes, and buses) (\$20,054), and private vehicle miles (\$13,218). These increases are partially offset by primary decreases in other fees (\$31,170), in-state meals and lodging (\$25,369), in-state private vehicle miles (\$14,346), in-state private charter (\$14,241), other professional fees (\$14,053), and out-of-state meals and lodging (\$12,712);
- **Commodities.** The agency's revised FY 2017 estimate includes \$27,503, all from special revenue funds, for commodities. The FY 2017 revised estimate is an increase of \$8,014, or 41.1 percent, above the FY 2017 approved amount. Funding supports replacing general office

supplies and fuel for rental cars. Primary increases include other supplies and materials (\$7,500) and gasoline (\$967). These increases are partially offset by primary decreases in stationery and office supplies (\$521) and data processing supplies (\$241);

- **Capital Outlay.** The agency's revised FY 2017 estimate includes \$0 for capital outlay expenditures. The revised estimate is no change from the FY 2017 approved amount. Funding in this category is for replacement computers, printers, and a server to ensure proper functioning electronics for day-to-day operations. The agency states expenditures in this category have been delayed to provide for increases in Office of Information Technology Services (OITS) rates;
- **Aid to Local Units of Government.** The agency's revised FY 2017 estimate includes \$666,921, all from special revenue funds, for aid to local units of government. This is an increase of \$19,843, or 3.1 percent, above the FY 2017 approved amount. This amount includes: 1) \$300,000 for the Education Incentive Grant program, which allows for recruitment and retention of EMS workers throughout the state, and 2) \$366,921 for the Kansas Revolving and Assistance (KRAF) Grant program, which awards equipment and materials, on request, to ambulance services around the state based on identifiable needs; and
- **Other Assistance.** The agency's revised estimate includes \$150,000, all from special

revenue funds, for other assistance, which is the same as the FY 2017 approved amount. The major expenditure in this area is the allocation of funds to support the six EMS regions providing support, information, and communication to the approximately 10,500 certified EMS attendants throughout the state.

The **Governor** recommends FY 2017 operating expenditures of \$2.1 million, all from special revenue funds. The

recommendation is a decrease of \$2,253, or 0.1 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount. The Governor's recommendation includes the reduction of 4.0 FTE positions to accurately reflect the agency's reclassification of 4.0 positions from the classified service to the unclassified service in FY 2017.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 2,191,376	\$ 2,183,143	\$ (8,233)
FTE Positions	14.0	10.0	(4.0)
<i>Change from FY 2017:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	101,756	95,776	
TOTAL	\$ 101,756	\$ 95,776	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	4.9	4.6	
TOTAL	4.9 %	4.6 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures of \$2.2 million, all from special revenue funds, for FY 2018. The request is an increase of \$101,756, or 4.9 percent, above the FY 2017 revised estimate. The increase is primarily attributable to increases in contractual services, salaries and wages, commodities, and capital outlay. These increases are partially

offset by a decrease in aid to local units of government. The agency's request includes 14.0 FTE positions and 6.0 non-FTE positions, which is an increase of 2.0 non-FTE positions above the FY 2017 revised estimate. This increase is primarily due to the agency's enhancement request for \$107,195, all from special revenue funds, and 2.0 non-FTE unclassified permanent

positions to provide examination services for skills testing across the state rather than contracting this service out.

Absent the enhancement request, the agency's FY 2018 request is a decrease of \$5,439, or 0.3 percent, below the FY 2017 revised estimate, and no change in positions. Categories of expenditures are detailed below:

- **Salaries and Wages.** The agency requests \$892,092, all from special revenue funds, for FY 2018. This is an increase of \$32,540, or 3.8 percent, above the FY 2017 revised estimate. Primary increases include unclassified temporary (\$32,028); employer contributions to KPERS, the public employee retirement system (\$10,972); and group health insurance (\$5,017). Alongside increases in fringe benefit expenditures, the largest increase in this category is due to the agency's enhancement request, which attributes for \$41,031 of the increase in category expenditures. **Absent the enhancement request**, the agency's request for salaries and wages expenditures is a decrease of \$8,491, or 1.0 percent, all from special revenue funds, below the FY 2017 revised estimate;
- **Contractual Services.** The agency requests \$433,087, all from special revenue funds, for FY 2018. The request is an increase of \$47,443, or 12.3 percent, above the FY 2017 revised estimate. The increase in this category is primarily due to the agency's enhancement request, which attributes for \$35,258 of the increase in category expenditures. The agency notes there was a significant increase in Landon

State Office Building data center space and other indices rates;

- **Commodities.** The agency requests \$59,139, all from special revenue funds, for FY 2018. The request is an increase of \$31,636, or 115.0 percent, above the FY 2017 revised estimate. The increase in this category is primarily due to the agency's enhancement request, which attributes for \$30,906 of the increase in category expenditures. The agency notes other increases are reflective of inflationary increases to expenditures from FY 2017;
- **Capital Outlay.** The agency requests \$13,808, all from special revenue funds, for FY 2018. The request is an increase of \$13,808, or 100.0 percent, above the FY 2017 revised estimate. The agency states this increase is due to having delayed expenditures in previous fiscal years. Expenditures will provide for the replacement of computer and office equipment;
- **Aid to Local Units of Government.** The agency requests \$643,250, all from special revenue funds, for FY 2018. The request is a decrease of \$23,671, or 3.5 percent, below the FY 2017 revised estimate. The agency states funding is based upon available funding within the EMS Revolving Fund, which receives revenues from fines, penalties, and forfeitures from court costs associated with KSA 74-7336. These revenues are anticipated to decrease; and
- **Other Assistance.** The agency requests \$150,000, all from special revenue funds, for FY

2018. The request is the same as the FY 2017 revised estimate.

The **Governor** recommends FY 2018 operating expenditures of \$2.2 million, all from special revenue funds. The recommendation is a decrease of \$8,233, or 0.4 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$6,743, and to provide a moratorium on agency death and disability payments for one quarter, which results in a

reduction of \$1,490. The Governor's recommendation also includes the following adjustments:

- Reduction of 4.0 FTE positions to accurately reflect the agency's reclassification of 4.0 positions from the classified service to the unclassified service for FY 2018; and
- Transfer of \$250,000 from the Emergency Medical Services Operating Fund to the State General Fund for FY 2018.

Enhancements Detail

Enhancements	FY 2018 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Exam Administration	\$ 0	\$ 107,195	0.0	\$ 0	\$ 107,195	0.0

The **agency** requests an enhancement for \$107,195, all from special revenue funds, and 2.0 non-FTE unclassified permanent positions for the agency to provide examination services for skills testing across the state rather than contracting this service out. The current contract is set to expire on June 30, 2017. The agency's notes it does not currently pay any fee to the vendor, rather the vendor charges each applicant for an examination testing fee of \$125 to cover expenses. The Board would like to take over the examination testing and fund this service through testing fees charged to the applicant. The agency states providing this service internally could increase the validity and reliability of the examination. The agency states it could potentially reduce the fee charged to applicants and provide a more efficient skills testing environment. The request

would provide for equipment to establish testing tools and then recurring upkeep costs in subsequent fiscal years. The agency notes this request would involve a testing fee, which would have to be established by amending KAR 109-7-1. The Board intends to charge a fee of \$75 but may need to alter this amount depending on costs. The agency anticipates that 1,200 applicants will take the exam for FY 2018. The requested amount includes \$41,031 for salaries and wages for 2.0 part-time non-FTE unclassified permanent positions to administer the exam, \$35,258 for travel, and \$30,906 for exam supplies.

The **Governor** recommends the agency's enhancement request for \$107,195, all from special revenue funds, and 2.0 non-FTE unclassified permanent positions for exam administration for FY 2018.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 2,190,440	\$ 2,180,950	\$ (9,490)
FTE Positions	14.0	10.0	(4.0)
Change from FY 2018:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	(936)	(2,193)	
TOTAL	<u>\$ (936)</u>	<u>\$ (2,193)</u>	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	(0.0)	(0.1)	
TOTAL	<u>(0.0) %</u>	<u>(0.1) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures of \$2.2 million, all from special revenue funds, for FY 2019. The request is a decrease of \$936, or less than 0.1 percent, below the FY 2018 request. The decrease is primarily attributable to decreases in commodities, aid to local units of government, and capital outlay. These decreases are partially offset by increases in salaries and wages and contractual services. The agency's request includes 14.0 FTE positions and 6.0 non-FTE positions,

which is no change from the FY 2018 request. The expenditure decrease is primarily due to the agency's FY 2019 enhancement request for \$89,468, all from special revenue funds, and 2.0 non-FTE unclassified permanent positions to provide examination services for skills testing across the state rather than contracting this service out. This is the continuation of the FY 2018 enhancement request, but is a decrease of \$17,727, or 16.5 percent, below the FY 2018 enhancement

requested amount, reflective of expenditures related to the initial establishment of the agency-provided exam administration.

Absent the enhancement request, the agency's FY 2019 request is a decrease of \$90,404, or 4.1 percent, below the FY 2018 request. Objects of expenditure are detailed below:

- **Salaries and Wages.** The agency requests \$903,305, all from special revenue funds, for FY 2019. This is an increase of \$11,213, or 1.3 percent, above the FY 2018 request. Primary increases include employer contributions to KPERS, the public employee retirement system (\$7,378), and group health insurance (\$4,118). The agency's FY 2019 enhancement request for agency exam administration continues in this category with slight increases. The enhancement attributes for \$41,033 of category expenditures;
- **Contractual Services.** The agency requests \$433,948, all from special revenue funds, for FY 2019. The request is an increase of \$10,861, or 2.5 percent, above the FY 2018 request. Primary increases include information systems consulting (\$3,120), meals and lodging (\$2,722), and in-state private vehicle miles (\$1,426). The agency's FY 2019 enhancement request for agency exam administration continues in this category with slight increases. The enhancement attributes for \$37,292 of category expenditures;
- **Commodities.** The agency requests \$39,832, all from special revenue funds, for FY 2019. The request is a decrease of \$19,307, or 32.6 percent, below the FY 2018 request. The decrease in this category is primarily due to the

continuation of the agency's enhancement request, which now only attributes for \$11,143 of category expenditures. This is a decrease \$19,763 from the FY 2018 requested enhancement amount. This is related to initial establishment expenditures surrounding exam administration within the agency for FY 2018. The agency notes other offsetting increases are reflective of indices increases to expenditures from FY 2018;

- **Capital Outlay.** The agency requests \$13,105, all from special revenue funds, for FY 2019. The request is a decrease of \$703, or 5.1 percent, below the FY 2018 request. Expenditures will provide for the replacement of computer and office equipment;
- **Aid to Local Units of Government.** The agency requests \$640,250, all from special revenue funds, for FY 2019. The request is a decrease of \$3,000, or 0.5 percent, below the FY 2018 request; and
- **Other Assistance.** The agency requests \$150,000, all from special revenue funds, for FY 2019. The request is the same as the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$2.2 million, all from special revenue funds. The recommendation is a decrease of \$9,490, or 0.4 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor's recommendation also includes the following adjustments:

- Reduction of 4.0 FTE positions to accurately reflect the agency's reclassification of 4.0 positions from the classified service to the unclassified service for FY 2019; and

- Transfer of \$250,000 from the Emergency Medical Services Operating Fund to the State General Fund for FY 2019.

Enhancements Detail

FY 2019 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Exam Administration	\$ 0	\$ 89,468	0.0	\$ 0	\$ 89,468	0.0

The **agency** requests an enhancement for \$89,468, all from special revenue funds, and 2.0 non-FTE unclassified permanent positions for the agency to provide examination services for skills testing across the state rather than contracting this service out. The current contract is set to expire on June 30, 2017. The agency's notes it does not currently pay any fee to the vendor, rather the vendor charges each applicant for an examination testing fee of \$125 to cover expenses. The Board would like to take over the examination testing and fund this service through testing fees charged to the applicant. The agency states providing this service internally could increase the validity and reliability of the examination. The agency states it could potentially reduce the fee charged to applicants and provide a more efficient skills testing environment. The request would provide for equipment to establish testing tools and then recurring upkeep costs in subsequent fiscal years. The agency notes this request would involve a testing fee, which would have

to be established by amending KAR 109-7-1. The Board intends to charge a fee of \$75 but may need to alter this amount depending on costs. The agency anticipates that 1,200 applicants will take the exam for FY 2019. The requested amount includes \$41,033 for salaries and wages for 2.0 part-time non-FTE unclassified permanent positions to administer the exam, \$37,292 for travel, and \$11,143 for exam supplies.

This is a continuation of the agency's FY 2018 enhancement request; expenditure reductions are reflective of initial establishment costs included in the FY 2018 enhancement request.

The **Governor** recommends the agency's enhancement request for \$89,468, all from special revenue funds, and 2.0 non-FTE unclassified permanent positions for exam administration for FY 2019.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$2,840; FY 2018 longevity payments total \$2,880; and FY 2019 longevity payments total \$2,920.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal

also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$2,253 in FY 2017; by \$6,743 for FY 2018; and by \$9,490 for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$1,490 for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
EMS Operating Fund	68.4 %	68.3 %	68.5 %	68.4 %
Education Incentive Grant Payment Fund	14.4	14.4	14.4	14.5
EMS Revolving Fund	17.2	17.3	17.1	17.2
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Emergency Medical Services Operating Fund

The Kansas Board of Emergency Medical Services is primarily financed through the EMS Operating Fund. Revenue for the Fund includes regulatory fees and a levy of 0.25 percent gross cash receipts on fire insurance premiums (KSA 15-1508). Fees collected by the agency are for ambulance licenses, ambulance services' licenses, examinations and certifications, certification renewals, and replacement cards or certificates.

The Governor's recommendation includes the transfer of \$250,000 from the Emergency Medical Services Operating Fund to the State General Fund for both FY 2018 and FY 2019.

The Board receives fees in the amounts noted in the following table for certifications or permits for first responders, mobile intensive care technicians, emergency medical technicians, instructor-coordinators, and ambulance services.

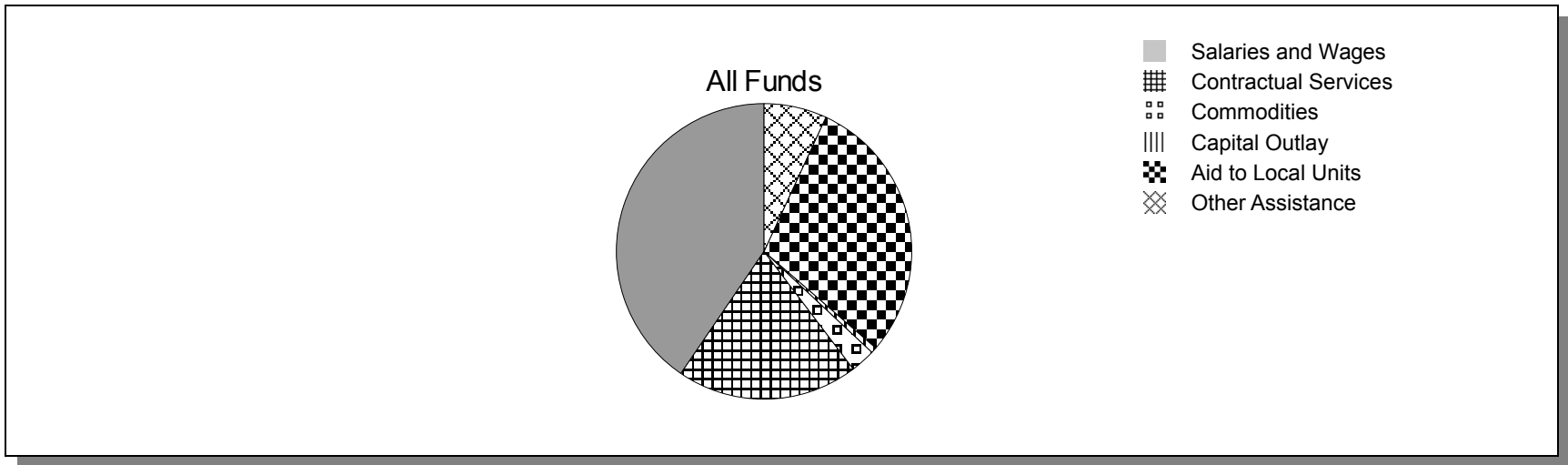
Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ 1,493,084	\$ 1,307,673	\$ 1,307,673	\$ 1,596,640	\$ 1,598,893	\$ 1,792,383	\$ 1,552,869
Revenue	1,855,318	1,963,557	1,963,557	1,995,000	1,995,000	2,095,000	2,095,000
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 3,348,402	\$ 3,271,230	\$ 3,271,230	\$ 3,591,640	\$ 3,593,893	\$ 3,887,383	\$ 3,647,869
Less: Expenditures	1,240,729	1,374,590	1,372,337	1,499,257	1,491,024	1,500,974	1,491,484
Transfers Out	800,000	300,000	300,000	300,000	550,000	300,000	550,000
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 1,307,673</u>	<u>\$ 1,596,640</u>	<u>\$ 1,598,893</u>	<u>\$ 1,792,383</u>	<u>\$ 1,552,869</u>	<u>\$ 2,086,409</u>	<u>\$ 1,606,385</u>
Ending Balance as Percent of Expenditures	105.4%	116.2%	116.5%	119.6%	104.1%	139.0%	107.7%
Month Highest Ending Balance	December \$ 1,225,011	December \$ 1,495,712	December \$ 1,497,822	December \$ 1,679,081	December \$ 1,454,708	December \$ 1,954,521	December \$ 1,504,841
Month Lowest Ending Balance	May \$ 505,809	May \$ 617,582	May \$ 618,453	May \$ 693,295	May \$ 600,651	May \$ 807,025	May \$ 621,351

Fees Charged by EMS Board		
Emergency Medical Services Licensure Fees	Current Fee	Statutory Limit
First responder fees		
Examination/certification application fee	\$ 15	\$ 15
Certification renewal application fee for biennial basis renewal received before expiration	20	20
Certification renewal application fee received within 31 calendar days after expiration	40	40
Certification renewal application fee received on or after the 32nd calendar day after expiration	80	80
Mobile intensive care technician fees		
Examination/certification application fee	65	65
Certification renewal application fee received before expiration	50	50
Certification renewal application fee received within 31 calendar days after expiration	100	100
Certification renewal application fee received on or after the 32nd calendar day after expiration	200	200
EMT, EMT-I, EMT-D, and EMT-I/D fees		
Examination/certification application fee	50	50
Certification renewal application fee received before expiration	30	30
Certification renewal application fee received within 31 calendar days after expiration	60	60
Certification renewal application fee received on or after the 32nd calendar days after expiration	120	120
Certification renewal application fee for EMT-I/D dual certification received before expiration	30	30
Certification renewal application fee for EMT-I/D dual certification received within 31 calendar days after expiration	60	60
Certification renewal application fee for EMT-I/D dual certification received on or after the 32nd calendar day after expiration	120	120
Instructor-coordinator and training officer fees		
Examination/certification application fee	65	65
Certification renewal application fee received before expiration	30	30
Certification renewal application fee received within 31 calendar days after expiration	60	60
Certification renewal application fee received on or after the 32nd calendar day after expiration	120	120
Type I, II, II-A, and V ambulance service fees		
Service permit application fee	100	100
Service permit renewal fee received on or before expiration	100	100
Service permit renewal fee received after expiration	200	200
Vehicle license application fee	40	40
Temporary license for an ambulance	10	10

Note: Fee schedule and references to applicable authorizing statutes may be found in KAR 109-7-1.

PROGRAM DETAIL

EXPENDITURES BY OBJECT – GOVERNOR’S FY 2018 RECOMMENDATION



Object	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Salaries and Wages	\$ 883,859	40.5 %	\$ 0	-- %
Contractual Services	433,087	19.8	0	--
Commodities	59,139	2.7	0	--
Capital Outlay	13,808	0.6	0	--
Aid to Local Units	643,250	29.5	0	--
Other Assistance	150,000	6.9	0	--
TOTAL	\$ 2,183,143	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

<u>Program</u>	<u>Actual FY 2016</u>	<u>Agency Est. FY 2017</u>	<u>Gov. Rec. FY 2017</u>	<u>Agency Req. FY 2018</u>	<u>Gov. Rec. FY 2018</u>	<u>Agency Req. FY 2019</u>	<u>Gov. Rec. FY 2019</u>
Administration	14.0	14.0	10.0	14.0	10.0	14.0	10.0

PERFORMANCE MEASURES

<u>Measure</u>	<u>Gov. Rec. for FY 2016</u>	<u>Actual FY 2016</u>	<u>Gov. Rec. FY 2017</u>	<u>Gov. Rec. FY 2018</u>	<u>Gov. Rec. FY 2019</u>
Number of ambulance service inspections completed	172	173	173	173	173
Number of investigations received	80	76	80	90	90
Number of times technical assistance provided (on-site)	275	278	275	275	275
Number of ambulance attendants re-certified	4,000	3,931	4,037	4,000	4,100
Number of Instructors/Coordinators re-certified	150	98	100	100	100
Number of initial education courses approved	200	191	200	200	200
Number of continuing education audits	500	0	600	600	600

STATE FIRE MARSHAL

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	5,048,598	5,676,559	5,668,750	5,665,808	5,637,514	5,676,120	5,640,905
TOTAL	\$ 5,048,598	\$ 5,676,559	\$ 5,668,750	\$ 5,665,808	\$ 5,637,514	\$ 5,676,120	\$ 5,640,905
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 5,048,598	\$ 5,676,559	\$ 5,668,750	\$ 5,665,808	\$ 5,637,514	\$ 5,676,120	\$ 5,640,905

Percentage Change:

Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	22.4	12.4	12.3	(0.2)	(0.6)	0.2	0.1
FTE Positions							
	36.0	61.5	61.5	60.5	60.5	60.5	60.5
Non-FTE							
Perm.Uncl.Pos.	24.5	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	60.5	61.5	61.5	60.5	60.5	60.5	60.5

AGENCY OVERVIEW

The Office of the Kansas State Fire Marshal was originally established in 1913, abolished in 1933, and re-established in 1939. The mission of the Office of the State Fire Marshal is to reduce the deaths, injuries, and property losses of Kansans through inspection, enforcement, regulation, investigation, education, and hazardous material and search and rescue incident responses. The Office promotes prevention,

educational, and investigative activities to mitigate incidents, promote life safety, and deter crimes. Four agency programs assist with the agency's mission: Administration, Investigation, Fire Prevention, and Emergency Response. The agency receives no State General Fund appropriation and is primarily funded through a levy on fire insurance premiums collected in the State.

MAJOR ISSUES FROM PRIOR YEARS

The Fire Marshal funds a majority of operations from a percent levy imposed on fire insurance premiums. The **2002** and **2003 Legislatures** amended KSA 75-1508 to redistribute the 1.25 percent levy to provide 1.00 percent to the Fire Marshal and 0.25 percent to the Emergency Medical Services (EMS) Board in calendar years 2002 and 2003.

The **2004 Legislature** further amended KSA 75-1508 to distribute 0.80 percent to the Fire Marshal, 0.25 percent to the EMS and 0.20 percent to the Fire Services Training Institute at the University of Kansas beginning in calendar year 2004.

The **2007 Legislature** established the Kansas Fireworks Act to be administered by the State Fire Marshal. The Act requires any person who intends to sell, offer for sale, or possess with intent to sell any consumer fireworks, display fireworks, or articles pyrotechnic or discharge, use, or display fireworks or articles pyrotechnic be required to obtain the appropriate license from the State Fire Marshal.

The **2008 Legislature** passed SB 178 and added \$63,188 from the Fire Marshal Fee Fund for staffing within existing FTE

limitations. SB 178 created standards for "flame retardant" cigarettes under the Fire Safety Standard and Firefighter Protection Act. The State Fire Marshal proposed equivalent test methods for cigarettes that are not sent to the American Society for Testing and Materials to be tested. Manufacturers are required to pay the State Fire Marshal a fee of \$250 to defray costs of processing, testing enforcement, administration, and oversight activities. Cigarettes must be re-certified every three years, or when a change to the cigarettes is made by a manufacturer.

The **2008 Legislature** passed Senate Sub. for HB 2634 and added \$78,119 from the Fire Marshal Fee Fund for staffing within existing FTE limitations. Senate Sub. for HB 2634 created two new laws regarding non-fuel flammable or combustible liquid above ground storage tanks. The State Fire Marshal conducted an on-site inspection of any facility in existence on the effective date of the bill to determine compliance with standards. If the facility was not in compliance, any necessary changes were required to be made as soon as possible, but no later than July 1, 2012. No revenues were available until FY 2013 and are now contingent upon non-compliant sites.

The **2009 Legislature** deleted \$101,757, or 3.0 percent, from the Fire Marshal Fee Fund in FY 2009 and transferred the savings to the State General Fund. The Legislature also deleted \$132,423 in budget reductions from the State Fire Marshal Fee Fund in FY 2010 and transferred the savings to the State General Fund.

The **2010 Legislature** added language to House Sub. for SB 572 adjusting the statutory distribution (KSA 75-1508) of the 1.25 percent levy on fire insurance premiums in order to distribute the State General Fund administrative services fee across the three agencies the levy supports rather than being solely charged to the State Fire Marshal in FY 2011. The language distributed the \$200,000 fee across the three agencies by the proportion of the levy each agency receives.

The **2012 Legislature** passed SB 387, which changed the State Fire Marshal's qualifications. The qualifications no longer require the State Fire Marshal to have knowledge of building construction, but require the individual to have no less than five years of experience in fire prevention and inspection, safety inspection, investigation, or any combination of experience.

The **2013 Legislature** added \$582,652 and 7.0 FTE positions in FY 2014 and \$565,618 and 7.0 FTE positions for FY 2015, all from the Boiler Inspection Fee Fund, for the Boiler Inspection program, which was transferred from the Kansas Department of Labor to the State Fire Marshal under SB 135. The Legislature also appropriated the Explosives Regulatory and Training Fund, which is funded through fees collected by the State Fire Marshal from those who sell or manufacture bottle rockets at wholesale.

The **2014 Legislature** transferred \$2.5 million from the unencumbered balance of the Fire Marshal Fee Fund to the State General Fund for 2015 pursuant to HB 2506.

The **2015 Legislature** passed HB 2097 permitting the State Fire Marshal to enter into contracts to establish regional emergency response, search, and rescue teams to respond to hazardous materials or search and rescue events. The bill also renamed the Hazardous Materials Emergency Fund to the Emergency Response Fund. In House Sub. for SB 112, the Legislature added an additional \$200,000 in FY 2016 and \$250,000 for FY 2017, all from the Fire Marshal Fee Fund, and 2.0 non-FTE positions to fund the fiscal note attached to HB 2097. House Sub. for SB 112 also increased the maximum transfer amount allowable from the Fire Marshal Fee Fund to the Emergency Response Fund from \$50,000 to up to \$500,000.

The **2015 Legislature** authorized the transfer of \$1.0 million from the unencumbered balance of the Fire Marshal Fee Fund to the State General Fund in both FY 2016 and FY 2017, pursuant to House Sub. for SB 112.

The **2016 Legislature** transferred \$1.0 million in FY 2016 and \$750,000 for FY 2017 from the Fire Marshal Fee Fund to the State General Fund.

The **2016 Legislature** deleted 4.0 unfunded FTE positions in FY 2016 and FY 2017.

The **2016 Legislature** added \$200,000, all from special revenue funds, for FY 2017 to implement a grant program to assist local fire departments.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency** estimates a revised FY 2017 operating budget of \$5.7 million, all from special revenue funds. The revised estimate is a decrease of \$237,467, or 4.0 percent, below the amount approved by the 2016 Legislature. The decrease is due to lower expenditures on contractual services and salaries and

wages, partially offset by increased expenditures on commodities. The revised estimate includes 58.2 FTE and 0.0 non-FTE positions, which is an increase of 23.8 FTE positions and a decrease of 24.5 non-FTE unclassified permanent positions from the number approved by the 2016 Legislature.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$5.7 million, all from special revenue funds. The recommendation is a decrease of \$7,809, or 0.1 percent, below

the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

FY 2018 Agency Request

The **agency** requests operating expenditures totaling \$5.7 million, all from special revenue funds, for FY 2018. This is an all funds decrease of \$10,751, or 0.2 percent, below the FY 2017 revised estimate. The decrease is due to lower expenditures on salaries and wages, commodities, and other assistance, partially offset by increased expenditures for contractual services and capital outlay. The FY 2018 request

includes 57.1 FTE positions, which is a decrease of 1.1 FTE positions below the FY 2017 revised estimate. The agency's request includes one enhancement for \$75,000, all from the Fire Marshal Fee Fund, to provide additional training and equipment sustainment and replacement for search and rescue for FY 2018.

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$5.6 million, all from special revenue funds. The recommendation is a decrease of \$28,294, or 0.5 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in

a reduction of \$23,173, and to provide a moratorium on agency death and disability payments for one quarter, which results in a reduction of \$5,121. The Governor's recommendation includes the transfer of \$2.0 million from the Fire Marshal Fee Fund to the State General Fund for FY 2018.

FY 2019 Agency Request

The **agency** requests operating expenditures totaling \$5.7 million, all from special revenue funds, for FY 2019. This is an all funds increase of \$10,312, or 0.2 percent, above the FY 2018 request. The increase is due to higher expenditures on salaries and wages, partially offset by decreased expenditures for capital outlay, commodities, and contractual services. The

agency's request includes one enhancement for \$100,000, all from the Fire Marshal Fee Fund, to provide additional training and equipment sustainment and replacement for search and rescue for FY 2019. The FY 2019 request includes 57.1 FTE positions, which is no change from the FY 2018 request.

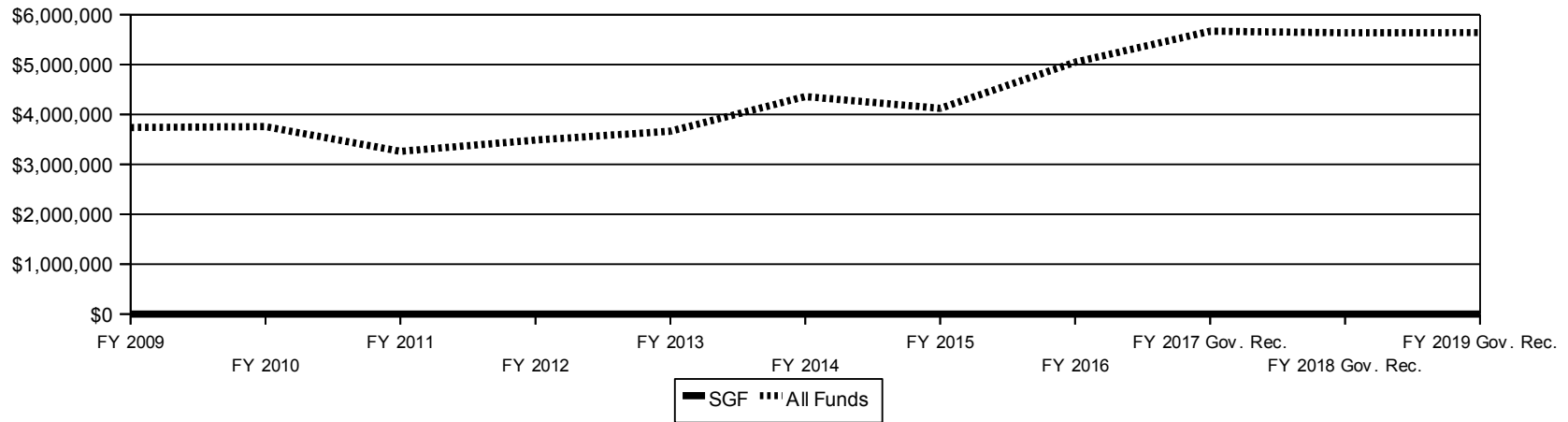
FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$5.6 million, all from special revenue funds. The recommendation is a decrease of \$35,215, or 0.6 percent, below the agency's FY 2019 request. The decrease is

attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount. The Governor's recommendation includes the transfer of \$2.0 million from the Fire Marshal Fee Fund to the State General Fund for FY 2019.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 0	0.0 %	\$ 3,739,213	(15.0)%	53.0
2010	0	0.0	3,756,142	0.5	53.0
2011	0	0.0	3,262,262	(13.1)	48.5
2012	0	0.0	3,486,988	6.9	48.0
2013	0	0.0	3,664,916	5.1	48.0
2014	0	0.0	4,359,397	18.9	54.0
2015	0	0.0	4,124,256	(5.4)	40.0
2016	0	0.0	5,048,598	22.4	36.0
2017 Gov. Rec.	0	--	5,668,750	12.3	61.5
2018 Gov. Rec.	0	--	5,637,514	(0.6)	60.5
2019 Gov. Rec.	0	--	5,640,905	0.1	60.5
Eleven-Year Change	\$ 0	-- %	\$ 1,901,692	50.9 %	7.5

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Administration	\$ 5,048,598	\$ 5,676,559	\$ 5,665,808	\$ (10,751)	(0.2)%	\$ 5,668,750	\$ 5,637,514	\$ (31,236)	(0.6)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 3,297,696	\$ 3,850,403	\$ 3,706,675	\$ (143,728)	(3.7)%	\$ 3,842,594	\$ 3,678,381	\$ (164,213)	(4.3)%
Contractual Services	931,148	979,982	1,118,559	138,577	14.1	979,982	1,118,559	138,577	14.1
Commodities	238,267	334,781	298,404	(36,377)	(10.9)	334,781	298,404	(36,377)	(10.9)
Capital Outlay	562,666	307,313	342,170	34,857	11.3	307,313	342,170	34,857	11.3
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 5,029,777	\$ 5,472,479	\$ 5,465,808	\$ (6,671)	(0.1)%	\$ 5,464,670	\$ 5,437,514	\$ (27,156)	(0.5)%
Aid to Local Units	0	200,000	200,000	0	0.0	200,000	200,000	0	0.0
Other Assistance	18,821	4,080	0	(4,080)	(100.0)	4,080	0	(4,080)	(100.0)
TOTAL	\$ 5,048,598	\$ 5,676,559	\$ 5,665,808	\$ (10,751)	(0.2)%	\$ 5,668,750	\$ 5,637,514	\$ (31,236)	(0.6)%
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Fire Marshal Fee Fund	4,236,821	4,765,382	5,065,966	300,584	6.3	4,758,897	5,040,806	281,909	5.9
Boiler Inspection Fee Fund	664,229	764,077	441,867	(322,210)	(42.2)	762,859	439,128	(323,731)	(42.4)
Emergency Response Fund	6,872	25,000	25,000	0	0.0	25,000	25,000	0	0.0
All Other Funds	140,676	122,100	132,975	10,875	8.9	121,994	132,580	10,586	8.7
TOTAL	\$ 5,048,598	\$ 5,676,559	\$ 5,665,808	\$ (10,751)	(0.2)%	\$ 5,668,750	\$ 5,637,514	\$ (31,236)	(0.6)%

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration	\$ 5,665,808	\$ 5,676,120	\$ 10,312	0.2 %	\$ 5,637,514	\$ 5,640,905	\$ 3,391	0.1 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 3,706,675	\$ 3,759,357	\$ 52,682	1.4 %	\$ 3,678,381	\$ 3,724,142	\$ 45,761	1.2 %
Contractual Services	1,118,559	1,116,562	(1,997)	(0.2)	1,118,559	1,116,562	(1,997)	(0.2)
Commodities	298,404	295,076	(3,328)	(1.1)	298,404	295,076	(3,328)	(1.1)
Capital Outlay	342,170	305,125	(37,045)	(10.8)	342,170	305,125	(37,045)	(10.8)
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 5,465,808	\$ 5,476,120	\$ 10,312	0.2 %	\$ 5,437,514	\$ 5,440,905	\$ 3,391	0.1 %
Aid to Local Units	200,000	200,000	0	0.0	200,000	200,000	0	0.0
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	\$ 5,665,808	\$ 5,676,120	\$ 10,312	0.2 %	\$ 5,637,514	\$ 5,640,905	\$ 3,391	0.1 %
Financing:								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
Fire Marshal Fee Fund	5,065,966	5,031,453	(34,513)	(0.7)	5,040,806	5,000,214	(40,592)	(0.8)
Boiler Inspection Fee Fund	441,867	477,584	35,717	8.1	439,128	474,175	35,047	8.0
Emergency Response Fund	25,000	25,000	0	0.0	25,000	25,000	0	0.0
All Other Funds	132,975	142,083	9,108	6.8	132,580	141,516	8,936	6.7
TOTAL	\$ 5,665,808	\$ 5,676,120	\$ 10,312	0.2 %	\$ 5,637,514	\$ 5,640,905	\$ 3,391	0.1 %

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

The agency's revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	5,914,026	5,676,559	(237,467)	5,668,750	(245,276)
TOTAL	\$ 5,914,026	\$ 5,676,559	\$ (237,467)	\$ 5,668,750	\$ (245,276)
FTE Positions	34.4	61.5	27.1	61.5	27.1

The **agency** requests a revised FY 2017 estimate of \$5.7 million, all from special revenue funds. The revised estimate is a decrease of \$237,467, or 4.0 percent, below the amount approved by the 2016 Legislature. The decrease is due to lower expenditures on contractual services and salaries and wages, partially offset by increased expenditures on commodities. The revised estimate includes 58.2 FTE and 0.0 non-FTE positions, which is an increase of 23.8 FTE positions and a decrease of 24.5 non-FTE unclassified permanent positions from the number approved by the 2016 Legislature.

Major categories of expenditure are detailed below:

- **Salaries and Wages.** The agency's revised FY 2017 estimate includes \$3.9 million, all from special revenue funds, for salaries and wages. The FY 2017 revised estimate is a decrease of \$39,696, or 1.0 percent, below the FY 2017 approved amount. Funding supports 58.2 regular classified FTE positions. Primary decreases from the approved include unclassified temporary (\$1.1 million), classified regular (\$872,589), and group health insurance (\$45,761). These decreases are partially offset by primary

increases in unclassified regular (\$2.0 million), and employer contributions to public employee retirement (\$10,959);

- **Contractual Services.** The agency's revised FY 2017 estimate includes \$979,982, all from special revenue funds, for contractual services. The FY 2017 revised estimate is a decrease of \$216,500, or 18.1 percent, below the FY 2017 approved amount. Expenditures in this category support communication, travel, internal and external agency training, safe cigarette testing, and vehicle service. Primary decreases include other fees (\$255,210), computer programming operations–DISC (\$12,000), state buildings operating charges (\$6,800), job-related training and conference registration (\$2,750), and passenger car repair–other (\$2,500). These decreases are partially offset by primary increases in in-state meals and lodging (\$46,401), equipment rental (\$4,800), credit card fees and charges (\$4,399), passenger car service–other (\$2,500), and building space rental (\$2,400);
- **Commodities.** The agency's revised FY 2017 estimate includes \$334,781, all from special revenue funds, for commodities. The FY 2017 revised estimate is an increase of \$18,729, or 5.9 percent, above the FY 2017 approved amount. Funding supports vehicle fuel, reference materials, smoke detectors, equipment, and supplies. Primary increases include other supplies and materials (\$7,500) and gasoline (\$967). These increases are partially offset by primary decreases in stationery and office supplies (\$521) and data processing supplies (\$241);

- **Capital Outlay.** The agency's revised FY 2017 estimate includes \$307,313, all from special revenue funds, for capital outlay expenditures. The revised estimate is no change from the FY 2017 approved amount. Funding in this category is for general equipment with a useful life of one or more years. Expenditures include computer equipment, trucks, replacement radios, and specialized inspections equipment;
- **Aid to Local Units of Government.** The agency's revised FY 2017 estimate includes \$200,000, all from special revenue funds, for aid to local units of government. This is no change from the FY 2017 approved amount. This funding provides for no-match grants to volunteer/part-time fire departments across the state for personal protections equipment, physicals not covered by insurance, and support of junior firefighter programs; and
- **Other Assistance.** The agency's FY 2017 revised estimate includes \$4,080, all from special revenue funds, for other assistance, which is the same as the FY 2017 approved amount. Expenditures in this category are for health insurance expenditures for staff who retired under the Voluntary Retirement Incentive Program.

The **Governor** recommends FY 2017 operating expenditures of \$5,668,750, all from special revenue funds. The recommendation is a decrease of \$7,809, or 0.1 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 5,665,808	\$ 5,637,514	\$ (28,294)
FTE Positions	60.5	60.5	(0.0)
<i>Change from FY 2017:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	(10,751)	(31,236)	
TOTAL	<u>\$ (10,751)</u>	<u>\$ (31,236)</u>	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	(0.2)	(0.6)	
TOTAL	<u>(0.2) %</u>	<u>(0.6) %</u>	
Change in FTE Positions	(1.0)	(1.0)	

The **agency** requests operating expenditures totaling \$5.7 million, all from special revenue funds, for FY 2018. This is an all funds decrease of \$10,751, or 0.2 percent, below the FY 2017 revised estimate. The decrease is due to lower expenditures on salaries and wages, commodities, and other assistance, partially offset by increased expenditures for contractual services and capital outlay. The FY 2018 request includes 57.1 FTE positions, which is a decrease of 1.1 FTE

positions below the FY 2017 revised estimate. The agency states changes in positions are a result of budget constraints. The agency's request includes an enhancement for \$75,000, all from the Fire Marshal Fee Fund, to provide additional training and equipment that can be sustained and replaced for search and rescue for FY 2018.

Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency's FY 2018 request includes \$3.7 million, all from special revenue funds, for salaries and wages. The FY 2018 request is a decrease of \$143,728, or 3.7 percent, below the FY 2017 revised estimate. Funding supports 57.1 regular classified FTE positions, which is a decrease of 1.1 FTE positions below the FY 2017 revised estimate. Primary decreases from the FY 2017 revised estimate include unclassified regular (\$103,327), workers' compensation (\$63,314), classified regular (\$13,225), police and firemen retirement (\$10,083), unclassified overtime pay (\$9,420), and Medicare (\$8,883). These decreases are partially offset by primary increases in employer contributions to public employee retirement (\$34,628), group health insurance (\$16,741), classified overtime pay (\$12,500), unemployment compensation (\$2,002), and classified holiday not included in base (\$2,000);
- **Contractual Services.** The agency's FY 2018 request includes \$1.1 million, all from special revenue funds, for contractual services. The FY 2018 request is an increase of \$138,577, or 14.1 percent, above the FY 2017 revised estimate. Primary increases include in-state meals and lodging (\$60,320), other fees (\$35,004), computer software rental (\$26,800), computer programming operations-DISC (\$15,915), and inter-government local communications service-non-DISC (\$10,449). These increases are partially offset by primary decreases in computer software maintenance service (\$13,600) and

cellular phones (\$12,500). The agency's search and rescue enhancement request for FY 2018 includes \$43,556 for additional contractual services expenditures;

- **Commodities.** The agency's FY 2018 request includes \$298,404, all from special revenue funds, for commodities. The FY 2018 request is a decrease of \$36,377, or 10.9 percent, below the FY 2017 revised estimate. Primary decreases include gasoline (\$33,867), other equipment materials and parts (\$12,400), and other vehicle parts and supplies (\$3,200). These decreases are partially offset by primary increases in professional and scientific supply-other (\$11,281) and stationery and office supplies (\$4,100). The agency's search and rescue enhancement request for FY 2018 includes \$6,444 for additional commodities expenditures;
- **Capital Outlay.** The agency's FY 2018 request includes \$342,170, all from special revenue funds, for capital outlay expenditures. The request is an increase of \$34,857, or 11.3 percent, above the FY 2017 revised estimate. Primary increases include radio equipment portable (\$42,000), other equipment non-capital (\$25,250), professional and scientific equipment (\$18,000), and microcomputer equipment non-capital (\$2,455). These increases are partially offset by primary decreases in trucks (\$25,587) and information processing equipment (\$18,000). The agency's search and rescue enhancement request for FY 2018 includes \$25,000, all from special revenue funds, for additional capital outlay expenditures;

- **Aid to Local Units of Government.** The agency's FY 2018 request includes \$200,000, all from special revenue funds, for aid to local units of government. This is no change from the FY 2017 revised estimate. This funding provides for no-match grants to volunteer/part-time fire departments across the state for personal protections equipment, physicals not covered by insurance, and support of junior firefighter programs; and
- **Other Assistance.** The agency's FY 2018 request does not include any expenditures for other assistance, as FY 2017 was the completion

of the Voluntary Retirement Incentive Program. This is a decrease of \$4,080, or 100.0 percent, below the revised FY 2017 estimate.

The **Governor** recommends FY 2018 operating expenditures of \$5.6 million, all from special revenue funds. The recommendation is a decrease of \$28,294, or 0.5 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in a reduction of \$23,173, and to provide a moratorium on agency death and disability payments for one quarter, which results in a reduction of \$5,121. The Governor's recommendation includes the transfer of \$2.0 million from the Fire Marshal Fee Fund to the State General Fund for FY 2018.

Enhancements Detail

FY 2018 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Search and Rescue	\$ 0	\$ 75,000	0.0	\$ 0	\$ 75,000	0.0

The **agency's** request includes one enhancement for \$75,000, all from the Fire Marshal Fee Fund, to provide additional training and equipment that can be sustained and replaced for search and rescue for FY 2018. This amount

includes \$43,556 for training and \$31,444 for equipment that can be sustained and replaced.

The **Governor** recommends the agency's enhancement request for FY 2018.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 5,676,120	\$ 5,640,905	\$ (35,215)
FTE Positions	60.5	60.5	(0.0)
<i>Change from FY 2018:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	10,312	3,391	
TOTAL	<u>\$ 10,312</u>	<u>\$ 3,391</u>	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	0.2	0.1	
TOTAL	<u>0.2 %</u>	<u>0.1 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures totaling \$5.7 million, all from special revenue funds, for FY 2019. This is an all funds increase of \$10,312, or 0.2 percent, above the FY 2018 request. The increase is due to higher expenditures on salaries and wages, partially offset by decreased expenditures for capital outlay, commodities, and contractual services. The FY 2019 request includes 57.1 FTE positions, which is no

change from the FY 2018 request. The agency's request includes one enhancement for \$100,000, all from the Fire Marshal Fee Fund, to provide additional training and equipment sustainment and replacement for search and rescue for FY 2019.

Major categories of expenditures are detailed below:

- **Salaries and Wages.** The agency's FY 2018 request includes \$3.8 million, all from special revenue funds, for salaries and wages. The FY 2019 request is an increase of \$52,682, or 1.4 percent, above the FY 2018 request. Funding supports 57.1 regular classified FTE positions, which is no change from the FY 2018 request. Primary increases from the FY 2018 request include group health insurance (\$49,881); employer contributions to state employee retirement (\$47,811); old age, survivor, and disability insurance (\$39,676); and police and firemen retirement (\$4,967). These increases are partially offset by primary decreases in unclassified regular (\$66,606) and Medicare (\$27,165);
- **Contractual Services.** The agency's FY 2019 request includes \$1.1 million, all from special revenue funds, for contractual services. The FY 2019 request is a decrease of \$1,997, or 0.2 percent, below the FY 2018 request. Primary decreases include computer software rental (\$11,300) and passenger car equipment install (\$10,000). The agency's search and rescue enhancement request for FY 2019 includes \$49,400 for additional contractual services expenditures (\$5,844, or 13.4 percent, above the FY 2018 enhancement request);
- **Commodities.** The agency's FY 2019 request includes \$295,076, all from special revenue funds, for commodities. The FY 2019 request is a decrease of \$3,328, or 1.1 percent, below the FY

2018 request. Primary decreases include other equipment materials and parts (\$12,700), professional and scientific supply–other (\$5,150), and other vehicle parts and supplies (\$1,500). These decreases are partially offset by primary increases in personal protective equipment (\$10,422) and gasoline (\$5,000). The agency's search and rescue enhancement request for FY 2019 includes \$8,166 for additional commodities expenditures (\$1,722, or 26.7 percent, above the FY 2018 enhancement request);

- **Capital Outlay.** The agency's FY 2019 request includes \$305,125, all from special revenue funds, for capital outlay expenditures. The request is a decrease of \$37,045, or 10.8 percent, below the FY 2018 request. Primary decreases include trucks (\$51,000), radio equipment portable (\$42,000), and professional and scientific equipment (\$18,000). These decreases are partially offset by primary increases in microcomputer equipment non-capital (\$34,480), passenger cars (\$19,700), and office furniture non-capital (\$4,125). The agency's search and rescue enhancement request for FY 2019 includes \$42,434, all from special revenue funds, for additional capital outlay expenditures (\$17,434, or 69.7 percent, above the FY 2018 enhancement request); and
- **Aid to Local Units of Government.** The agency's FY 2019 request includes \$200,000, all from special revenue funds, for aid to local units of government. This is no change from the FY 2018 request. This funding provides for no-match grants to volunteer/part-time fire departments

across the state for personal protections equipment, physicals not covered by insurance, and support of junior firefighter programs.

The **Governor** recommends FY 2019 operating expenditures of \$5.6 million, all from special revenue funds. The

recommendation is a decrease of \$35,215, or 0.6 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount. The Governor's recommendation includes the transfer of \$2.0 million from the Fire Marshal Fee Fund to the State General Fund for FY 2019.

Enhancements Detail

FY 2019 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Search and Rescue	\$ 0	\$ 100,000	0.0	\$ 0	\$ 100,000	0.0
TOTAL	\$ 0	\$ 100,000	0.0	\$ 0	\$ 100,000	0.0

The **agency's** request includes one enhancement for \$100,000, all from the Fire Marshal Fee Fund, to provide additional training and equipment that can be sustained and replaced for search and rescue for FY 2019. This amount

includes \$49,400 for training and \$50,600 for equipment that can be sustained and replaced.

The **Governor** recommends the agency's enhancement request for FY 2019.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$1,960, all from special revenue funds; FY 2018 longevity payments total \$2,480, all from special revenue funds; and FY 2019 longevity payments total \$2,640, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal

also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$7,809, all from special revenue funds, in FY 2017; by \$23,173, all from special revenue funds, for FY 2018; and by \$35,215, all from special revenue funds, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$5,121, all from special revenue funds, for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
Fire Marshal Fee Fund	89.4	89.4	88.6	88.6
Boiler Inspection Fee Fund	7.8	7.8	8.4	8.4
Fire Safety Standard/Fire Fighter Protection and Enforcement Fund	0.4	0.4	0.4	0.4
All Other Funds	2.4	2.4	2.5	2.5
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

Fire Marshal Fee Fund

The Fire Marshal Fee Fund is the primary source of funding for the agency. KSA 75-1508 requires each fire insurance company doing business in Kansas to pay the Commissioner of Insurance. Pursuant to the statute, the levy shall not exceed 0.8 percent of a sum equal to the gross cash receipts of such company on all fire business transacted by the company in the preceding calendar year.

KSA 75-1514 requires 10.0 percent of this levy (prior to distribution to the three agencies supported by it), up to a cap of \$100,000, is remitted to the State General Fund. This transfer is

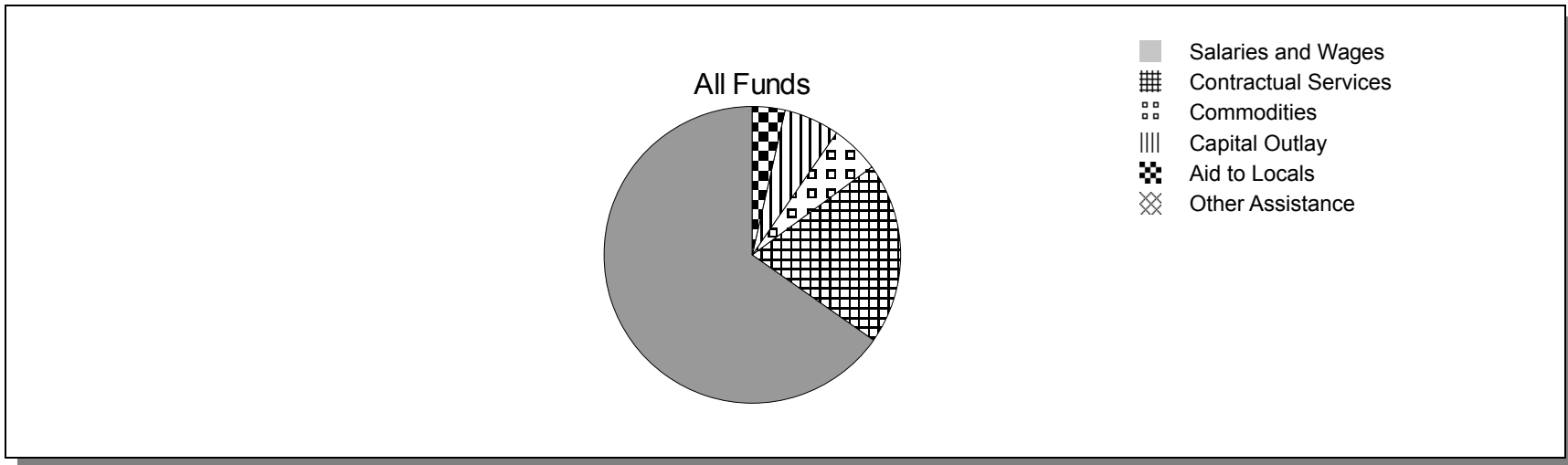
intended to reimburse the State General Fund for administrative services provided to this agency.

Additional transfers to the State General Fund from the Fire Marshal Fee Fund have periodically occurred. HB 2506 (2014) authorized a \$2.5 million transfer from the unencumbered balance of the Fire Marshal Fee Fund to the State General Fund in FY 2015; 2015 SB 112 transferred \$1.0 million in FY 2016 and \$1.0 million in FY 2017; and 2016 House Sub. for SB 161 transferred \$1.0 million in FY 2016 and \$750,000 for FY 2017 from the Fire Marshal Fee Fund to the State General Fund.

Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ 6,315,650	\$ 5,846,316	\$ 5,846,316	\$ 4,672,116	\$ 4,678,601	\$ 5,107,950	\$ 3,139,595
Revenue	5,643,036	5,341,182	5,341,182	5,501,800	5,501,800	5,701,800	5,701,800
Transfers in	124,451	0	0	0	0	0	0
Total Funds Available	\$ 12,083,137	\$ 11,187,498	\$ 11,187,498	\$ 10,173,916	\$ 10,180,401	\$ 10,809,750	\$ 8,841,395
Less: Expenditures	4,236,821	4,765,382	4,758,897	5,065,966	5,040,806	5,031,453	5,000,214
Transfers Out	2,000,000	1,750,000	1,750,000	0	2,000,000	0	2,000,000
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 5,846,316</u>	<u>\$ 4,672,116</u>	<u>\$ 4,678,601</u>	<u>\$ 5,107,950</u>	<u>\$ 3,139,595</u>	<u>\$ 5,778,297</u>	<u>\$ 1,841,181</u>
Ending Balance as Percent of Expenditures	138.0%	98.0%	98.3%	100.8%	62.3%	114.8%	36.8%
Month Highest Ending Balance	December <u>\$ 6,190,346</u>	December <u>\$ 4,672,116</u>	December <u>\$ 4,953,916</u>	December <u>\$ 5,408,531</u>	December <u>\$ 3,324,346</u>	December <u>\$ 6,118,325</u>	December <u>\$ 1,949,526</u>
Month Lowest Ending Balance	May <u>\$ 2,910,946</u>	May <u>\$ 2,326,298</u>	May <u>\$ 2,329,527</u>	May <u>\$ 2,543,305</u>	May <u>\$ 1,563,239</u>	May <u>\$ 2,877,078</u>	May <u>\$ 916,744</u>

PROGRAM DETAIL

EXPENDITURES BY OBJECT – GOVERNOR’S FY 2018 RECOMMENDATION



Object	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Salaries and Wages	\$ 3,678,381	65.2 %	\$ 0	-- %
Contractual Services	1,118,559	19.8	0	--
Commodities	298,404	5.3	0	--
Capital Outlay	342,170	6.1	0	--
Aid to Local Units	200,000	3.5	0	--
Other Assistance	0	0.0	0	--
TOTAL	\$ 5,637,514	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

Program	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Administration	34.3	58.2	58.2	57.1	57.1	57.1	57.1
Off Budget	1.7	3.3	3.3	3.4	3.4	3.4	3.4
TOTAL	36.0	61.5	61.5	60.5	60.5	60.5	60.5

Off Budget (Contract Inspections)

The Fire Prevention Division contracts with the Kansas Department for Aging and Disability Services (KDADS) to conduct fire and life safety surveys of Medicare and Medicaid nursing facilities, and with the Kansas Department of Health and Environment (KDHE) to conduct fire and life safety surveys of Medicare and Medicaid medical facilities. The funds received each year help cover payroll expenses for a number of the Fire Prevention Inspectors that perform the inspections. In late FY 2009, the division went from dedicated inspectors doing these inspections to expanding training and education to all inspectors

to save travel and other costs. The contracts are negotiated annually based on inspection levels.

Expenditures for FY 2017, FY 2018, and FY 2019 are funded out of the Off-Budget Contract Inspections Fund.

Off-budget FTE positions are reflected in the “FTE Positions By Program” table above, but off-budget expenditures for investigations only are reflected within the following table.

**CONTRACT INSPECTIONS (OFF BUDGET)
SUMMARY OF EXPENDITURES FY 2016 – 2019**

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 220,415	\$ 230,000	\$ 229,398	\$ 230,000	\$ 227,742	\$ 230,000	\$ 230,000
Contractual Services	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 220,415</u>	<u>\$ 230,000</u>	<u>\$ 229,398</u>	<u>\$ 230,000</u>	<u>\$ 227,742</u>	<u>\$ 230,000</u>	<u>\$ 230,000</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 220,415</u>	<u>\$ 230,000</u>	<u>\$ 229,398</u>	<u>\$ 230,000</u>	<u>\$ 227,742</u>	<u>\$ 230,000</u>	<u>\$ 230,000</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	220,415	230,000	229,398	230,000	227,742	230,000	230,000
TOTAL	<u>\$ 220,415</u>	<u>\$ 230,000</u>	<u>\$ 229,398</u>	<u>\$ 230,000</u>	<u>\$ 227,742</u>	<u>\$ 230,000</u>	<u>\$ 230,000</u>
FTE Positions	1.7	3.3	3.3	3.4	3.4	3.4	3.4
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>1.7</u>	<u>3.3</u>	<u>3.3</u>	<u>3.4</u>	<u>3.4</u>	<u>3.4</u>	<u>3.4</u>

The **agency** requests off-budget contract inspections expenditures of \$230,000, all from the Contract Inspections Fund, for FY 2018 and for FY 2019. The agency anticipates inspections performed will total \$200,000 for the Department for Aging and Disability Services and \$30,000 for the Department of Health and Environment in both FY 2018 and FY 2019.

The **Governor** recommends off-budget contract inspections expenditures of \$227,742 for FY 2018 and \$230,000 for FY 2019, all from the Contract Inspections Fund.

PERFORMANCE MEASURES

<u>Measure</u>	<u>Gov. Rec. for FY 2016</u>	<u>Actual FY 2016</u>	<u>Gov. Rec. FY 2017</u>	<u>Gov. Rec. FY 2018</u>	<u>Gov. Rec. FY 2019</u>
Number of investigative hours	9,500	8,753	9,000	9,500	10,000
Number of requests for investigations	370	364	380	390	400
Number of investigations with arrests/convictions	45	55	200	250	300

KANSAS HIGHWAY PATROL

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	78,221,254	82,394,388	82,357,080	84,753,175	84,610,763	85,890,952	85,737,201
TOTAL	\$ 78,221,254	\$ 82,394,388	\$ 82,357,080	\$ 84,753,175	\$ 84,610,763	\$ 85,890,952	\$ 85,737,201
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	2,026,863	933,737	933,737	1,638,264	1,638,264	322,560	322,560
TOTAL	\$ 2,026,863	\$ 933,737	\$ 933,737	\$ 1,638,264	\$ 1,638,264	\$ 322,560	\$ 322,560
GRAND TOTAL	\$ 80,248,117	\$ 83,328,125	\$ 83,290,817	\$ 86,391,439	\$ 86,249,027	\$ 86,213,512	\$ 86,059,761
Percentage Change:							
Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(0.3)	5.3	5.3	2.9	2.7	1.3	1.3
FTE Positions	829.0	829.0	823.0	829.0	823.0	829.0	823.0
Non-FTE							
Perm.Uncl.Pos.	57.0	57.0	57.0	57.0	57.0	57.0	57.0
TOTAL	886.0	886.0	880.0	886.0	880.0	886.0	880.0

AGENCY OVERVIEW

The mission of the Kansas Highway Patrol (KHP) is to provide protection of life and property through the enforcement of traffic, criminal, and other laws of the State of Kansas and supporting homeland security initiatives. Other services provided by the Highway Patrol include training to law enforcement officers for the detection and apprehension of drunk drivers, motorist assistance, title inspection for cars being

titled for the first time in Kansas, and the Motor Carrier Assistance program. The agency operates the Kansas Highway Patrol Training Center in Salina to provide training for new recruits and continuing education for KHP sworn officers. The agency also works to reduce the number of oversized, overweight, or unsafe commercial vehicles through the Motor Carrier Inspection program.

MAJOR ISSUES FROM PRIOR YEARS

The **2005 Legislature** transferred \$1.9 million and 2.0 FTE positions from the Department of Administration to the KHP in FY 2006. By contract, the Capitol Area Security Patrol (CASP) provided security for buildings operated by the Department of Administration, with CASP expenditures included in the Department of Administration's budget. Since FY 2006, all CASP expenditures are directly budgeted through the KHP.

The **2006 Legislature** took the following actions affecting the agency:

- Deleted the transfer of \$34.6 million from the State Highway Fund to the State General Fund in FY 2007. This transfer was equal to the amount of State General Fund appropriated to the KHP; and
- Changed all statutory references of the "Capitol Area Security Patrol" to "Capitol Police."

The **2007 Legislature** took the following actions affecting the agency:

- Added \$2.0 million, all from the State General Fund, in FY 2008 for a federal homeland security interoperability grant contingent upon the receipt of the grant; and
- Reinstated \$30.0 million of the transfer from the State Highway Fund to the State General Fund to support KHP operations in FY 2007. The 2007 Legislature also approved a \$5.0 million reduction in the FY 2008 transfer, providing a transfer of \$30.3 million for KHP operations.

The **2008 Legislature** took the following actions affecting the agency:

- Added \$191,854, all from special revenue funds, for additional trooper pay increases in FY 2008. This funding was the difference between the funding approved by the 2007 Legislature for the

FY 2008 pay increases, and the amount needed to fulfill the 4.0 percent pay increase under the Trooper Memorandum of Agreement;

- Added \$275,000, all from the Kansas Highway Patrol Operations Fund, for additional trooper fuel costs in FY 2008;
- Adjusted the expenditure limitation on the KHP Operations Fund in FY 2008 and FY 2009 by reducing the expenditure limitation by \$550,000 in FY 2008 and increasing the expenditure limitation in FY 2009 by the same amount. This moved part of the expenditure authority for the purchase of digital in-car cameras from FY 2008 to FY 2009. This left \$275,000 of the original \$825,000 in FY 2008 to be utilized for trooper fuel costs as mentioned in the preceding bullet; and
- Added \$188,700, all from the KHP Motor Vehicle Fund, to replace eight non-law enforcement vehicles in FY 2009.

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

- The Governor recommended special one-time transfers totaling \$450,000 from the General Fees Fund (\$300,000) and the Highway Patrol Training Center Fund (\$150,000) to the State General Fund in FY 2009. The Legislature accepted the Governor's recommendation but reduced the transfers by 21.5 percent for a total transfer of \$353,250;

- The Governor recommended and the Legislature approved the addition of \$1,007,680, all from special revenue funds, as part of the agency's supplemental request for additional fuel expenditures related to fuel price increases in FY 2009;
- The Governor recommended and the Legislature approved partial reductions from the agency's reduced resources budget totaling \$1,473,559, including \$1,039,953 from the State General Fund, which included reductions in out-of-state travel, information technology replacement of equipment and software, and the elimination of one trooper trainee class in FY 2010;
- Added \$189,204, including \$130,153 from the State General Fund, in FY 2010 for undermarket pay adjustments for positions that had recommended pay adjustments in the Hay group study on Kansas state employee compensation. The study was completed in FY 2008;
- Reduced the agency's budget by 1.25 percent, as part of an across-the-board reduction to the Governor's FY 2009 recommended State General Fund operating expenditures, excluding debt service payments and caseload estimates in FY 2009 (\$493,739) and FY 2010 (\$493,739);
- Deleted \$1,826,911, including \$938,041 from the State General Fund, from the FY 2010 Governor's recommended budget in order to reach a target of 5.0 percent below the FY 2009

Governor's recommendation for expenditures in FY 2010; and

- During Omnibus, reduced the agency's budget by 2.75 percent, as part of an across-the-board reduction to the Governor's FY 2010 recommended State General Fund operating expenditures, excluding debt service payments and caseload estimates in FY 2010 (\$951,599).

The **2011 Legislature** took the following actions affecting the agency:

- Passed Senate Sub. for HB 2014, which authorized and directed the agency to pay from the Kansas Highway Patrol Operations Fund amounts for medical expenses of a prisoner in custody totaling \$125,416 to the Kansas University Physicians Inc., and the University of Kansas Hospital Authority;
- Approved the transfer of \$1.6 million from the agency's Motor Vehicle Fund to the State General Fund in FY 2012 as part of the agency's reduced resources budget; and
- Approved reducing the agency's FTE limitation by 8.0 vacant FTE positions from 859.0 to 851.0 FTE positions in FY 2012.

The **2012 Legislature** took the following actions affecting the agency:

- Added \$215,326, all from special revenue funds, to restore funding that was deleted by the

Governor's recommended savings from the Voluntary Retirement Incentive Program in FY 2013; and

- Transferred \$627,766 from the State General Fund to the Operations Fund in FY 2013, and raised the expenditure limit on the Operations Fund by that amount to provide for a pay out for accumulated holiday and overtime hours. Language stating the money may only be spent on the pay out for accumulated holiday and overtime hours or the funding will lapse was also added.

The **2013 Legislature** took the following actions affecting the agency:

- Approved up to a 5.0 percent pay increase for all State Troopers, excluding the Colonel and Lieutenant Colonel. The increase was funded within existing special revenue funds in FY 2014;
- Appropriated \$1,204,068 from a transfer from the State Highway Fund to the Kansas Highway Patrol Operations Fund to continue funding for the 5.0 percent pay increase in FY 2015; and
- Added language authorizing the use of Federal Forfeiture funds for capital improvement at Troop F Headquarters in FY 2014 and FY 2015.

The **2014 Legislature** took the following actions affecting the agency:

- Added \$204,598 in FY 2014 and \$208,183 in FY 2015, all from special revenue funds, to provide a 5.0 percent pay increase to individuals in the following classifications in FY 2015: Law Enforcement Officer I, II, and III, and Public Service Executive II. This increase is not an increased transfer from the Highway Fund; it is self-funded within the existing budget; and
- Transferred \$1.0 million, all from the Vehicle Identification Number Fee Fund, to the State General Fund in FY 2015.

The **2015 Legislature** took the following actions affecting the agency:

- Added additional capital improvements expenditures totaling \$631,300, all from special revenue funds, for the replacement of the east and west retaining walls at the Training Academy in Salina in FY 2015;
- Added \$292,740, all from special revenue funds, for labor, materials, and equipment to re-pipe the supply and return water mains on all three levels of the dormitory at the Training Academy in Salina in FY 2015;
- Added \$559,980, all from Federal Forfeiture funds, for unanticipated expenditures related to the construction of Troop F headquarters in FY 2015. This funding is comprised of: a) \$324,980,

as a 10.0 percent contingency for unanticipated expenditures that may arise during the construction of the site; and b) \$235,000 to procure paving services for the site in FY 2015;

- Added \$535,659, all from special revenue funds, to provide for the agency's newly proposed compensation plan for non-supervisory personnel for FY 2016 and FY 2017. This increase reflects additional Federal Forfeiture expenditures for FY 2016 and FY 2017; and
- Deleted \$2.2 million for FY 2016 and \$2.3 million for FY 2017, all from special revenue funds, for a 4.0 percent reduction to agency operations.

The **2016 Legislature** took the following actions affecting the agency:

- Transferred \$56,223 from the unspent FY 2015 ending balance of the KHP Operations Fund to the State General Fund in FY 2016;
- Added \$3.0 million, all from Federal Forfeiture funds, to move capital improvements projects approved by the 2015 Legislature in FY 2015 into FY 2016. These capital improvements projects included the remaining construction obligations on Troop F headquarters in Kechi (\$1.4 million) and two projects for the Training Academy in Salina. The projects in Salina include replacement of water mains on all three levels of the dormitory (\$753,800) and replacement of the east and west retaining walls (\$783,264). The agency was approved for expenditure increases

to both of the Training Academy projects from the amounts originally approved by the 2015 Legislature;

- Deleted 5.0 FTE positions to accurately reflect the agency's reclassification of 5.0 positions from the classified service to the unclassified service in the Operations Support program in FY 2016 and for FY 2017;
- The approved FY 2017 budget includes increases reflective of the agency's institution of the new pay plan proposed during the 2015 Session. In action during the 2015 Legislature, proviso language was included to suspend usage restrictions on State Forfeiture Funds to provide greater flexibility and allow the agency to self-fund a portion of the newly proposed pay plan for non-supervisory personnel in FY 2016 and FY 2017. The agency's approved FY 2017 budget includes the progression of the pay plan to include supervisory ranks calculated as of June 30, 2017, with an effective date of July 2016. The

agency estimated the additional cost of the pay increase to total \$4.8 million, all from special revenue funds, for FY 2017;

- Passed HB 2696, which, among other actions, created the Kansas Highway Patrol Staffing and Training Fund and added a new \$2.00 nonrefundable surcharge to each vehicle registration fee to be deposited into the fund. The bill also contained language stating that moneys deposited into the fund only be used for the purposes set forth in the law creating the fund. The fiscal note on the bill estimated that the new \$2.00 surcharge on vehicle registrations would generate approximately \$5.4 million to the fund for the staffing and training of the Highway Patrol. This estimation was based upon 2.7 million vehicle registrations in calendar year 2015; and
- Passed House Sub. for SB 249, which appropriated the Kansas Highway Patrol Staffing and Training Fund as a no limit fund for FY 2017.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency's** FY 2017 revised estimate for total agency expenditures is \$83.3 million, all from special revenue funds, which is an increase of \$498,028, or 0.6 percent, above the FY 2017 approved amount. The revised estimate includes 829.0 FTE positions, which is no change from the approved amount. The FY 2017 revised estimate includes \$933,737, all from special revenue funds, for capital improvements. The increase

from the approved amount is comprised of \$216,646 in agency operations and \$281,382 in capital improvements expenditures. Total expenditures from the Operations Fund (sourced from the State Highway Fund) are at the FY 2017 approved amount. Increases from the approved occur in capital outlay, commodities, and contractual services. These increases are offset by decreases in salaries and wages and aid to local units

of government and other assistance. The agency notes significant expenditures were made in capital outlay for mobile data units (MDUs) and shop equipment for the hanger and fleet units.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 total agency expenditures of \$83.3 million, all from special revenue funds. The recommendation is a decrease of \$37,308, or less than 0.1 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor's recommendation includes the reduction of 6.0

FY 2018 Agency Request

The **agency's** requests a FY 2018 operating budget of \$84.8 million, all from special revenue funds, which is an increase of \$2.4 million, or 2.9 percent, above the FY 2017 revised estimate. The request includes 829.0 FTE positions, which is no change from the FY 2017 revised estimate.

The increase from the FY 2017 revised estimate is primarily attributable to increases in salaries and wages (\$1.8 million) and an increase in estimated aid to local units of government (\$1.7 million). These increases are offset by decreases in contractual services (\$716,724), capital outlay (\$336,024), and debt service

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$84.6 million, all from special revenue funds. The recommendation is a decrease of \$142,412, or 0.2 percent,

The agency's revised estimate includes capital improvement expenditures totaling \$933,737, all from special revenue funds, in FY 2017. The revised estimate includes \$340,000 for debt service principal payments on the Fleet Center, \$312,355 for rehabilitation and repair, and \$281,382 for projects in FY 2017.

FTE positions to accurately reflect the agency's reclassification of 6.0 positions from the classified service to the unclassified service in the Operations Support program in FY 2017.

The Governor concurs with the agency's request for capital improvements expenditures in FY 2017.

(\$18,375). The agency notes it relies heavily upon provided budget indices for calculation of other operating expenditures. The decrease is primarily attributable to a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017.

The agency requests capital improvement expenditures totaling \$1.6 million, all from special revenue funds, for FY 2018. The request includes \$360,000 for debt service principal payments on the Fleet Center, \$317,200 for rehabilitation and repair, and \$961,064 for projects for FY 2018.

below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in

a reduction of \$116,637, all from special revenue funds, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in a reduction of \$25,775, all from special revenue funds. The Governor's recommendation includes the reduction of 6.0 FTE positions to accurately reflect the agency's reclassification of 6.0 positions

FY 2019 Agency Request

The **agency's** FY 2019 requests a FY 2019 operating budget of \$85.9 million, all from special revenue funds, an increase of \$1.1 million, or 1.3 percent, above the FY 2018 request. The request includes 829.0 FTE positions, which is no change from the FY 2018 request.

The increase from the FY 2018 request is primarily attributable to increases in salaries and wages (\$2.0 million), commodities (\$380,370), and contractual services (\$146,247).

FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$85.7 million, all from special revenue funds. The recommendation is a decrease of \$153,751, or 0.2 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor's recommendation includes the reduction of 6.0 FTE positions to

from the classified service to the unclassified service in the Operations Support program for FY 2018.

The Governor concurs with the agency's request for capital improvements expenditures for FY 2018.

These increases are offset by decreases in capital outlay (\$1.4 million) and debt service (\$9,450). The agency notes it relies heavily upon provided budget indices for calculation of other operating expenditures.

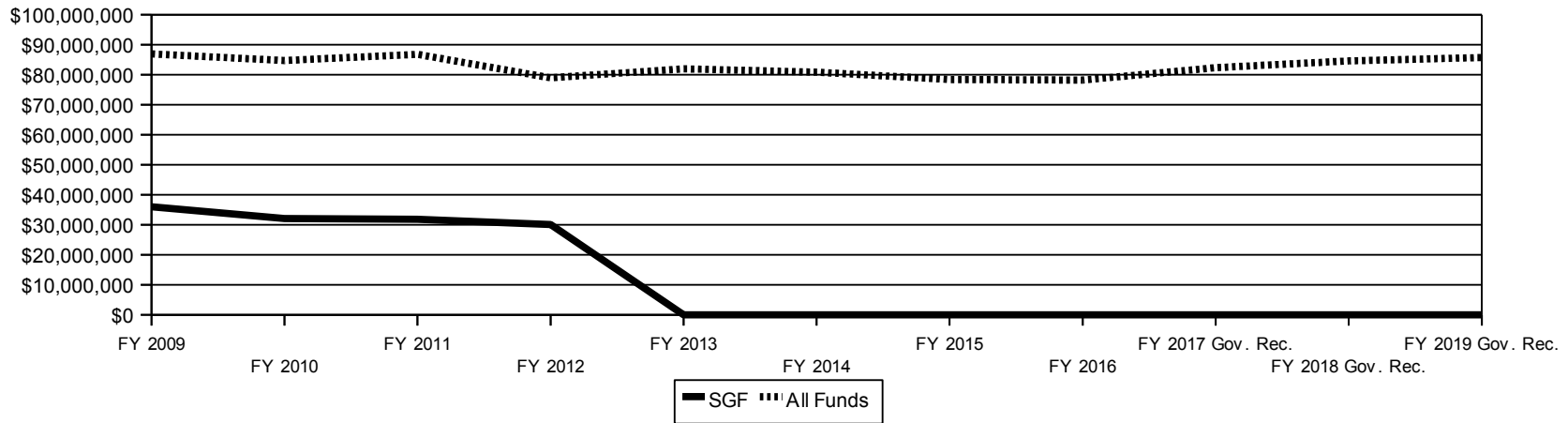
The agency requests capital improvement expenditures totaling \$322,560, all from special revenue funds, for FY 2019. The request includes \$322,560 for rehabilitation and repair projects for FY 2019.

accurately reflect the agency's reclassification of 6.0 positions from the classified service to the unclassified service in the Operations Support program for FY 2019.

The Governor concurs with the agency's request for capital improvements expenditures for FY 2019.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 35,981,152	(1.3)%	\$ 86,959,482	1.8 %	859.0
2010	32,128,443	(10.7)	84,744,451	(2.5)	859.0
2011	31,888,897	(0.7)	86,804,263	2.4	851.0
2012	30,117,709	(5.6)	78,966,265	(9.0)	851.0
2013	0	(100.0)	81,993,441	3.8	841.0
2014	0	--	80,842,665	(1.4)	841.0
2015	0	--	78,428,718	(3.0)	834.0
2016	0	--	78,221,254	(0.3)	829.0
2017 Gov. Rec.	0	--	82,357,080	5.3	823.0
2018 Gov. Rec.	0	--	84,610,763	2.7	823.0
2019 Gov. Rec.	0	--	85,737,201	1.3	823.0
Eleven-Year Change	\$ (35,981,152)	(100.0)%	\$ (1,222,281)	(1.4)%	(36.0)

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	% Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	% Change from FY 17
By Program:									
Administration	\$ 4,210,900	\$ 4,246,767	\$ 4,277,362	\$ 30,595	0.7 %	\$ 4,241,894	\$ 4,258,452	\$ 16,558	0.4 %
Operations Support	52,092,622	57,492,241	58,081,964	589,723	1.0	57,473,770	58,011,019	537,249	0.9
Information Technology	2,524,629	2,304,408	2,338,178	33,770	1.5	2,300,950	2,325,216	24,266	1.1
Vehicle ID Number	2,480,683	2,738,128	2,728,850	(9,278)	(0.3)	2,735,017	2,717,470	(17,547)	(0.6)
Motorist Assistance	1,443,008	1,363,789	1,349,032	(14,757)	(1.1)	1,361,475	1,340,572	(20,903)	(1.5)
Capitol Police	3,935,101	4,023,140	4,004,518	(18,622)	(0.5)	4,020,980	3,996,461	(24,519)	(0.6)
Homeland Security	3,594,005	1,567,141	3,257,121	1,689,980	107.8	1,567,141	3,257,121	1,689,980	107.8
Motor Carrier Inspection	3,879,160	4,254,353	4,481,599	227,246	5.3	4,251,671	4,470,773	219,102	5.2
Turnpike Patrol	4,015,882	4,376,596	4,225,101	(151,495)	(3.5)	4,376,357	4,224,229	(152,128)	(3.5)
Debt Service	45,264	27,825	9,450	(18,375)	(66.0)	27,825	9,450	(18,375)	(66.0)
TOTAL	\$ 78,221,254	\$ 82,394,388	\$ 84,753,175	\$ 2,358,787	2.9 %	\$ 82,357,080	\$ 84,610,763	\$ 2,253,683	2.7 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 55,453,815	\$ 60,992,609	\$ 62,753,404	\$ 1,760,795	2.9 %	\$ 60,955,301	\$ 62,610,992	\$ 1,655,691	2.7 %
Contractual Services	6,735,682	7,072,640	6,355,916	(716,724)	(10.1)	7,072,640	6,355,916	(716,724)	(10.1)
Commodities	4,131,348	4,448,840	4,455,734	6,894	0.2	4,448,840	4,455,734	6,894	0.2
Capital Outlay	8,463,631	8,514,833	8,178,809	(336,024)	(3.9)	8,514,833	8,178,809	(336,024)	(3.9)
Debt Service	45,264	27,825	9,450	(18,375)	(66.0)	27,825	9,450	(18,375)	(66.0)
Subtotal - Operations	\$ 74,829,740	\$ 81,056,747	\$ 81,753,313	\$ 696,566	0.9 %	\$ 81,019,439	\$ 81,610,901	\$ 591,462	0.7 %
Aid to Local Units	3,321,838	1,328,231	2,999,862	1,671,631	125.9	1,328,231	2,999,862	1,671,631	125.9
Other Assistance	69,676	9,410	0	(9,410)	(100.0)	9,410	0	(9,410)	(100.0)
TOTAL	\$ 78,221,254	\$ 82,394,388	\$ 84,753,175	\$ 2,358,787	2.9 %	\$ 82,357,080	\$ 84,610,763	\$ 2,253,683	2.7 %
Financing:									
State General Fund	\$ --	\$ --	\$ --	\$ --	-- %	\$ --	\$ --	\$ --	-- %
KHP Operations	52,394,688	53,518,879	52,020,598	(1,498,281)	(2.8)	53,490,836	51,919,103	(1,571,733)	(2.9)
KHP Staffing & Training Fund	--	1,502,276	5,553,191	4,050,915	269.7	1,501,644	5,543,751	4,042,107	269.2
VIN Fee Fund	2,233,831	2,738,128	3,928,850	1,190,722	43.5	2,735,017	3,917,470	1,182,453	43.2
KHP Motor Vehicle Fund	6,441,625	6,024,180	5,689,216	(334,964)	(5.6)	6,024,180	5,689,216	(334,964)	(5.6)
Patrol of KS Turnpike Fund	3,994,482	4,376,596	4,225,101	(151,495)	(3.5)	4,376,357	4,224,229	(152,128)	(3.5)
Federal Funds	10,608,728	7,641,331	9,439,055	1,797,724	23.5	7,637,500	9,424,427	1,786,927	23.4
All Other Funds	2,547,900	6,592,998	3,897,164	(2,695,834)	(40.9)	6,591,546	3,892,567	(2,698,979)	(40.9)
TOTAL	\$ 78,221,254	\$ 82,394,388	\$ 84,753,175	\$ 2,358,787	2.9 %	\$ 82,357,080	\$ 84,610,763	\$ 2,253,683	2.7 %

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration	\$ 4,277,362	\$ 3,426,225	\$ (851,137)	(19.9) %	\$ 4,258,452	\$ 3,426,225	\$ (832,227)	(19.5) %
Operations Support	58,081,964	64,488,064	6,406,100	11.0	58,011,019	64,334,313	6,323,294	10.9
Information Technology	2,338,178	1,973,993	(364,185)	(15.6)	2,325,216	1,973,993	(351,223)	(15.1)
Vehicle ID Number	2,728,850	2,042,985	(685,865)	(25.1)	2,717,470	2,042,985	(674,485)	(24.8)
Motorist Assistance	1,349,032	1,112,601	(236,431)	(17.5)	1,340,572	1,112,601	(227,971)	(17.0)
Capitol Police	4,004,518	3,167,252	(837,266)	(20.9)	3,996,461	3,167,252	(829,209)	(20.7)
Homeland Security	3,257,121	3,197,607	(59,514)	(1.8)	3,257,121	3,197,607	(59,514)	(1.8)
Motor Carrier Inspection	4,481,599	3,211,536	(1,270,063)	(28.3)	4,470,773	3,211,536	(1,259,237)	(28.2)
Turnpike Patrol	4,225,101	3,270,689	(954,412)	(22.6)	4,224,229	3,270,689	(953,540)	(22.6)
Debt Service	9,450	0	(9,450)	(100.0)	9,450	0	(9,450)	(100.0)
TOTAL	\$ 84,753,175	\$ 85,890,952	\$ 1,137,777	1.3 %	\$ 84,610,763	\$ 85,737,201	\$ 1,126,438	1.3 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 62,753,404	\$ 64,798,385	\$ 2,044,981	3.3 %	\$ 62,610,992	\$ 64,644,634	\$ 2,033,642	3.2 %
Contractual Services	6,355,916	6,502,163	146,247	2.3	6,355,916	6,502,163	146,247	2.3
Commodities	4,455,734	4,836,104	380,370	8.5	4,455,734	4,836,104	380,370	8.5
Capital Outlay	8,178,809	6,754,438	(1,424,371)	(17.4)	8,178,809	6,754,438	(1,424,371)	(17.4)
Debt Service	9,450	0	(9,450)	(100.0)	9,450	0	(9,450)	(100.0)
Subtotal - Operations	\$ 81,753,313	\$ 82,891,090	\$ 1,137,777	1.4 %	\$ 81,610,901	\$ 82,737,339	\$ 1,126,438	1.4 %
Aid to Local Units	2,999,862	2,999,862	0	0.0	2,999,862	2,999,862	0	0.0
Other Assistance	--	--	--	--	--	--	--	--
TOTAL	\$ 84,753,175	\$ 85,890,952	\$ 1,137,777	1.3 %	\$ 84,610,763	\$ 85,737,201	\$ 1,126,438	1.3 %
Financing:								
State General Fund	\$ --	\$ --	\$ --	-- %	\$ --	\$ --	\$ --	-- %
KHP Operations	52,020,598	52,353,338	332,740	0.6	51,919,103	52,246,924	327,821	0.6
KHP Staffing and Training Fund	5,553,191	7,009,917	1,456,726	26.2	5,543,751	6,988,702	1,444,951	26.1
VIN Fee Fund	3,928,850	2,670,493	(1,258,357)	(32.0)	3,917,470	2,668,587	(1,248,883)	(31.9)
HWY Patrol Motor Vehicle Fund	5,689,216	5,686,722	(2,494)	(0.0)	5,689,216	5,686,722	(2,494)	(0.0)
Patrol of KS Turnpike Fund	4,225,101	4,476,164	251,063	5.9	4,224,229	4,472,521	248,292	5.9
Federal Funds	9,439,055	10,277,424	838,369	8.9	9,424,427	10,261,557	837,130	8.9
All Other Funds	3,897,164	3,416,894	(480,270)	(12.3)	3,892,567	3,412,188	(480,379)	(12.3)
TOTAL	\$ 84,753,175	\$ 85,890,952	\$ 1,137,777	1.3 %	\$ 84,610,763	\$ 85,737,201	\$ 1,126,438	1.3 %

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

This agency's revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	82,830,097	83,328,125	498,028	83,290,817	460,720
TOTAL	\$ 82,830,097	\$ 83,328,125	\$ 498,028	\$ 83,290,817	\$ 460,720
FTE Positions	829.0	829.0	0.0	823.0	(6.0)

The **agency's** FY 2017 revised estimate for total agency expenditures is \$83.3 million, all from special revenue funds, which is an increase of \$498,028, or 0.6 percent, above the FY 2017 approved amount. The revised estimate includes 829.0 FTE positions, which is no change from the approved amount. The FY 2017 revised estimate includes \$933,737, all from special revenue funds, for capital improvements. The increase from the approved amount is comprised of \$216,646 in agency operations and \$281,382 in capital improvements expenditures. Total expenditures from the Operations Fund (sourced from the State Highway Fund) are at the FY 2017 approved amount. Increases from the approved occur in capital outlay, commodities, and contractual services. These increases are

offset by decreases in salaries and wages and aid to local units of government and other assistance. The agency notes significant expenditures were made in capital outlay for mobile data units (MDUs) and shop equipment for the hanger and fleet units. Objects of expenditure are detailed below:

- **Salaries and Wages.** The agency's revised estimate includes \$61.0 million, which is a decrease of \$951,148, or 1.5 percent, below the amount approved by the 2016 Legislature. This decrease primarily occurs in classified regular pay (\$1.6 million), group health insurance

(\$549,599), classified temporary (\$178,201), Medicare (\$79,525), and employer contributions to public employee retirement (\$74,169). These decreases are offset by increases to unclassified temporary pay (\$739,341), classified longevity pay (\$344,465), classified overtime pay (\$313,245), and police and firemen retirement (\$147,206). The agency notes that beginning in FY 2017, overtime will be funded from the newly appropriated Staffing and Training Fund;

- **Contractual Services.** The agency's revised estimate includes \$7.1 million, which is an increase of \$173,664, or 2.5 percent, above the amount approved by the 2016 Legislature. Increases from the FY 2017 approved amount primarily include repair and service of building grounds (\$285,587), computer software maintenance services (\$156,141), meals and lodging (\$87,948), and surety bond and insurance premiums (\$58,128). These increases are offset by decreases in self-propelled service—other (\$110,704), in-state meals and lodging (\$85,484), passenger car collision repair (\$67,817), computer programming—DISC (\$55,719), other communications (\$54,991), and repair and service of computer equipment (\$49,251);
- **Commodities.** The agency's revised estimate includes \$4.4 million, which is an increase of \$307,976, or 7.4 percent, above the amount approved by the 2016 Legislature. The increase is due to increases in expenditures for professional scientific supplies—other (\$401,264), food for human consumption (\$194,203), other

vehicle parts and supplies (\$121,790), clothing (\$111,602), and buildings and grounds materials (\$22,267). These increases are offset by decreases in gasoline (\$372,328), tires (\$86,038), aircraft fuel (\$23,359), and data processing supplies (\$15,880);

- **Capital Outlay.** The agency's revised estimate includes \$8.5 million, which is an increase of \$1.4 million, or 19.7 percent, above the amount approved by the 2016 Legislature. The increase is primarily attributable to increased expenditures for microcomputer equipment (\$1.3 million), professional and scientific equipment (\$128,517), and telecommunications termination equipment (\$100,000). These increases are offset by decreases in passenger cars (\$824,766) and information processing equipment (\$108,779). The agency states the primary increase in this category is due to the purchase of mobile data units (MDUs) and for the replacement of shop equipment for the hanger and fleet units;
- **Debt Service.** The agency's revised estimate includes \$27,825, all from special revenue funds, for debt service interest payments on the Fleet Center in FY 2017;
- **Aid to Local Units of Government.** The agency's revised estimate includes \$1.3 million, which is a decrease of \$713,296, or 34.9 percent, below the amount approved by the 2016 Legislature. Projected expenditures in this category are for qualifying Homeland Security expenditures and protection projects. The agency notes a budget amendment may be necessary

during the 2017 Session if any federal action is taken to require a state matching share; and

- **Other Assistance.** The agency's revised estimate includes \$9,410, which is a decrease of \$2,614, or 21.7 percent, below amount approved by the 2016 Legislature. Expenditures in this category are for the Voluntary Retirement Incentive Program.

The agency's FY 2017 revised estimate includes capital improvements project expenditures totaling \$933,737, all from special revenue funds.

The **Governor** recommends FY 2017 total agency expenditures of \$83.3 million, all from special revenue funds. The recommendation is a decrease of \$37,308, or less than 0.1 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor's recommendation includes the reduction of 6.0 FTE positions to accurately reflect the agency's reclassification of 6.0 positions from the classified service to the unclassified service in the Operations Support program in FY 2017.

The Governor concurs with the agency's request for capital improvements expenditures in FY 2017.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 84,753,175	\$ 84,610,763	\$ (142,412)
FTE Positions	829.0	823.0	(6.0)
<i>Change from FY 2017:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	2,358,787	2,253,683	
TOTAL	<u>\$ 2,358,787</u>	<u>\$ 2,253,683</u>	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	2.9	2.7	
TOTAL	<u>2.9 %</u>	<u>2.7 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests a FY 2018 operating budget of \$84.8 million, all from special revenue funds, which is an increase of \$2.4 million, or 2.9 percent, above the FY 2017 revised estimate. The request includes 829.0 FTE positions, which is no change from the FY 2017 revised estimate.

The increase from the FY 2017 revised estimate is primarily attributable to increases in salaries and wages (\$1.8 million) and an increase in estimated aid to local units of government (\$1.7 million). These increases are offset by decreases in contractual services (\$716,724), capital outlay (\$336,024), and debt service (\$18,375). The agency notes it relies heavily upon provided budget indices for calculation of other operating expenditures.

The decrease is primarily attributable to a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017. Objects of expenditure are detailed below:

- **Salaries and Wages.** The FY 2018 request includes \$62.8 million, all from special revenue funds, which is an increase of \$1.8 million, or 2.9 percent, above the FY 2017 revised estimate. This increase is primarily due to the elimination of shrinkage from the agency's FY 2018 budget (shrinkage calculated within the FY 2017 revised estimate accounted for a reduction of \$2.8 million to salaries and wages expenditures), as well as increases for expenditures on group health insurance (\$485,105) and employer contributions to the public employee retirement system (\$184,988). These increases are offset by decreases to classified regular pay (\$982,690), police and fire retirement (\$625,344), and unclassified temporary (\$108,298);
- **Contractual Services.** The FY 2018 request includes \$6.4 million, all from special revenue funds, which is a decrease of \$716,724, or 10.1 percent, below the FY 2017 revised estimate. Decreases include self-propelled services—other (\$751,384), job-related training and conference registration (\$76,445), and recruitment expenses (\$18,565). These decreases are offset by increases in consulting services—other (\$36,000), self-propelled repair—other (\$25,000), computer software maintenance and services (\$10,294), and repair and service building grounds (\$9,135);
- **Commodities.** The FY 2018 request includes \$4.5 million, all from special revenue funds, which is an increase of \$6,894, or 0.2 percent, above the FY 2017 revised estimate. The primary increase in this category is in gasoline (\$134,635). This increase is offset by decreases in professional and scientific supplies other—(\$72,015), food for human consumption (\$38,495), and clothing (\$30,826);
- **Capital Outlay.** The FY 2018 request includes \$8.2 million, all from special revenue funds, which is a decrease of \$336,024, or 3.9 percent, below the FY 2017 revised estimate. Decreases include microcomputer equipment non-capital (\$1.2 million), trucks (\$330,612), shop and plant equipment (\$46,593), and professional and scientific equipment (\$24,284). These decreases are offset by increases in self-propelled equipment (\$1.2 million), microcomputer equipment (\$100,000), and professional and scientific equipment non-capital (\$76,579). The main decrease is due to the one-time expenditures in FY 2017 for the replacement of mobile data units offset by the increase in the Operations Program for a scheduled overhaul and upgrades to the Bell Helicopter for FY 2018;
- **Debt Service.** The FY 2018 request includes \$9,450, all from special revenue funds, for debt service interest payments on the Fleet Center for FY 2018;
- **Aid to Local Units of Government.** The FY 2018 request includes \$3.0 million, all from special revenue funds, which is an increase of

\$1.7 million, or 125.9 percent, above the FY 2017 revised estimate. This increase is due to a projected increase in homeland security grant receipts and expenditures; and

- **Other Assistance.** The FY 2018 request does not include any request for other assistance, which is a decrease of \$9,410, or 100.0 percent, below the FY 2017 revised estimate. This decrease is due to the completion of the Voluntary Retirement Incentive Program.

The agency includes as part of its request the appropriation of a State Forfeiture Fund—Pending for the FY 2018 budget. The agency notes that as part of a performance audit done by the Legislative Division of Post Audit, funds will only be transferred to the State Forfeiture Fund once forfeited.

The **Governor** recommends FY 2018 operating expenditures of \$84.6 million, all from special revenue funds. The recommendation is a decrease of \$142,412, or 0.2 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in a reduction of \$116,637, all from special revenue funds, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$25,775, all from special revenue funds. The Governor's recommendation includes the reduction of 6.0 FTE positions to accurately reflect the agency's reclassification of 6.0 positions from the classified service to the unclassified service in the Operations Support program for FY 2018.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 85,890,952	\$ 85,737,201	\$ (153,751)
FTE Positions	829.0	823.0	(6.0)
<i>Change from FY 2018:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	1,137,777	1,126,438	
TOTAL	<u>\$ 1,137,777</u>	<u>\$ 1,126,438</u>	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	1.3	1.3	
TOTAL	<u>1.3 %</u>	<u>1.3 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests a FY 2019 operating budget of \$85.9 million, all from special revenue funds, which is an increase of \$1.1 million, or 1.3 percent, above the FY 2018 request. The request includes 829.0 FTE positions, which is no change from the FY 2018 request.

The increase from the FY 2018 request is primarily attributable to increases in salaries and wages (\$2.0 million), commodities (\$380,370), and contractual services (\$148,289). These increases are offset by a decrease in capital outlay (\$1.4 million) and debt service (\$9,450). The agency notes it relies heavily upon provided budget indices for calculation of other operating expenditures.

Objects of expenditure are detailed below:

- **Salaries and Wages.** The FY 2019 request includes \$64.8 million, all from special revenue funds, which is an increase of \$2.0 million, or 3.3 percent, above the FY 2018 request. This increase is primarily due to increases for expenditures on classified regular pay (\$4.6 million), holiday pay not included in the base (\$629,915), and group health insurance (\$300,251). These increases are offset by primary decreases to unclassified temporary pay (\$2.2 million), classified temporary pay (\$687,938), and unclassified regular pay (\$447,533). The agency's FY 2019 request includes the continued elimination of shrinkage (shrinkage calculated within the FY 2017 revised estimate accounted for a reduction of \$2.8 million to salaries and wages expenditures);
- **Contractual Services.** The FY 2019 request includes \$6.5 million, all from special revenue funds, which is an increase of \$146,247, or 2.3 percent, above the FY 2018 request. Primary increases include job-related training and conference registration expenditures (\$83,055), computer software maintenance and services (\$11,023), repair and service on building grounds (\$9,782), surety bond and insurance premiums (\$7,959), and electricity (\$7,842);
- **Commodities.** The FY 2019 request includes \$4.8 million, all from special revenue funds, which is an increase of \$380,370, or 8.5 percent, above the FY 2018 request. The primary increases in this category are clothing (\$379,525) and gasoline (\$92,535). These increases are primarily offset by decreases in professional and

scientific supplies—other (\$67,442) and food for human consumption (\$38,256). The agency noted uniform purchases had been delayed in budgets previous to FY 2019 due to funding constraints;

- **Capital Outlay.** The FY 2019 request includes \$6.8 million, all from special revenue funds, which is a decrease of \$1.4 million, or 17.4 percent, below the FY 2018 request. Primary decreases include self-propelled equipment (\$1.2 million) and professional and scientific equipment non-capital (\$195,384), shop and plant equipment non-capital (\$24,993), and professional and scientific equipment (\$11,220);
- **Aid to Local Units of Government.** The FY 2019 request includes \$3.0 million, all from special revenue funds, which is no change from the FY 2018 request. This is due to a steady projection in homeland security grant receipts and expenditures; and
- **Other Assistance.** The FY 2019 request does not include any request for other assistance, which is due to the completion of the Voluntary Retirement Incentive Program.

The **Governor** recommends FY 2019 operating expenditures of \$85.7 million, all from special revenue funds. The recommendation is a decrease of \$153,751, or 0.2 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount. The Governor's recommendation includes the reduction of 6.0 FTE positions to accurately reflect the agency's reclassification of 6.0 positions from the classified service to the unclassified service in the Operations Support program for FY 2019.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$344,465, all from special revenue funds; FY 2018 longevity payments total \$367,169, all from special revenue funds; and FY 2019 longevity payments total \$393,141, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERs) Adjustments.

KPERs Employer Contributions. The employer retirement contribution rate for KPERs State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal

also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERs employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERs would reduce expenditures by \$37,308, all from special revenue funds, in FY 2017; by \$116,637, all from special revenue funds, for FY 2018; and by \$153,751, all from special revenue funds, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$25,775, all from special revenue funds, for FY 2018.**

KPERs Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERs State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERs State and the KPERs School group. The KPERs State group has a considerably lower UAL than the KPERs School group and the actuarial recommended contribution rate for the KPERs State group is consistently below the combined KPERs State and School rate.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %
KHP Operations	61.4	61.4	60.9	60.9
Staffing and Training Fund	6.6	6.6	8.2	8.2
VIN Fee Fund	4.6	4.6	3.1	3.1
HWY Patrol Motor Vehicle Fund	6.7	6.7	6.6	6.6
Patrol of KS Turnpike Fund	5.0	5.0	5.2	5.2
Federal Funds	11.1	11.1	12.0	12.0
All Other Funds	4.6	4.6	4.0	4.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

KHP Staffing and Training Fund

The 2016 Legislature passed HB 2696, which, among other actions, created the Kansas Highway Patrol Staffing and Training Fund and added a new \$2.00 nonrefundable surcharge to each vehicle registration fee to be deposited into this fund. The bill also contained language stating moneys deposited into the fund may only be used for the purposes set forth in the law creating the fund. The Kansas Highway Patrol Staffing and

Training Fund was appropriated as a no limit fund for FY 2017 by 2016 House Sub. for SB 249. Given the fund was appropriated within the FY 2017 budget, highs and lows for the fund have not yet been established. Estimated revenues to the fund are based upon a projected 2,697,486 motor vehicle registrations being sold per fiscal year.

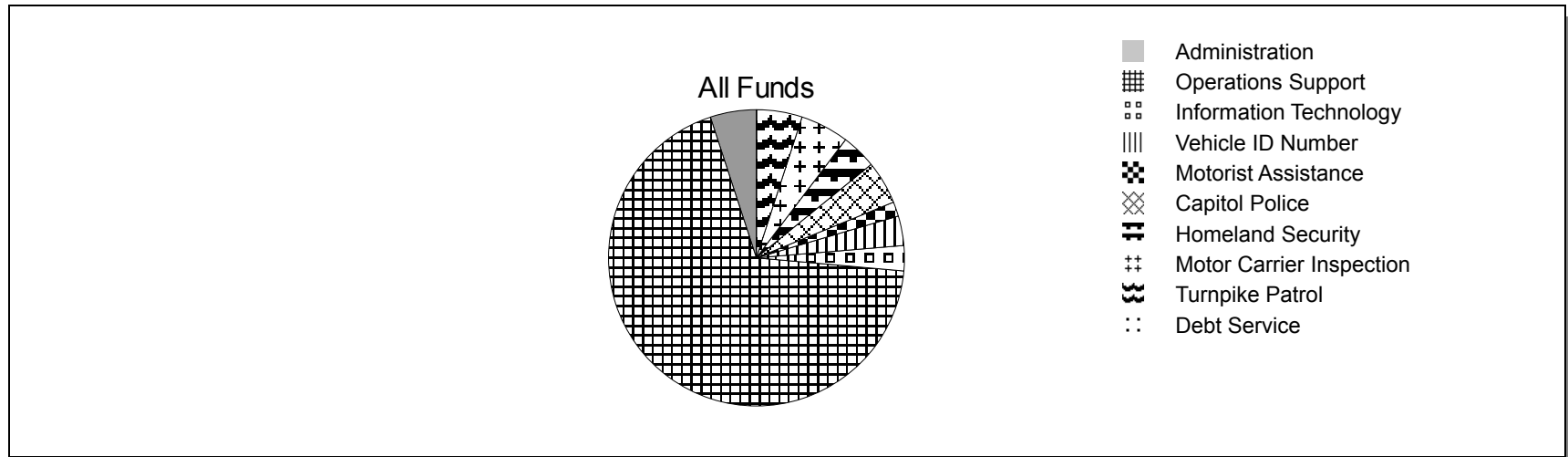
Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Governor Rec. FY 2018	Agency Request FY 2019	Governor Rec. FY 2019
Beginning Balance	\$ --	\$ 0	\$ 0	\$ 3,897,724	\$ 3,898,356	\$ 3,744,533	\$ 3,754,605
Revenue	--	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
Transfers in	--	0	0	0	0	0	0
Total Funds Available	\$ --	\$ 5,400,000	\$ 5,400,000	\$ 9,297,724	\$ 9,298,356	\$ 9,144,533	\$ 9,154,605
Less: Expenditures	--	1,502,276	1,501,644	5,553,191	5,543,751	7,009,917	6,988,702
Transfers Out	--	0	0	0	0	0	0
Off Budget Expenditures	--	0	0	0	0	0	0
Ending Balance	\$ --	\$ 3,897,724	\$ 3,898,356	\$ 3,744,533	\$ 3,754,605	\$ 2,134,616	\$ 2,165,903
Ending Balance as Percent of Expenditures	--	259.5%	259.6%	67.4%	67.7%	30.5%	31.0%
Month Highest Ending Balance	\$ --	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Month Lowest Ending Balance	\$ --	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

In FY 2017, for FY 2018, and for FY 2019 the Governor's Recommendation included holding KPERS employer contributions at the FY 2016 amount for these Fiscal Years, and the FY 2018 recommendation provided a moratorium on

employer contributions for death and disability for one quarter. The portion of these expenditures that come from this fund account for the differences between expenditures for each fiscal year.

PROGRAM DETAIL

EXPENDITURES BY PROGRAM – GOVERNOR’S FY 2018 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Administration	\$ 4,258,452	5.0 %	\$ 0	-- %
Operations Support	58,011,019	68.6	0	--
Information Technology	2,325,216	2.7	0	--
Vehicle ID Number	2,717,470	3.2	0	--
Motorist Assistance	1,340,572	1.6	0	--
Capitol Police	3,996,461	4.7	0	--
Homeland Security	3,257,121	3.8	0	--
Motor Carrier Inspection	4,470,773	5.3	0	--
Turnpike Patrol	4,224,229	5.0	0	--
Debt Service	9,450	0.0	0	--
TOTAL	\$ 84,610,763	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019

<u>Program</u>	<u>Actual FY 2016</u>	<u>Agency Est. FY 2017</u>	<u>Gov. Rec. FY 2017</u>	<u>Agency Req. FY 2018</u>	<u>Gov. Rec. FY 2018</u>	<u>Agency Req. FY 2019</u>	<u>Gov. Rec. FY 2019</u>
Administration	34.5	34.5	34.5	34.5	34.5	34.5	34.5
Operations Support	568.0	568.0	562.0	568.0	562.0	568.0	562.0
Information Technology	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Vehicle ID Number	37.0	37.0	37.0	37.0	37.0	37.0	37.0
Motorist Assistance	--	--	--	--	--	--	--
Capitol Police	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Homeland Security	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Motor Carrier Inspection	63.0	63.0	63.0	63.0	63.0	63.0	63.0
Turnpike Patrol	51.5	51.5	51.5	51.5	51.5	51.5	51.5
Off Budget	4.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	<u>829.0</u>	<u>829.0</u>	<u>823.0</u>	<u>829.0</u>	<u>823.0</u>	<u>829.0</u>	<u>823.0</u>

A. Administration

The Administration program is a generic classified program code established as part of the Statewide Management Accounting and Reporting Tool (SMART) system to represent universal administrative costs for common functions existing in most agencies. For the Kansas Highway Patrol, this includes

the office of the superintendent, fiscal, human resources, legal, and public and governmental affairs. There are other administrative functions not included in this program but rather in Highway Patrol Operations, as its function is specific to the agency's mission.

ADMINISTRATION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 2,717,851	\$ 2,873,759	\$ 2,868,886	\$ 2,987,649	\$ 2,968,739	\$ 2,119,421	\$ 2,119,421
Contractual Services	1,091,908	1,027,674	1,027,674	936,302	936,302	945,507	945,507
Commodities	345,606	342,584	342,584	350,606	350,606	358,433	358,433
Capital Outlay	30,770	2,750	2,750	2,805	2,805	2,864	2,864
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 4,186,135</i>	<i>\$ 4,246,767</i>	<i>\$ 4,241,894</i>	<i>\$ 4,277,362</i>	<i>\$ 4,258,452</i>	<i>\$ 3,426,225</i>	<i>\$ 3,426,225</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	24,765	0	0	0	0	0	0
TOTAL	<u>\$ 4,210,900</u>	<u>\$ 4,246,767</u>	<u>\$ 4,241,894</u>	<u>\$ 4,277,362</u>	<u>\$ 4,258,452</u>	<u>\$ 3,426,225</u>	<u>\$ 3,426,225</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	4,210,900	4,246,767	4,241,894	4,277,362	4,258,452	3,426,225	3,426,225
TOTAL	<u>\$ 4,210,900</u>	<u>\$ 4,246,767</u>	<u>\$ 4,241,894</u>	<u>\$ 4,277,362</u>	<u>\$ 4,258,452</u>	<u>\$ 3,426,225</u>	<u>\$ 3,426,225</u>
FTE Positions	34.5	34.5	34.5	34.5	34.5	34.5	34.5
Non-FTE Uncl.Perm.Pos.	12.0	12.0	12.0	12.0	12.0	12.0	12.0
TOTAL	<u>46.5</u>	<u>46.5</u>	<u>46.5</u>	<u>46.5</u>	<u>46.5</u>	<u>46.5</u>	<u>46.5</u>

The **agency** requests FY 2018 expenditures totaling \$4.3 million, all from special revenue funds, for the Administration program. This is an increase of \$30,595, or 0.7 percent, above the FY 2017 revised estimate. Changes from the agency's FY 2017 revised estimate include the following items:

- **Salaries and Wages.** The agency requests expenditures of \$3.0 million, all from special revenue funds, to fund 34.5 FTE positions and 12.0 non-FTE positions for FY 2018. The request is an increase of \$113,890, or 4.0 percent, above the FY 2017 revised estimate. Increases from the FY 2017 revised estimate include the removal of a 6.0 percent budgeted shrinkage rate from the FY 2017 budget (\$177,367) and increases to fringe benefits (\$41,681). These increases are offset by a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017;
- **Contractual Services.** The agency requests expenditures of \$936,302, all from special revenue funds, for FY 2018. The request is a decrease of \$91,372, or 8.9 percent, below the FY 2017 revised estimate. Primary decreases from the FY 2017 budget include decreases in surety bond and insurance premiums (\$79,633) and recruitment expenses (\$18,572). The agency notes the FY 2017 budget included \$82,000 for aircraft insurance, which has been re-coded to the Operations Program for FY 2018 and FY 2019. Expenditures in this category include building space rental, computer programming and data access, and cellular phone expenditures;

- **Commodities.** The agency requests expenditures of \$350,606, all from special revenue funds, for FY 2018. The request is an increase of \$8,022, or 2.3 percent, above the FY 2017 revised estimate. The agency states this request is based upon the projection of provided budget indices rates. The agency notes gasoline and ammunition are primary commodities expenditures and that price per gallon fluctuations will impact the budget;
- **Capital Outlay.** The agency requests expenditures of \$2,805, all from special revenue funds, for FY 2018. The request is an increase of \$55, or 2.0 percent, above the FY 2017 revised estimate. The agency states this request is based upon the projection of provided budget indices rates. Items budgeted in this category include various computer and media production expenditures; and
- **Other Assistance.** The agency's request does not include any other assistance expenditures for FY 2018. Past expenditures in this category were for Voluntary Retirement Incentive Program payments.

The **Governor** recommends \$4.3 million, all from special revenue funds, for the Administration program for FY 2018. This is a decrease of \$18,910, or 0.4 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on agency death and disability payments for one quarter.

The **agency** requests expenditures totaling \$3.4 million, all from special revenue funds, for the Administration program for FY 2019. The request is a decrease of \$851,137, or 19.9 percent, below the FY 2018 request. Changes from the agency's FY 2018 request include the following items:

- **Salaries and Wages.** The agency requests expenditures of \$2.1 million, all from special revenue funds, to fund 34.5 FTE positions and 12.0 non-FTE positions for FY 2019. The request is a decrease of \$868,228, or 29.1 percent, below the FY 2018 request. The agency notes FY 2019 required a manual calculation for payroll expenditures included; however, this decrease is due to all agency fringe benefits costs being budgeted within the Operations Program, which accounts for the decrease;
- **Contractual Services.** The agency requests expenditures of \$945,507, all from special revenue funds, for FY 2019. This request is an increase of \$9,205, or 1.0 percent, above the FY 2018 request. The agency states this request is based upon the projection of provided budget indices rates. Increases primarily include computer programming—not DISC (\$2,015), other fees (\$1,621), and recruitment expenses (\$1,109);

- **Commodities.** The agency requests expenditures of \$358,433, all from special revenue funds, for FY 2019. The request is an increase of \$7,827, or 2.2 percent, above the FY 2018 request. The agency states this request is based upon the projection of provided budget indices rates. Increases primarily include professional and scientific supplies—other (\$5,551) and gasoline (\$1,265);
- **Capital Outlay.** The agency requests expenditures of \$2,864, all from special revenue funds, for FY 2019. The request is an increase of \$59, or 2.1 percent, above the FY 2018 request. The agency states this request is based upon the projection of provided budget indices rates; and
- **Other Assistance.** The agency's request does not include any other assistance expenditures for FY 2019. Past expenditures in this category were for Voluntary Retirement Incentive Program payments.

The **Governor** concurs with the agency's request for FY 2019 expenditures for the Administration program.

B. Operations Support

The Highway Patrol Operations Support program performs the agency's main statutory assignment, enforcement of the state's traffic, criminal, and other laws. The program is divided into a number of sub-programs.

Breath Alcohol Unit. The Breath Alcohol Unit was created in 1989 with a grant from the National Highway Traffic Safety Administration (NHTSA). The program was created to enhance the detection and apprehension by law enforcement officers of individuals driving under the influence. This includes educational programs for law enforcement officers, such as DUI Detection/Standardized Field Sobriety Testing, the Drug Recognition Expert program, and the Traffic Occupant Protection Strategies (TOPS) Seat Belt program. The program also provides funding for operating checkpoints.

Kansas Highway Patrol Training Academy. Located in Salina, the Kansas Highway Patrol Training Academy provides law enforcement education and training to KHP personnel. Training includes initial education for KHP recruits and the statutorily required 40 hours of continuing education for each Highway Patrol sworn officer. The Training Academy also is available to help meet the training needs of other agencies.

Fleet Operations program. The Fleet Operations program was established to capture all costs associated with the agency's vehicle fleet. Expenses include operation of the agency garage in Topeka, personnel, and vehicle maintenance. As part of the FY 2008 budget, gasoline expenditures (which used to be 100.0 percent coded into this subprogram) are now identified as expended in the program in which it was used.

Aircraft Operations Program. The Aircraft Operations program was created to manage the agency's aircraft fleet, including the State's non-enforcement aircraft. This includes maintenance, fuel, parts, and aircraft acquisitions. In FY 2007, the agency constructed a hanger at Billard Airport in Topeka, with aircraft support also conducted in Salina and Hays. Since FY 2006, a transfer of \$400,000 was made from the Highway Patrol Motor Vehicle Fund (MVF) to the Aircraft-On-Budget Fund to subsidize the costs; this transfer was increased to \$600,000 starting in FY 2013.

Civil Assessment Program. This program was created in FY 2006 as a joint effort with the Kansas Corporation Commission (KCC) to reduce the number of injury and fatality accidents involving commercial motor vehicles. Beginning in 2006, the KCC began assessing civil penalties for motor carriers for out-of-service violations with the issuance of misdemeanor citations by KHP Troopers. A biennial transfer of civil assessment penalties is provided to the KHP from the KCC.

Motor Carrier Safety Assistance Program. The duty of the Motor Carrier Safety Assistance Program (MCSAP) is to regulate the commercial traffic traveling on the highways of Kansas. The MCSAP enforces the uniform traffic code and the statutes regulating motor carriers and property, as well as the rules and regulations adopted by the Kansas Corporation Commission (KCC). The program is financed at 80.0 percent from federal and 20.0 percent from state, with the federal portion on a strict reimbursement basis and the state portion financed by motor carrier fees transferred from the KCC. This program also includes the 100.0 percent federally funded New Entrant program. In FY 2017, grants for High-Priority Media and Troopers on Patrol for Safety (TOPS) also are managed by this unit and provide federal funding for these specific functions.

**OPERATIONS SUPPORT
SUMMARY OF EXPENDITURES FY 2016 – 2019**

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 37,428,630	\$ 41,816,383	\$ 41,797,912	\$ 43,439,663	\$ 43,368,718	\$ 50,802,620	\$ 50,648,869
Contractual Services	3,806,329	4,205,412	4,205,412	3,525,184	3,525,184	3,641,208	3,641,208
Commodities	3,256,067	3,561,467	3,561,467	3,534,692	3,534,692	3,882,349	3,882,349
Capital Outlay	7,562,959	7,901,137	7,901,137	7,582,425	7,582,425	6,161,887	6,161,887
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 52,053,985</i>	<i>\$ 57,484,399</i>	<i>\$ 57,465,928</i>	<i>\$ 58,081,964</i>	<i>\$ 58,011,019</i>	<i>\$ 64,488,064</i>	<i>\$ 64,334,313</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	38,637	7,842	7,842	0	0	0	0
TOTAL	<u>\$ 52,092,622</u>	<u>\$ 57,492,241</u>	<u>\$ 57,473,770</u>	<u>\$ 58,081,964</u>	<u>\$ 58,011,019</u>	<u>\$ 64,488,064</u>	<u>\$ 64,334,313</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	52,092,622	57,492,241	57,473,770	58,081,964	58,011,019	64,488,064	64,334,313
TOTAL	<u>\$ 52,092,622</u>	<u>\$ 57,492,241</u>	<u>\$ 57,473,770</u>	<u>\$ 58,081,964</u>	<u>\$ 58,011,019</u>	<u>\$ 64,488,064</u>	<u>\$ 64,334,313</u>
FTE Positions	568.0	568.0	562.0	568.0	562.0	568.0	562.0
Non-FTE Uncl.Perm.Pos.	13.0	13.0	13.0	13.0	13.0	13.0	13.0
TOTAL	<u>581.0</u>	<u>581.0</u>	<u>575.0</u>	<u>581.0</u>	<u>575.0</u>	<u>581.0</u>	<u>575.0</u>

The **agency** requests expenditures of \$58.1 million, all from special revenue funds, for the Operations Support program for FY 2018. This is an increase of \$589,723, or 1.0 percent, above the FY 2017 revised estimate. Changes from the agency's FY 2017 revised estimate include the following items:

- **Salaries and Wages.** The agency requests expenditures of \$43.4 million, all from special

revenue funds, to fund 568.0 FTE positions and 13.0 non-FTE positions for FY 2018. The request is an increase of \$1.6 million, or 3.9 percent, above the FY 2017 revised estimate. The agency notes budgeted overtime is funded from the staffing and training fund for all budget years. Increases from the FY 2017 revised estimate include the removal of a 6.0 percent budgeted

shrinkage rate from FY 2017 budget (\$2.1 million) and increases to fringe benefits (\$500,946). These increases are offset by a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017;

- **Contractual Services.** The agency requests expenditures of \$3.5 million, all from special revenue funds, for FY 2018. This request is a decrease of \$680,228, or 16.2 percent, below the FY 2017 revised estimate. The agency states this request is based upon the projection of provided budget indices rates. Expenditures in this category include postage; telecommunications—cellular phones; repairs and maintenance for vehicles, aircraft, buildings, and pest control; and utilities expenditures;
- **Commodities.** The agency requests expenditures of \$3.5 million, all from special revenue funds, for FY 2018. The request is a decrease of \$26,775, or 0.8 percent, below the FY 2017 revised estimate. This is an increase in this category to reflect higher anticipated gasoline expenditures from the FY 2017 revised estimate (\$104,307). However, this increase is offset by primary decreases to professional and scientific supplies (\$73,176), clothing (\$30,922), and food for human consumption (\$38,709);
- **Capital Outlay.** The agency requests expenditures of \$7.6 million, all from special revenue funds, for FY 2018. The request is a decrease of \$318,712, or 4.0 percent, below the

FY 2017 revised estimate. The agency states the majority of expenditures in this category relate to law enforcement vehicles. The agency has budgeted for the purchase of 200 vehicles for standard road patrol. The agency notes one-time expenditures for mobile data units (\$1.2 million) in FY 2017 cause a decrease, which is offset by one-time expenditures for a scheduled overhaul and upgrades to the Bell Helicopter for FY 2018; and

- **Other Assistance.** The agency's request does not include any other assistance expenditures for FY 2018. Past expenditures in this category were for Voluntary Retirement Incentive Program payments.

The **Governor** recommends \$58.0 million, all from special revenue funds, for the Operations Support program for FY 2018. This is a decrease of \$70,945, or 0.1 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on agency death and disability payments for one quarter. The Governor's recommendation includes the reduction of 6.0 FTE positions to accurately reflect the agency's reclassification of 6.0 positions from the classified service to the unclassified service for FY 2018.

The **agency** requests expenditures totaling \$64.5 million, all from special revenue funds, for the Operations Support program for FY 2019.

The request is an increase of \$6.4 million, or 11.0 percent, above the FY 2018 request. Changes from the agency's FY 2018 request include the following items:

- **Salaries and Wages.** The agency requests expenditures of \$50.8 million, all from special revenue funds, to fund 568.0 FTE positions and 13.0 non-FTE positions for FY 2019. The request is an increase of \$7.4 million, or 16.9 percent, above the FY 2018 request. The agency notes this amount has been adjusted to reflect fringe benefits adjustments, but due to the requirement to manually calculate payroll for FY 2019, all agency fringe benefits costs are budgeted into the Operations Program, resulting in the increase;
- **Contractual Services.** The agency requests expenditures of \$3.6 million, all from special revenue funds, for FY 2019. This request is an increase of \$116,024, or 3.3 percent, above the FY 2018 request. The agency states this request is based upon the projection of provided budget indices rates;
- **Commodities.** The agency requests expenditures of \$3.9 million, all from special revenue funds, for FY 2019. The request is an increase of \$347,657, or 9.8 percent, above the FY 2018 request. Part of this increase is reflected in higher anticipated gasoline expenditures from the FY 2018 request (\$68,773). In addition, the agency states uniforms were removed from the FY 2017 and FY 2018 budgets due to funding

constraints, but are included in the FY 2019 budget. This is reflective of an increase to clothing expenditures of \$379,428 from the FY 2018 commodities budget;

- **Capital Outlay.** The agency requests expenditures of \$6.2 million, all from special revenue funds, for FY 2019. The request is a decrease of \$1.4 million, or 18.7 percent, below the FY 2018 request. The agency states the majority of expenditures in this category relate to law enforcement vehicles and that it has budgeted for the purchase of 200 vehicles for standard road patrol. The majority of this decrease is due to the one-time expenditures for a scheduled overhaul and upgrades to the Bell Helicopter budgeted for FY 2018; and
- **Other Assistance.** The agency's request does not include any other assistance expenditures for FY 2019. Past expenditures in this category were for Voluntary Retirement Incentive Program payments.

The **Governor** recommends \$64.3 million, all from special revenue funds, for the Operations Support program for FY 2019. This is a decrease of \$153,751, or 0.2 percent, below the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor's recommendation includes the reduction of 6.0 FTE positions to accurately reflect the agency's reclassification of 6.0 positions from the classified service to the unclassified service for FY 2019.

C. Information Technology

The Information Technology program includes all aspects of information technology within the agency, including dispatch systems, in-car systems, communication devices, reporting and citation systems, and internal support systems, including desktop, fleet, inventory, and remote access. The agency states

a number of technology expenditures are not necessarily reflected in this sub-program as some are charged in the program in which they occur, such as the KHP Operations and Motor Carrier Safety Assistance programs. KHP operates a statewide dispatching site in Salina.

INFORMATION TECHNOLOGY SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 1,328,328	\$ 1,299,035	\$ 1,295,577	\$ 1,317,902	\$ 1,304,940	\$ 937,896	\$ 937,896
Contractual Services	663,896	676,222	676,222	686,305	686,305	697,101	697,101
Commodities	18,920	19,491	19,491	20,117	20,117	20,650	20,650
Capital Outlay	513,485	309,660	309,660	313,854	313,854	318,346	318,346
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 2,524,629</i>	<i>\$ 2,304,408</i>	<i>\$ 2,300,950</i>	<i>\$ 2,338,178</i>	<i>\$ 2,325,216</i>	<i>\$ 1,973,993</i>	<i>\$ 1,973,993</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 2,524,629</u>	<u>\$ 2,304,408</u>	<u>\$ 2,300,950</u>	<u>\$ 2,338,178</u>	<u>\$ 2,325,216</u>	<u>\$ 1,973,993</u>	<u>\$ 1,973,993</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	2,524,629	2,304,408	2,300,950	2,338,178	2,325,216	1,973,993	1,973,993
TOTAL	<u>\$ 2,524,629</u>	<u>\$ 2,304,408</u>	<u>\$ 2,300,950</u>	<u>\$ 2,338,178</u>	<u>\$ 2,325,216</u>	<u>\$ 1,973,993</u>	<u>\$ 1,973,993</u>
FTE Positions	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Non-FTE Uncl.Perm.Pos.	7.0	7.0	7.0	7.0	7.0	7.0	7.0
TOTAL	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>

The **agency** requests expenditures of \$2.3 million, all from special revenue funds, for the Information Technology program for FY 2018. This is an increase of \$33,770, or 1.5 percent, above the FY 2017 revised estimate. Changes from the agency's FY 2017 revised estimate include the following items:

- **Salaries and Wages.** The agency requests expenditures of \$1.3 million, all from special revenue funds, to fund 18.0 FTE positions and 7.0 non-FTE positions for FY 2018. The request is an increase of \$18,867, or 1.5 percent, above the FY 2017 revised estimate. Increases from the FY 2017 revised estimate include the removal of budgeted shrinkage rate from FY 2017 budget (\$32,832) and increases to fringe benefits (\$23,171). These increases are offset by a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017;
- **Contractual Services.** The agency requests expenditures of \$686,305, all from special revenue funds, for FY 2018. This request is an increase of \$10,083, or 1.5 percent, above the FY 2017 revised estimate. The agency states this request is based upon the projection of provided budget indices rates. Expenditures in this category include telecommunications, repairs and maintenance agreements for equipment and software, equipment rental, travel, and consulting;
- **Commodities.** The agency requests expenditures of \$20,117, all from special revenue funds, for FY 2018. The request is an increase of

\$626, or 3.2 percent, above the FY 2017 revised estimate. The agency states this request is based upon the projection of provided budget indices rates; and

- **Capital Outlay.** The agency requests expenditures of \$313,854, all from special revenue funds, for FY 2018. The request is an increase of \$4,194, or 1.4 percent, above the FY 2017 revised estimate. The agency states this request is based upon the projection of provided budget indices rates. The agency notes the budget includes one-time expenditures of \$100,000, all from special revenue funds, for storage/service replacement over a two-year period. The agency has budgeted one-time expenditures for each fiscal year reflective of the agency's three-year replacement plan for desktop equipment, software and servers, and other infrastructure. Therefore, the main increase between budget years is reflective of budget indices rates.

The **Governor** recommends \$2.3 million, all from special revenue funds, for the Information Technology program for FY 2018. This is a decrease of \$12,962, or 0.6 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on agency death and disability payments for one quarter.

The **agency** requests expenditures totaling \$2.0 million, all from special revenue funds, for the Information Technology program for FY 2019. The request is a decrease of \$364,185, or

15.6 percent, below the FY 2018 request. Changes from the agency's FY 2018 request include the following items:

- **Salaries and Wages.** The agency requests expenditures of \$937,896, all from special revenue funds, to fund 18.0 FTE positions and 7.0 non-FTE positions for FY 2019. The request is a decrease of \$380,006, or 28.8 percent, below the FY 2018 request. The agency notes this amount has been adjusted to reflect fringe benefits adjustments, but that due to the requirement to manually calculate payroll for FY 2019, all agency fringe benefits costs are budgeted into the Operations Support program, resulting in the decrease;
- **Contractual Services.** The agency requests expenditures of \$697,101, all from special revenue funds, for FY 2019. This request is an increase of \$10,796, or 1.6 percent, above the FY 2018 request. The agency states this request is based upon the projection of provided budget indices rates. The primary increase in this category is in computer software maintenance and service (\$9,861);

- **Commodities.** The agency requests expenditures of \$20,650, all from special revenue funds, for FY 2019. The request is an increase of \$533, or 2.6 percent, above the FY 2018 request. The agency states this request is based upon the projection of provided budget indices rates; and
- **Capital Outlay.** The agency requests expenditures of \$318,346, all from special revenue funds, for FY 2019. The request is an increase of \$4,492, or 1.4 percent, above the FY 2018 request. The agency states this request is based upon the projection of provided budget indices rates. The agency notes the budget includes one-time expenditures of \$100,000, all from special revenue funds, for storage/service replacement over a two-year period. The agency has budgeted one-time expenditures for each fiscal year reflective of the agency's three-year replacement plan for desktop equipment, software and servers, and other infrastructure. Therefore, the main increase between budget years is reflective of budget indices rates.

The **Governor** concurs with the agency's request for FY 2019 expenditures for the Information Technology program.

D. Vehicle Identification Number

The Vehicle Identification Number (VIN) program is responsible for the inspection of the VIN number of every car being titled in Kansas for the first time, as well as certain rebuilt salvage and assembled vehicles. The inspection verifies the VIN on the vehicle title matches the VIN on the car and that neither number has been altered. The inspection may be conducted by staff of the Kansas Highway Patrol or by another law enforcement agency designated by the KHP. The 2011 Legislature amended KSA 8-116a to allow the Highway Patrol to

charge \$15 per inspection (an increase of \$5 over the previous inspection fee of \$10), which is deposited into the VIN Fund. This fee then increased to \$20 per inspection on July 1, 2012. If a designated law enforcement agency conducts the inspection, the local agency retains \$18.00 of the fee and remits the remaining \$2.00 to the Highway Patrol. This fee finances the expenses of this program. The agency notes increases in the inspection fee has allowed the program to be self-supporting since FY 2013.

VEHICLE IDENTIFICATION NUMBER							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 2,072,366	\$ 2,331,182	\$ 2,328,071	\$ 2,312,373	\$ 2,300,993	\$ 1,617,653	\$ 1,617,653
Contractual Services	327,615	330,938	330,938	336,667	336,667	342,803	342,803
Commodities	79,038	68,073	68,073	71,716	71,716	74,265	74,265
Capital Outlay	1,664	7,935	7,935	8,094	8,094	8,264	8,264
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 2,480,683</u>	<u>\$ 2,738,128</u>	<u>\$ 2,735,017</u>	<u>\$ 2,728,850</u>	<u>\$ 2,717,470</u>	<u>\$ 2,042,985</u>	<u>\$ 2,042,985</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 2,480,683</u>	<u>\$ 2,738,128</u>	<u>\$ 2,735,017</u>	<u>\$ 2,728,850</u>	<u>\$ 2,717,470</u>	<u>\$ 2,042,985</u>	<u>\$ 2,042,985</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	2,480,683	2,738,128	2,735,017	2,728,850	2,717,470	2,042,985	2,042,985
TOTAL	<u>\$ 2,480,683</u>	<u>\$ 2,738,128</u>	<u>\$ 2,735,017</u>	<u>\$ 2,728,850</u>	<u>\$ 2,717,470</u>	<u>\$ 2,042,985</u>	<u>\$ 2,042,985</u>
FTE Positions	37.0	37.0	37.0	37.0	37.0	37.0	37.0
Non-FTE Uncl.Perm.Pos.	4.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	<u>41.0</u>	<u>41.0</u>	<u>41.0</u>	<u>41.0</u>	<u>41.0</u>	<u>41.0</u>	<u>41.0</u>

The **agency** requests FY 2018 expenditures of \$2.7 million, all from special revenue funds, for the Vehicle Identification Number program. This is a decrease of \$9,278, or 0.3 percent, below the FY 2017 revised estimate. The request includes 37.0 FTE positions and 4.0 non-FTE positions, which is the same as the FY 2017 revised estimate. The agency states the increases in this program primarily reflect automatic re-classifications to reflect duration of service, training achievements, and level of performance maintained. Increases to fringe benefit expenditures are offset by a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017.

The **Governor** recommends \$2.7 million, all from special revenue funds, for the Vehicle Identification Number program for FY 2018. This is a decrease of \$11,380, or 0.4 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a

moratorium on agency death and disability payments for one quarter.

The **agency** requests FY 2019 expenditures of \$2.0 million, all from special revenue funds, for the Vehicle Identification Number program. This is a decrease of \$685,865, or 25.1 percent, below the FY 2018 request. The request includes 37.0 FTE positions and 4.0 non-FTE positions, which is the same as the FY 2016 request. The agency states the increases in this program primarily reflect automatic re-classifications to reflect duration of service, training achievements, and level of performance maintained. The agency notes this amount has been adjusted to reflect fringe benefits adjustments, but that due to the requirement to manually calculate payroll for FY 2019, all agency fringe benefits costs are budgeted into the Operations Support program, resulting in the overall decrease.

The **Governor** concurs with the agency's request for FY 2019 expenditures for the Vehicle Identification Number program.

E. Motorist Assistance

The Motorist Assistance program was established with the Kansas Department of Transportation for special project employees to patrol major, urban interstate highways to assist stranded motorists. The program's goal is to decrease the amount of time disabled motorists spend on the side of the highway, increasing safety and reducing traffic fatalities. The

program allows the troopers to concentrate on law enforcement duties rather than assisting these individuals. The cost of this program is shared with the Kansas Department of Transportation with funding provided through federal funds (80.0 percent) and a state match through the Highway Safety Fund (20.0 percent).

MOTORIST ASSISTANCE							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 881,477	\$ 880,125	\$ 877,811	\$ 872,604	\$ 864,144	\$ 636,174	\$ 636,174
Contractual Services	43,729	78,851	78,851	79,268	79,268	75,960	75,960
Commodities	192,470	259,722	259,722	276,755	276,755	291,792	291,792
Capital Outlay	325,332	145,091	145,091	120,405	120,405	108,675	108,675
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,443,008</u>	<u>\$ 1,363,789</u>	<u>\$ 1,361,475</u>	<u>\$ 1,349,032</u>	<u>\$ 1,340,572</u>	<u>\$ 1,112,601</u>	<u>\$ 1,112,601</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,443,008</u>	<u>\$ 1,363,789</u>	<u>\$ 1,361,475</u>	<u>\$ 1,349,032</u>	<u>\$ 1,340,572</u>	<u>\$ 1,112,601</u>	<u>\$ 1,112,601</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,443,008	1,363,789	1,361,475	1,349,032	1,340,572	1,112,601	1,112,601
TOTAL	<u>\$ 1,443,008</u>	<u>\$ 1,363,789</u>	<u>\$ 1,361,475</u>	<u>\$ 1,349,032</u>	<u>\$ 1,340,572</u>	<u>\$ 1,112,601</u>	<u>\$ 1,112,601</u>
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl.Perm.Pos.	20.0	20.0	20.0	20.0	20.0	20.0	20.0
TOTAL	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>

The **agency** requests FY 2018 expenditures of \$1.3 million, all from special revenue funds, for the Motorist Assistance program. This is a decrease of \$14,757, or 1.1 percent, below the FY 2017 revised estimate. The FY 2018 budget increases primarily reflect increases for fringe benefits and gasoline expenditures. These increases are offset by a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017. Notable capital outlay expenditures within the FY 2018 budget include three variable message sign boards and two F-350 gas crew cab pickups—a utility bed and a push bumper.

The **Governor** recommends \$1.3 million, all from special revenue funds, for the Motorist Assistance program for FY 2018. This is a decrease of \$8,460, or 0.6 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the

FY 2016 amount and to provide a moratorium on agency death and disability payments for one quarter.

The **agency** requests FY 2019 expenditures of \$1.1 million, all from special revenue funds, for the Motorist Assistance program. The FY 2019 budget is a decrease of \$236,431, or 17.5 percent, below the FY 2018 request. The agency notes this amount has been adjusted to reflect fringe benefits adjustments, but that due to the requirement to manually calculate payroll for FY 2019, all agency fringe benefits costs are budgeted into the Operations Support program, resulting in the overall decrease. Notable capital outlay expenditures within the FY 2019 budget include two variable message sign boards and two F-350 gas crew cab pickups—a utility bed and a push bumper.

The **Governor** concurs with the agency's request for FY 2019 expenditures for the Motorist Assistance program.

F. Capitol Police

The mission of the Capitol Police is to provide for the safety of persons and the protection of property within the Capitol Complex and at other State-owned or -leased property within Shawnee County. In prior years, the Capitol Police was funded through a contract with the Department of Administration. The

2005 Legislature provided State General Fund financing directly to the Kansas Highway Patrol for this program, giving the agency direct control over the financing of the Capitol Police. The 2006 Legislature changed the name of the program from “Capitol Area Security Patrol” to “Capitol Police.”

CAPITOL POLICE							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 3,405,158	\$ 3,522,025	\$ 3,519,865	\$ 3,497,895	\$ 3,489,838	\$ 2,654,221	\$ 2,654,221
Contractual Services	423,080	422,585	422,585	426,190	426,190	430,008	430,008
Commodities	100,527	76,962	76,962	80,433	80,433	83,023	83,023
Capital Outlay	62	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 3,928,827</u>	<u>\$ 4,021,572</u>	<u>\$ 4,019,412</u>	<u>\$ 4,004,518</u>	<u>\$ 3,996,461</u>	<u>\$ 3,167,252</u>	<u>\$ 3,167,252</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,274	1,568	1,568	0	0	0	0
TOTAL	<u>\$ 3,935,101</u>	<u>\$ 4,023,140</u>	<u>\$ 4,020,980</u>	<u>\$ 4,004,518</u>	<u>\$ 3,996,461</u>	<u>\$ 3,167,252</u>	<u>\$ 3,167,252</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,935,101	4,023,140	4,020,980	4,004,518	3,996,461	3,167,252	3,167,252
TOTAL	<u>\$ 3,935,101</u>	<u>\$ 4,023,140</u>	<u>\$ 4,020,980</u>	<u>\$ 4,004,518</u>	<u>\$ 3,996,461</u>	<u>\$ 3,167,252</u>	<u>\$ 3,167,252</u>
FTE Positions	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>

The **agency** requests FY 2018 expenditures totaling \$4.0 million, all from special revenue funds, for the Capitol Police program. This is a decrease of \$18,622, or 0.5 percent, below the FY 2017 revised estimate.

The agency states the increases in this program primarily reflect automatic re-classifications to reflect duration of service, training achievements, and level of performance maintained. Increases to fringe benefit expenditures are offset by a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017. The agency states that 24-hour coverage of areas where Capitol Police have jurisdiction requires the payment of overtime, immediate replacement of vacancies as they arise, and the creation of Memorandums' of Understanding with certain state agencies to supply additional on-site security services. The agency notes both the FY 2018 and FY 2019 budgets include the removal of shrinkage (\$71,878 in FY 2017). The agency notes increases in other categories of expenditure for FY 2018 are based upon the projection of provided budget indices rates.

The **Governor** recommends \$4.0 million, all from special revenue funds, for the Capitol Police program for FY 2018. This

is a decrease of \$8,057, or 0.2 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on agency death and disability payments for one quarter.

The **agency** requests FY 2019 expenditures of \$3.2 million, all from special revenue funds, for the Capitol Police program. This is a decrease of \$837,266, or 20.9 percent, below the FY 2018 request. The agency notes this amount has been adjusted to reflect fringe benefits adjustments, but that due to the requirement to manually calculate payroll for FY 2019, all agency fringe benefits costs are budgeted into the Operations Support program, resulting in the overall decrease.

The agency notes both the FY 2018 and FY 2019 budgets include the removal of shrinkage (\$71,878 in FY 2017). The agency notes increases in other categories of expenditure for FY 2019 are based upon the projection of provided budget indices rates.

The **Governor** concurs with the agency's request for FY 2019 expenditures for the Capitol Police program.

G. Homeland Security

The Kansas Highway Patrol is the state designated administrative agency to help administer the federal Homeland Security Grant program. Funding for the program is provided by the U.S. Department of Homeland Security. Funds are provided

to the State's seven homeland security regions for the purpose of preventing, planning for, responding to, and recovering from an act of terrorism and other catastrophic events. This includes funding for specialized training, exercises, and equipment.

HOMELAND SECURITY							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 206,595	\$ 198,268	\$ 198,268	\$ 190,509	\$ 190,509	\$ 131,659	\$ 131,659
Contractual Services	60,509	31,642	31,642	62,750	62,750	62,086	62,086
Commodities	5,063	9,000	9,000	4,000	4,000	4,000	4,000
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 272,167</u>	<u>\$ 238,910</u>	<u>\$ 238,910</u>	<u>\$ 257,259</u>	<u>\$ 257,259</u>	<u>\$ 197,745</u>	<u>\$ 197,745</u>
Aid to Local Units	3,321,838	1,328,231	1,328,231	2,999,862	2,999,862	2,999,862	2,999,862
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 3,594,005</u>	<u>\$ 1,567,141</u>	<u>\$ 1,567,141</u>	<u>\$ 3,257,121</u>	<u>\$ 3,257,121</u>	<u>\$ 3,197,607</u>	<u>\$ 3,197,607</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,594,005	1,567,141	1,567,141	3,257,121	3,257,121	3,197,607	3,197,607
TOTAL	<u>\$ 3,594,005</u>	<u>\$ 1,567,141</u>	<u>\$ 1,567,141</u>	<u>\$ 3,257,121</u>	<u>\$ 3,257,121</u>	<u>\$ 3,197,607</u>	<u>\$ 3,197,607</u>
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>

The **agency** requests FY 2018 expenditures of \$3.3 million, all from special revenue funds, for the Homeland Security program. This is an increase of \$1.7 million, or 107.8 percent, above the FY 2017 revised estimate. The increase is due mostly to an increase of \$1.7 million, or 125.9 percent, for aid to local units of government for qualifying Homeland Security expenditures and protection projects. The request includes 3.0 FTE positions, which is the same as the FY 2017 revised estimate. Increases to fringe benefit expenditures are offset by a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017. The agency notes exact grant award amounts may change from the budgeted amount.

The **Governor** concurs with the agency's request for FY 2018 expenditures for the Homeland Security program.

The **agency** requests FY 2019 expenditures of \$3.2 million, all from special revenue funds, for the Homeland Security program. This is a decrease of \$59,514, or 1.8 percent, below the FY 2018 request. The request includes 3.0 FTE positions, which is the same as the FY 2018 request. The agency notes this amount has been adjusted to reflect fringe benefits adjustments, but that due to the requirement to manually calculate payroll for FY 2019, all agency fringe benefits costs are budgeted into the Operations Support program, resulting in the overall decrease.

The **Governor** concurs with the agency's request for FY 2019 expenditures for the Homeland Security program.

H. Motor Carrier Inspection

The Motor Carrier Inspection program (MCI) was established to reduce the usage of oversized, overweight, or unsafe commercial vehicles on Kansas roads and highways. This program includes the inspection of commercial motor vehicles to ensure compliance with regulations adopted by the Kansas Corporation Commission. The program was transferred

from the Department of Revenue to the KHP in FY 1989. Efforts to reduce the use of overweight vehicles on Kansas highways include the operation of ports of entry, the utilization of mobile units to check the weight of trucks, and safety and informational programs.

MOTOR CARRIER INSPECTION SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 3,447,336	\$ 3,711,051	\$ 3,708,369	\$ 3,925,819	\$ 3,914,993	\$ 2,644,482	\$ 2,644,482
Contractual Services	310,418	292,419	292,419	296,215	296,215	300,308	300,308
Commodities	114,351	102,623	102,623	108,339	108,339	112,344	112,344
Capital Outlay	7,055	148,260	148,260	151,226	151,226	154,402	154,402
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 3,879,160</u>	<u>\$ 4,254,353</u>	<u>\$ 4,251,671</u>	<u>\$ 4,481,599</u>	<u>\$ 4,470,773</u>	<u>\$ 3,211,536</u>	<u>\$ 3,211,536</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 3,879,160</u>	<u>\$ 4,254,353</u>	<u>\$ 4,251,671</u>	<u>\$ 4,481,599</u>	<u>\$ 4,470,773</u>	<u>\$ 3,211,536</u>	<u>\$ 3,211,536</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,879,160	4,254,353	4,251,671	4,481,599	4,470,773	3,211,536	3,211,536
TOTAL	<u>\$ 3,879,160</u>	<u>\$ 4,254,353</u>	<u>\$ 4,251,671</u>	<u>\$ 4,481,599</u>	<u>\$ 4,470,773</u>	<u>\$ 3,211,536</u>	<u>\$ 3,211,536</u>
FTE Positions	63.0	63.0	63.0	63.0	63.0	63.0	63.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>63.0</u>	<u>63.0</u>	<u>63.0</u>	<u>63.0</u>	<u>63.0</u>	<u>63.0</u>	<u>63.0</u>

The **agency** requests FY 2018 expenditures of \$4.5 million, all from special revenue funds, for the Motor Carrier Inspection program. This is an increase of \$227,246, or 5.3 percent, above the FY 2017 revised estimate. The request includes 63.0 FTE positions, which is the same as the FY 2017 revised estimate. The agency states the increases in this program are primarily attributable to automatic position re-classifications to reflect duration of service, training achievements, and level of performance maintained. Increases to fringe benefit expenditures are offset by a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017. The agency states the FY 2018 budget request is based upon the projection of provided budget indices.

The **Governor** recommends \$4.5 million, all from special revenue funds, for the Motor Carrier Inspection program for FY 2018. This is a decrease of \$10,826, or 0.2 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer

contributions at the FY 2016 amount and to provide a moratorium on agency death and disability payments for one quarter.

The **agency** requests FY 2019 expenditures of \$3.2 million, all from special revenue funds, for the Motor Carrier Inspection program. This is a decrease of \$1.3 million, or 28.3 percent, below the FY 2018 request. The request includes 63.0 FTE positions, which is the same as the FY 2018 request. The agency notes salaries and wages have been adjusted to reflect fringe benefits adjustments, but that due to the requirement to manually calculate payroll for FY 2019, all agency fringe benefits costs are budgeted into the Operations Support program, resulting in the overall decrease. The agency states the FY 2019 budget request is based upon the projection of provided budget indices.

The **Governor** concurs with the agency's request for FY 2019 expenditures for the Motor Carrier Inspection program.

I. Turnpike Patrol

The Turnpike Patrol program provides security and law enforcement on the Kansas Turnpike. Troopers enforce traffic laws, render services to the motoring public, investigate accidents, provide emergency aid to injured persons, and

develop cases pertaining to all criminal activity occurring on the Kansas Turnpike Authority (KTA) property. The agency notes the KTA reimburses the Highway Patrol for all of its expenditures related to patrol of the Turnpike.

TURNPIKE PATROL							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 3,966,074	\$ 4,360,781	\$ 4,360,542	\$ 4,208,990	\$ 4,208,118	\$ 3,254,259	\$ 3,254,259
Contractual Services	8,198	6,897	6,897	7,035	7,035	7,182	7,182
Commodities	19,306	8,918	8,918	9,076	9,076	9,248	9,248
Capital Outlay	22,304	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 4,015,882</u>	<u>\$ 4,376,596</u>	<u>\$ 4,376,357</u>	<u>\$ 4,225,101</u>	<u>\$ 4,224,229</u>	<u>\$ 3,270,689</u>	<u>\$ 3,270,689</u>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 4,015,882</u>	<u>\$ 4,376,596</u>	<u>\$ 4,376,357</u>	<u>\$ 4,225,101</u>	<u>\$ 4,224,229</u>	<u>\$ 3,270,689</u>	<u>\$ 3,270,689</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	4,015,882	4,376,596	4,376,357	4,225,101	4,224,229	3,270,689	3,270,689
TOTAL	<u>\$ 4,015,882</u>	<u>\$ 4,376,596</u>	<u>\$ 4,376,357</u>	<u>\$ 4,225,101</u>	<u>\$ 4,224,229</u>	<u>\$ 3,270,689</u>	<u>\$ 3,270,689</u>
FTE Positions	51.5	51.5	51.5	51.5	51.5	51.5	51.5
Non-FTE Uncl.Perm.Pos.	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	<u>52.5</u>	<u>52.5</u>	<u>52.5</u>	<u>52.5</u>	<u>52.5</u>	<u>52.5</u>	<u>52.5</u>

The **agency** requests FY 2018 expenditures of \$4.2 million, all from special revenue funds, for the Turnpike Patrol program. This is a decrease of \$151,495, or 3.5 percent, below the FY 2017 revised estimate. The request includes 51.5 FTE positions and 1.0 non-FTE position, which is the same as the FY 2017 revised estimate. The primary increase in this program is in salaries and wages and reflects increases in fringe benefits, while other categories of expenditures are budgeted to reflect changes in the budget indices.

The **Governor** recommends \$4.2 million, all from special revenue funds, for the Turnpike Patrol program for FY 2018. This is a decrease of \$872, or less than 0.1 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on agency death and disability payments for one quarter.

The **agency** requests FY 2019 expenditures of \$3.3 million, all from special revenue funds, for the Turnpike Patrol program. This is a decrease of \$954,412, or 22.6 percent, below the FY 2018 request. The request includes 51.5 FTE positions and 1.0 non-FTE position, which is the same as the FY 2018 request. The primary increase in this program is in salaries and wages and reflects increases in fringe benefits, while other categories of expenditures are budgeted to reflect changes in the budget indices. The agency notes salaries and wages have been adjusted to reflect fringe benefits adjustments, but that due to the requirement to manually calculate payroll for FY 2019, all agency fringe benefits costs are budgeted into the Operations Support program, resulting in the overall decrease. The agency states the FY 2019 budget request is based upon the projection of provided budget indices.

The **Governor** concurs with the agency's request for FY 2019 expenditures for the Turnpike Patrol program.

J. Debt Service

The Kansas Highway Patrol is currently making debt service principal and interest payments on the Fleet Operations Center. The final payment on the 15-year bonds for the Fleet Center is scheduled to be made in FY 2018. Debt service interest

payments are classified as operating expenditures and detailed below; however, debt service principal payments are classified as capital improvements expenditures and are included in the next section.

DEBT SERVICE							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Debt Service Interest	\$ 45,264	\$ 27,825	\$ 27,825	\$ 9,450	\$ 9,450	\$ 0	\$ 0
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	45,264	27,825	27,825	9,450	9,450	0	0
TOTAL	\$ 45,264	\$ 27,825	\$ 27,825	\$ 9,450	\$ 9,450	\$ 0	\$ 0

The **agency** requests FY 2017 expenditures of \$27,825, all from special revenue funds, for debt service interest payments on the Fleet Center.

The **Governor** concurs with the agency’s FY 2017 request for debt service expenditures.

The **agency** requests FY 2018 expenditures of \$9,450, all from special revenue funds, for debt service interest payments

on the Fleet Center. This is the final payment for the Fleet Center.

The **Governor** concurs with the agency’s FY 2018 request for debt service expenditures.

CAPITAL IMPROVEMENTS

	CAPITAL IMPROVEMENTS					
	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Fleet Center Debt Service Principal	\$ 340,000	\$ 340,000	\$ 360,000	\$ 360,000	\$ 0	\$ 0
Rehabilitation and Repair Scales and Buildings	130,000	130,000	130,000	130,000	130,000	130,000
Scale Replacement	126,000	126,000	130,000	130,000	134,000	134,000
Academy Roof and Boiler Replacement	56,355	56,355	57,200	57,200	58,058	58,058
Cedar Crest Security Cameras	35,000	35,000	0	0	0	0
Troop F Storage Building	0	0	252,172	252,172	0	0
Troop J / C / M HVAC Controls	245,900	245,900	0	0	0	0
Gym Boiler and Water Heater	0	0	170,775	170,775	0	0
Power Plant Boiler Removal and HVAC Controls	0	0	537,625	537,625	0	0
Contractual Services	482	482	492	492	502	502
TOTAL	\$ 933,737	\$ 933,737	\$ 1,638,264	\$ 1,638,264	\$ 322,560	\$ 322,560
Financing:						
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	933,737	933,737	1,638,264	1,638,264	322,560	322,560
TOTAL	\$ 933,737	\$ 933,737	\$ 1,638,264	\$ 1,638,264	\$ 322,560	\$ 322,560

Current Year Agency Estimate

FY 2017–Current Year. The agency requests a revised estimate for capital improvement expenditures totaling \$933,737, all from special revenue funds, in FY 2017.

The agency's FY 2017 revised estimate includes the following expenditures:

- **Debt Service Principal.** The agency requests \$340,000, all from special revenue funds, for debt service principal payments for the Fleet Center in FY 2017;
- **Rehabilitation and Repair Scales and Buildings.** The agency requests \$312,355, all from special revenue funds, for rehabilitation, repair, and replacement expenditures for scales and buildings in FY 2017. This amount includes funding for labor, materials, and equipment to replace or repair owned facilities, scales, and fixtures, which include: 1) the Kansas Highway Patrol Training Academy campus; 2) eight Motor Carrier Inspection stations with 10 scales; 3) the vehicle fleet/maintenance building; 4) three vehicle identification number inspection facilities; 5) the Valley Center building; 6) the Troop F Headquarters building in Kechi; 7) Troop C district office building in Ellsworth; and 8) the Billard hangar facility. This request includes funding for:
 - \$130,000 for routine rehabilitation and repair for scales and buildings;
 - \$126,000 for scale replacement; and
 - \$56,355 for Academy roof and boiler replacements;
- **Cedar Crest Security Cameras.** The agency requests \$35,000, all from the VIN Fee Fund, for one-time expenditures to replace security cameras at Cedar Crest. The camera project costs, as submitted, will be divided 50.0 percent from the Office of Facilities and Project Management and the Governor's Office, and 50.0 percent from the Kansas Highway Patrol. The agency states this project would provide for the installation of fiber infrastructure to reduce service interruption to existing and new camera locations. A total of nine cameras and media converters will be replaced and three new surveillance cameras will be added. Replacement and new cameras will be infrared and function in the dark. The total project cost is estimated at \$284,523; and
- **Troop J / C / M HVAC Controls.** The agency requests \$245,900, all from special revenue funds, for the replacement of Heating, Ventilation, and Air Conditioning (HVAC) Controls at Troop J/C/M. This will include \$147,910 from the VIN Fee Fund and \$97,990 from the KHP Training Center Fee Fund. The agency notes cost estimates include a 15.0 percent contingency amount.

Current Year Governor Recommendation

The **Governor** concurs with the agency's request for capital improvements expenditures in FY 2017.

Budget Year Agency Request

FY 2018–Budget Year. The agency requests capital improvement expenditures totaling \$1.6 million, all from special revenue funds, for FY 2018. The agency's FY 2018 request includes the following expenditures:

- **Debt Service Principal.** The agency requests \$360,000, all from special revenue funds, for debt service principal payments for the Fleet Center for FY 2018. This is the final payment.;
- **Rehabilitation and Repair Scales and Buildings.** The agency requests \$317,200, all from special revenue funds, for rehabilitation, repair, and replacement expenditures for scales and buildings for FY 2018. This amount includes funding for labor, materials, and equipment to replace or repair owned facilities, scales, and fixtures, which include: 1) the Kansas Highway Patrol Training Academy campus; 2) eight Motor Carrier Inspection stations with 10 scales; 3) the vehicle fleet/maintenance building; 4) three vehicle identification number inspection facilities; 5) the Valley Center building; 6) the Troop F Headquarters building in Kechi; 7) Troop C district office building in Ellsworth; and 8) the Billard hangar facility. This request includes funding for:
 - \$130,000 for routine rehabilitation and repair for scales and buildings;
 - \$130,000 for scale replacement; and
 - \$57,200 for Academy roof and boiler replacements;
- **Troop F Storage Building.** The agency requests \$252,172, all from Federal Funds, for the construction of a new storage building at Troop F headquarters in Kechi for FY 2018. The building will be 120 feet by 60 feet and have 6 garage bay doors. The agency anticipates using the building to store the bomb truck and containment vessel, KBI crime scene truck, BearCat armored vehicle, convincer, roll-back truck, and lawn equipment and additional storage. The agency notes cost estimates include a 15.0 percent contingency amount;
- **Gym Boiler and Water Heater.** The agency requests \$170,775, all from special revenue funds, for the replacement of a boiler and water heater in the Gym Building at the Training Academy. This will include \$170,775 from the VIN Fee Fund,. The agency notes cost estimates include a 15.0 percent contingency amount; and
- **Power Plant Boiler Removal and HVAC Controls.** The agency requests \$537,625, all from special revenue funds, to remove the boiler

and replace HVAC controls at the Power Plant Building at the Training Academy. This will include \$537,625 from the KHP Training Center

Fee Fund. The agency notes cost estimates include a 15.0 percent contingency amount.

Budget Year Governor Recommendation

The **Governor** concurs with the agency's request for capital improvements expenditures for FY 2018.

Budget Year Agency Request

FY 2019–Budget Year. The agency requests capital improvement expenditures totaling \$322,560, all from special revenue funds, for FY 2019. The agency's request includes the following expenditures:

- **Rehabilitation and Repair Scales and Buildings.** The agency requests \$322,058, all from special revenue funds, for rehabilitation, repair, and replacement expenditures for scales and buildings for FY 2019. This amount includes funding for labor, materials, and equipment to replace or repair owned facilities, scales, and fixtures, which include: 1) the Kansas Highway

Patrol Training Academy campus; 2) nine Motor Carrier Inspection stations (of which eight have scales); 3) three vehicle identification number inspection facilities; 4) the Valley Center Troop F building; 5) the Billard hangar facility; and 6) the vehicle fleet and maintenance building. This request includes funding for:

- \$130,000 for routine rehabilitation and repair for scales and buildings;
- \$134,000 for scale replacement; and
- \$58,058 for Academy roof and boiler replacements.

Budget Year Governor Recommendation

The **Governor** concurs with the agency's request for capital improvements expenditures for FY 2019.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
<i>Administration:</i>					
Number of trooper road hours	320,000	270,812	275,000	300,000	300,000
Percent of fatalities per 100 million miles traveled	1.00%	1.00%	1.00%	1.00%	1.00%
Number of felony arrests	1,000	981	1,000	1,000	1,000
Percent of injury accidents involving alcohol	7.5%	7.0%	7.0%	7.0%	7.0%
Percent of seat belt law compliance	93.0%	92.0%	93.0%	93.0%	93.0%
<i>Turnpike Patrol:</i>					
Number of miles patrolled	1,500,000	1,749,392	1,800,000	1,800,000	1,800,000
Percent of fatalities to total accidents	0.45%	0.78%	0.41%	0.41%	0.41%
Number of DUI arrests	450	376	450	450	450
<i>Motor Carrier Inspection:</i>					
Number of safety programs presented	120	49	50	50	50
Percent of vehicles at ports exceeding the legal weight limit	0.15%	0.22%	0.20%	0.20%	0.20%
Percent of trucks stopped by mobile units illegally overweight	25.0%	19.8%	20.0%	20.0%	20.0%
<i>Capitol Police:</i>					
Number of crimes reported and complaints filed	1,100	1,416	1,400	1,400	1,400
Number of arrests	150	287	250	250	250
Number of patrol hours	32,000	31,120	32,000	32,000	32,000

KANSAS SENTENCING COMMISSION

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 7,324,753	\$ 7,476,261	\$ 7,474,218	\$ 7,404,172	\$ 7,396,560	\$ 7,410,749	\$ 7,402,736
Other Funds	130,125	391,073	390,862	268,289	267,669	144,104	143,477
TOTAL	\$ 7,454,878	\$ 7,867,334	\$ 7,865,080	\$ 7,672,461	\$ 7,664,229	\$ 7,554,853	\$ 7,546,213
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 7,454,878	\$ 7,867,334	\$ 7,865,080	\$ 7,672,461	\$ 7,664,229	\$ 7,554,853	\$ 7,546,213
Percentage Change:							
Operating Expenditures							
State General Fund	4.4 %	2.1 %	2.0 %	(1.0) %	(1.0) %	0.1 %	0.1 %
All Funds	(3.7)	5.5	5.5	(2.5)	(2.6)	(1.5)	(1.5)
FTE Positions	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Non-FTE							
Perm.Uncl.Pos.	3.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	12.5	13.5	13.5	13.5	13.5	13.5	13.5

AGENCY OVERVIEW

The Kansas Sentencing Commission was created by the 1989 Legislature to develop a sentencing guideline model, or grid, based upon fairness and equity, and to provide a mechanism for linking justice and corrections policies. The Commission tracks and assesses sentencing impositions using statistical methodologies to develop prison population

MAJOR ISSUES FROM PRIOR YEARS

The **2003 Legislature** moved the penalties for possession of illegal drugs from a punishment model to a treatment model with the passage of SB 123 during the 2003 Session. The bill established a non-prison sentence of drug abuse treatment not to exceed 18 months. The bill also reduced all illegal drug possession criminal penalties, regardless of the second, third, or subsequent possession conviction, to a level 4 drug offense. First-time marijuana possession remained a class A misdemeanor.

The **2010 Legislature** made the following adjustments to the FY 2011 budget:

- Approved the Governor's recommendation to increase the use of fee funds by \$662,400 to offset the same amount of State General Fund expenditures; and
- Approved the Governor's recommended reduction of \$422,208 from the State General Fund for 2003 SB 123 drug treatment program expenditures.

projections and legislative impacts to interested parties, including the Kansas Department of Corrections, Governor, and Legislature. The Commission also administers the Substance Abuse Treatment program created by the 2003 Legislature in SB 123, principally codified as KSA 21-6824.

The **2011 Legislature** approved FY 2012 reductions totaling \$96,354, including \$92,473 from the State General Fund.

The **2013 Legislature** approved the addition of \$81,257, all from the State General Fund, and 1.0 FTE position for FY 2014 and FY 2015 to monitor the implementation of HB 2170, the Justice Reinvestment Act.

The **2014 Legislature** deleted \$47,620 from the State General Fund reappropriation from FY 2013 to FY 2014.

The **2015 Legislature** added \$179,544, all from the State General Fund, for funding the projected shortfall for Substance Abuse Treatment program expenditures for FY 2016 and FY 2017. The Legislature added \$20,000, all from the State General Fund, and a 0.5 FTE position for a part-time data entry position to assist the agency in processing backlogged felony journal entries for FY 2016 and FY 2017.

The **2016 Legislature** approved the Governor's recommendation adding \$179,544, all from the State General Fund, for the funding of the agency's projected shortfall for Substance Abuse Treatment Program expenditures for FY 2016 and FY 2017.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency** requests revised FY 2017 operating expenditures of \$7.9 million, including \$7.5 million from the State General Fund. The estimate is an all funds increase of \$368,167, or 4.9 percent, and a State General Fund increase of \$84,403, or 1.1 percent, above the FY 2017 approved amount.

The all funds increase is primarily attributable to the agency's intention to contract with a third-party utilization management company to improve its Treatment Provider Payment System by implementing a medical model.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$7.9 million, including \$7.5 million from the State General Fund. The recommendation is an all funds decrease of \$2,254, or less than 0.1 percent, including a State

General Fund decrease of \$2,043, or less than 0.1 percent, below the agency's estimate. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

FY 2018 Agency Request

The **agency** requests FY 2018 operating expenditures of \$7.7 million, including \$7.4 million from the State General Fund. The request is an overall decrease of \$194,873, or 2.5 percent, and a State General Fund decrease of \$72,809, or 1.0 percent, below the FY 2017 estimate. The decrease is primarily

attributable to lower contractual services expenditures related to the payment of a third-party utilization management company in FY 2017 offset by increases in the agency's reintegration modality within its Substance Abuse Treatment program.

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$7.7 million, including \$7.4 million from the State General Fund. The recommendation is an all funds decrease of \$8,232, or 0.1 percent, including a State General Fund decrease of \$7,612, or 0.1 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's

recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$6,742, including \$6,234 from the State General Fund, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$1,490, including \$1,378 from the State General Fund.

FY 2019 Agency Request

The **agency** requests \$7.6 million, including \$7.4 million from the State General Fund. The request is an all funds decrease of \$117,608, or 1.5 percent, and a State General Fund increase of \$6,577, or 0.1 percent, from the agency's FY 2018 request. The all funds decrease is primarily attributable to lower contractual services expenditures related to the payment of a

third-party utilization management company and lower expenditures for other assistance due to the agency projecting that intermediate residential modality will be used less in coming years as intensive outpatient treatment modalities improve offset by increased expenditures in the agency's Administration program salaries and wages.

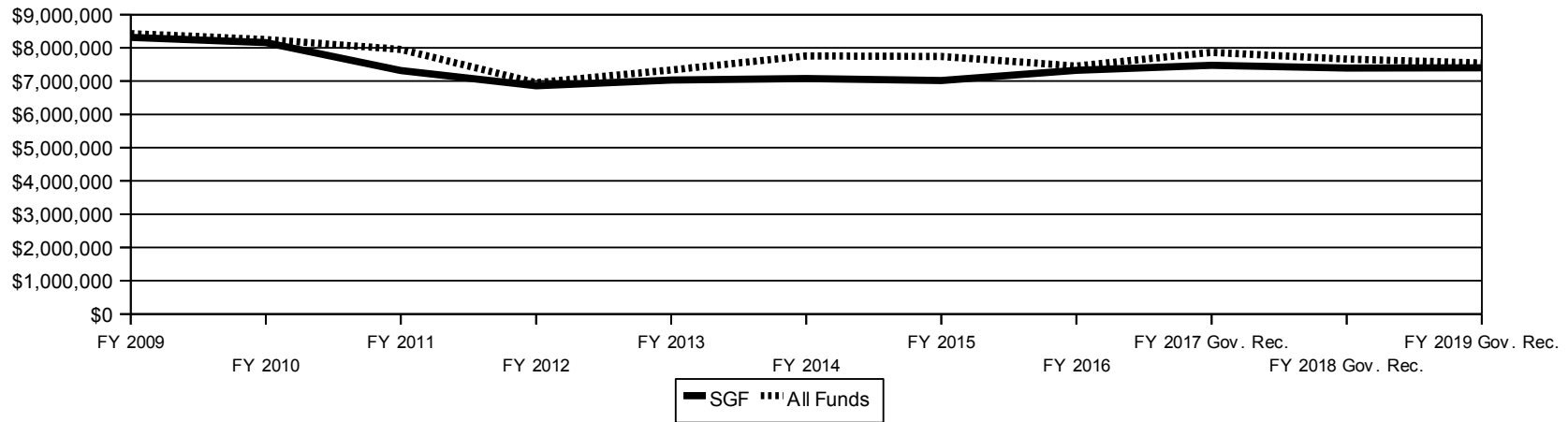
FY 2019 Governor Recommendation

The **Governor** recommends FY 2019 operating expenditures of \$7.6 million, including \$7.4 million from the State General Fund. The recommendation is an all funds decrease of \$8,640, or 0.1 percent, and a State General Fund

decrease of \$8,013, or 0.1 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$ 8,315,982	(12.6)%	\$ 8,429,974	(12.7)%	10.0
2010	8,156,594	(1.9)	8,253,571	(2.1)	10.0
2011	7,320,944	(10.2)	7,954,442	(3.6)	8.0
2012	6,857,997	(6.3)	6,953,459	(12.6)	8.0
2013	7,033,235	2.6	7,335,652	5.5	8.0
2014	7,076,303	0.6	7,759,597	5.8	9.0
2015	7,018,535	(0.8)	7,742,439	(0.2)	9.0
2016	7,324,753	4.4	7,454,878	(3.7)	9.5
2017 Gov. Rec.	7,474,218	2.0	7,865,080	5.5	9.5
2018 Gov. Rec.	7,396,560	(1.0)	7,664,229	(2.6)	9.5
2019 Gov. Rec.	7,402,736	0.1	7,546,213	(1.5)	9.5
Eleven-Year Change	\$ (913,246)	(11.0)%	\$ (883,761)	(10.5)%	(0.5)

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Administration	\$ 891,204	\$ 1,359,690	\$ 1,100,649	\$ (259,041)	(19.1)%	\$ 1,357,436	\$ 1,092,417	\$ (265,019)	(19.5)%
Substance Abuse Treatment	6,563,674	6,507,644	6,571,812	64,168	1.0	6,507,644	6,571,812	64,168	1.0
TOTAL	\$ 7,454,878	\$ 7,867,334	\$ 7,672,461	\$ (194,873)	(2.5)%	\$ 7,865,080	\$ 7,664,229	\$ (200,851)	(2.6)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 724,250	\$ 833,405	\$ 824,324	\$ (9,081)	(1.1)%	\$ 831,151	\$ 816,092	\$ (15,059)	(1.8)%
Contractual Services	151,828	510,735	260,475	(250,260)	(49.0)	510,735	260,475	(250,260)	(49.0)
Commodities	7,853	7,850	7,850	0	0.0	7,850	7,850	0	0.0
Capital Outlay	7,273	7,700	8,000	300	3.9	7,700	8,000	300	3.9
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 891,204	\$ 1,359,690	\$ 1,100,649	\$ (259,041)	(19.1)%	\$ 1,357,436	\$ 1,092,417	\$ (265,019)	(19.5)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	6,563,674	6,507,644	6,571,812	64,168	1.0	6,507,644	6,571,812	64,168	1.0
TOTAL	\$ 7,454,878	\$ 7,867,334	\$ 7,672,461	\$ (194,873)	(2.5)%	\$ 7,865,080	\$ 7,664,229	\$ (200,851)	(2.6)%
Financing:									
State General Fund	\$ 7,324,753	\$ 7,476,261	\$ 7,404,172	\$ (72,089)	(1.0)%	\$ 7,474,218	\$ 7,396,560	\$ (77,658)	(1.0)%
General Fees Fund	53,005	361,063	268,289	(92,774)	(25.7)	360,893	267,669	(93,224)	(25.8)
Federal Funds	77,120	30,010	0	(30,010)	(100.0)	29,969	0	(29,969)	(100.0)
TOTAL	\$ 7,454,878	\$ 7,867,334	\$ 7,672,461	\$ (194,873)	(2.5)%	\$ 7,865,080	\$ 7,664,229	\$ (200,851)	(2.6)%

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration	\$ 1,100,649	\$ 1,032,049	\$ (68,600)	(6.2) %	\$ 1,092,417	\$ 1,023,409	\$ (69,008)	(6.3)%
Substance Abuse Treatment	6,571,812	6,522,804	(49,008)	(0.7)	6,571,812	6,522,804	(49,008)	(0.7)
TOTAL	\$ 7,672,461	\$ 7,554,853	\$ (117,608)	(1.5) %	\$ 7,664,229	\$ 7,546,213	\$ (118,016)	(1.5)%
By Major Object of Expenditure:								
Salaries and Wages	\$ 824,324	\$ 855,724	\$ 31,400	3.8 %	\$ 816,092	\$ 847,084	\$ 30,992	3.8 %
Contractual Services	260,475	160,475	(100,000)	(38.4)	260,475	160,475	(100,000)	(38.4)
Commodities	7,850	7,850	0	0.0	7,850	7,850	0	0.0
Capital Outlay	8,000	8,000	0	0.0	8,000	8,000	0	0.0
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 1,100,649	\$ 1,032,049	\$ (68,600)	(6.2) %	\$ 1,092,417	\$ 1,023,409	\$ (69,008)	(6.3)%
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	6,571,812	6,522,804	(49,008)	(0.7)	6,571,812	6,522,804	(49,008)	(0.7)
TOTAL	\$ 7,672,461	\$ 7,554,853	\$ (117,608)	(1.5) %	\$ 7,664,229	\$ 7,546,213	\$ (118,016)	(1.5)%
Financing:								
State General Fund	\$ 7,404,172	\$ 7,410,749	\$ 6,577	0.1 %	\$ 7,396,560	\$ 7,402,736	\$ 6,176	0.1 %
General Fees Fund	268,289	144,104	(124,185)	(46.3)	267,669	143,477	(124,192)	(46.4)
Federal Funds	0	0	0	--	0	0	0	--
TOTAL	\$ 7,672,461	\$ 7,554,853	\$ (117,608)	(1.5) %	\$ 7,664,229	\$ 7,546,213	\$ (118,016)	(1.5)%

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$7,391,858 for the Sentencing Commission in FY 2017. One adjustment has been made subsequently to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made:

- An increase of \$84,403, based on the reappropriation of FY 2016 funding, which was not spent in FY 2016 and has shifted to FY 2017.

This adjustment changes the FY 2017 approved State General Fund to \$7,476,261. That amount is reflected in the table below as the currently approved FY 2017 State General Fund amount.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 7,476,261	\$ 7,476,261	\$ 0	\$ 7,474,218	\$ (2,043)
All Other Funds	107,309	391,073	283,764	390,862	283,553
TOTAL	<u>\$ 7,583,570</u>	<u>\$ 7,867,334</u>	<u>\$ 283,764</u>	<u>\$ 7,865,080</u>	<u>\$ 281,510</u>
FTE Positions	9.5	9.5	0.0	9.5	0.0

The **agency** estimates FY 2017 operating expenditures of \$7.9 million, including \$7.5 million from the State General Fund. The estimate is an all funds increase of \$283,764 or 3.7

percent, all from special revenue funds, above the FY 2017 approved amount. The all funds increase is primarily attributable to the agency's desire to contract with a third-party utilization

management company to improve its Treatment Provider Payment System by implementing a medical model for \$350,510. The agency's SB 123 Committee is writing a Request for Proposal to contract the administration of the SB 123 program to a third-party utilization management company. By changing the SB 123 program into a medical model, the agency believes it will improve its ability to oversee treatment providers. Other increases are attributable to growing salaries and wages expenditures (\$13,179) and capital outlay expenditures (\$5,700), partially offset by a decrease in other assistance expenditures (\$15,160). The revised estimate includes 9.5 FTE and 4.0 non-FTE positions, which is an increase of 1.0 FTE

above the approved amount. The non-FTE increase is attributable to the agency converting a contracted position into a non-FTE unclassified temporary position.

The **Governor** recommends FY 2017 operating expenditures of \$7.9 million, including \$7.5 million from the State General Fund. The recommendation is an all funds decrease of \$2,254, or less than 0.1 percent, including a State General Fund decrease of \$2,043, or less than 0.1 percent, below the agency's estimate. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 7,672,461	\$ 7,664,229	\$ (8,232)
FTE Positions	9.5	9.5	0.0
Change from FY 2017:			
<i>Dollar Change:</i>			
State General Fund	\$ (72,089)	\$ (77,658)	
All Other Funds	(122,784)	(123,193)	
TOTAL	<u>\$ (194,873)</u>	<u>\$ (200,851)</u>	
<i>Percent Change:</i>			
State General Fund	(1.0) %	(1.0) %	
All Other Funds	(31.4)	(31.5)	
TOTAL	<u>(2.5) %</u>	<u>(2.6) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2018 operating expenditures of \$7.7 million, including \$7.4 million from the State General Fund. The request is an overall decrease of \$194,873, or 2.5 percent, and a State General Fund decrease of \$72,809, or 1.0 percent, below the FY 2017 estimate. The request includes 9.5 FTE and 4.0 non-FTE positions, which is unchanged from the FY 2017 estimate. The overall decrease is primarily attributable to lower contractual services expenditures related to the payment of a third-party utilization management company offset by increases in the agency’s reintegration modality within its Substance Abuse Treatment program. These and other major changes for FY 2018 expenditures are described below:

- **Salaries and Wages.** The agency requests \$824,324 for salaries and wages. The request is a decrease of \$9,081, or 1.1 percent, below the FY 2017 request. The decrease is primarily attributable to a \$17,624 reduction in unclassified regular salaries and a \$5,304 reduction in unclassified temporary wages. These decreases are attributable to the 27th payroll period in FY 2017. The decreases are offset by a \$4,498 increase in group health hospitalization costs as well as a \$10,628 increase in public employee retirement system payments;

- **Contractual Services.** The agency requests \$260,475 for contractual services. The request is a decrease of \$250,260, or 49.0 percent, below the FY 2017 request. The decrease is attributable to a \$250,510 reduction in expenses to a third-party utilization management company for the administration of the SB 123 program from the FY 2017 estimate and a \$3,000 reduction in staffing and recruiting services. The decreases are offset by a \$1,000 increase in car costs, a \$2,000 increase in building space rentals, and a \$250 increase for meals and lodging;
- **Commodities.** The agency is requesting \$7,850 for commodities. The request is no change from the FY 2017 estimate;
- **Capital Outlay.** The agency requests \$8,000 for capital outlay. The request is an increase of \$300, or 3.9 percent, above the FY 2017 request. The increase is wholly attributable to the purchase of additional microcomputer equipment; and

- **Other Assistance.** The agency requests \$6,571,812 for other assistance. The request is an increase of \$64,168, or 1.0 percent, above the FY 2017 request. The agency's other assistance expenditures go the Substance Abuse Treatment program. The increase is attributable to augmenting its reimbursement rate for its reintegration modality, which allows offenders to receive educational services related to job, living, and sustained sobriety during treatment.

The **Governor** recommends FY 2018 operating expenditures of \$7.7 million, including \$7.4 million from the State General Fund. The recommendation is an overall decrease of \$8,232, or 0.1 percent, including a State General Fund decrease of \$7,612, or 0.1 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$6,742, including \$6,234 from the State General Fund, and to provide a moratorium on death and disability for one quarter, which results in an all funds reduction of \$1,490, including \$1,378 from the State General Fund.

FY 2018 Reduced Resources

The Governor has requested that agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The

information below provides details of the agency's reduced resources budget submission for the Substance Abuse Treatment program.

FY 2018 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Substance Abuse Treatment Program	<u>\$ (370,209)</u>	<u>\$ (370,209)</u>	<u>0.0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.0</u>

The **agency** would comply with the 5.0 percent State General Fund reduction of expenditures for the Substance Abuse Treatment program by \$370,209. The agency notes that for every \$1 spent on the SB 123 drug treatment program, the

Department of Corrections avoids \$4 related to incarceration costs.

The **Governor** does not recommend the agency's reduced resources budget for FY 2018.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 7,554,853	\$ 7,546,213	\$ (8,640)
FTE Positions	9.5	9.5	0.0
<i>Change from FY 2018:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 6,577	\$ 6,176	
All Other Funds	(124,185)	(124,192)	
TOTAL	<u>\$ (117,608)</u>	<u>\$ (118,016)</u>	
<i>Percent Change:</i>			
State General Fund	0.1 %	0.1 %	
All Other Funds	(46.3)	(46.4)	
TOTAL	<u>(1.5) %</u>	<u>(1.5) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$7.6 million, including \$7.4 million from the State General Fund. The request is an all funds decrease of \$117,608, or 1.5 percent, and a State General Fund increase of \$6,577, or 0.1 percent, from the agency's FY 2018 request. The request includes 9.5 FTE and 4.0 non-FTE positions, which is unchanged from FY 2018. The overall decrease is primarily attributable to lower contractual services

expenditures related to the payment of a third-party utilization management company and lower expenditures for other assistance due to the agency projecting that intermediate residential modality will be used less in coming years as intensive outpatient treatment modalities improve, offset by increased expenditures in the agency's Administration program

salaries and wages. These and other major changes for FY 2019 expenditures are described below:

- **Salaries and Wages.** The agency requests \$855,724 for salaries and wages. The request is an increase of \$31,400, or 3.8 percent, above the FY 2018 request. The increase is primarily attributable to a \$21,524 increase in unclassified temporary wages and a \$13,766 increase in group health hospitalization rates offset by a \$4,122 reduction in unclassified regular salaries and a \$416 reduction in the public employee retirement system payments;
- **Contractual Services.** The agency requests \$160,475 for contractual services. The request is a decrease of \$100,000, or 38.4 percent, below the FY 2018 request. The decrease is attributable to the agency ceasing to expend money to a third-party utilization management company;
- **Commodities.** The agency requests \$7,850 from commodities, which is no change from the FY 2018 request;

- **Capital Outlay.** The agency requests \$7,850 for capital outlay. The request is no change from the FY 2018 request; and
- **Other Assistance.** The agency requests \$6,522,804 for other assistance. The request is a decrease of \$49,008, or 0.7 percent, below the agency's FY 2018 request. The decrease is primarily attributable to the agency projecting that its intermediate residential modality will be used less in coming years as intensive outpatient treatment modalities improve. The agency asserts that increased oversight from its third-party management company will result in treatment programs placing offenders into less costly modalities (*i.e.* placing offenders into intensive outpatient treatment instead of being placed into the more expensive intermediate residential treatment facilities).

The **Governor** recommends FY 2019 operating expenditures of \$7.6 million, including \$7.4 million from the State General Fund. The recommendation is an all funds decrease of \$8,640, or 0.1 percent, and a State General Fund decrease of \$8,013, or 0.1 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

FY 2019 Reduced Resources

The Governor has requested that agencies with select funds provide a reduced resources budget submission of approximately 5.0 percent for FY 2018 and FY 2019. The

information below provides details of the agency's reduced resources budget submission for the Substance Abuse Treatment program.

FY 2019 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Substance Abuse Treatment program	\$ (370,537)	\$ (370,537)	0.0	\$ 0	\$ 0	0.0

The **agency** would comply with the 5.0 percent State General Fund reduction of expenditures for the Substance Abuse Treatment program by \$370,537. The agency states it has little control over the costs of the program, and what means it has to control costs would be difficult to implement in a timely matter.

The **Governor** does not recommend the agency's reduced resources budget for FY 2019.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, there are no longevity payments in FY 2017, for FY 2018, and for FY 2019.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to

freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$2,254, including \$2,043 from the State General Fund, in FY 2017; by \$6,742, including \$6,234 from the State General Fund, for FY 2018; and by \$8,640, including \$8,013 from the State General Fund, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$1,490, including \$1,378 from the State General Fund, for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State General Fund	96.5 %	96.5 %	98.1 %	98.1 %
General Fees Fund	3.5	3.5	1.9	1.9
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

General Fees Fund

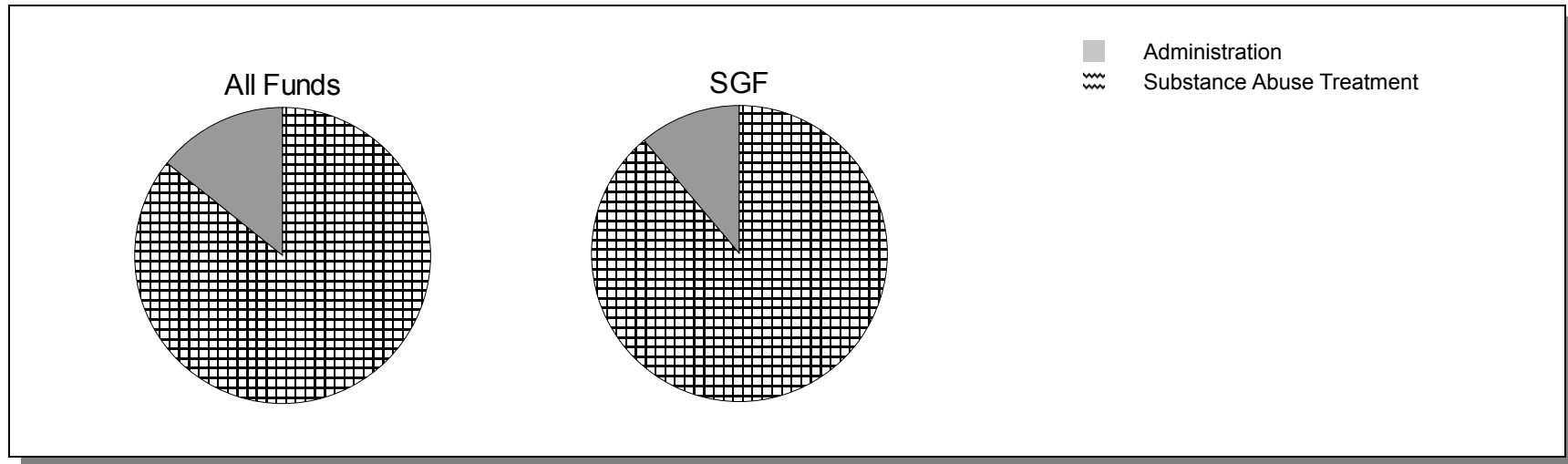
The Sentencing Commission General Fees Fund receives funds from the sale of publications and reimbursement from other state agencies. The fund previously received offender reimbursements from individuals who received drug treatment

under 2003 SB 123, but those funds are now treated as a reimbursement of expenditures from the State General Fund. Therefore, the fund is no longer being replenished from that source and is projected to be depleted by FY 2019.

Resource Estimate	Actual FY 2016	Agency Estimate FY 2017	Governor Rec. FY 2017	Agency Request FY 2018	Gov. Rec. FY 2018	Agency Request FY 2019	Gov. Rec. FY 2019
Beginning Balance	\$ 134,665	\$ 503,945	\$ 503,945	\$ 235,631	\$ 235,801	\$ 56,477	\$ 57,267
Revenue	77,329	93,249	93,249	89,635	89,635	88,127	88,127
Transfers in	345,516	0	0	0	0	0	0
Total Funds Available	\$ 557,510	\$ 597,194	\$ 597,194	\$ 325,266	\$ 325,436	\$ 144,604	\$ 145,394
Less: Expenditures	53,005	361,063	360,893	268,289	267,669	144,104	143,477
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	560	500	500	500	500	500	500
Ending Balance	<u>\$ 503,945</u>	<u>\$ 235,631</u>	<u>\$ 235,801</u>	<u>\$ 56,477</u>	<u>\$ 57,267</u>	<u>\$ 0</u>	<u>\$ 1,417</u>
Ending Balance as Percent of Expenditures	950.7%	65.3%	65.3%	21.1%	21.4%	0.0%	1.0%
Month Highest Ending Balance	July \$ 529,692	July \$ 500,817	July \$ 500,817	July \$ 220,702	July \$ 220,753	July \$ 51,771	July \$ 52,612
Month Lowest Ending Balance	June \$ 503,946	June \$ 235,631	June \$ 235,801	June \$ 56,477	June \$ 57,267	June \$ 0	June \$ 1,407

PROGRAM DETAIL

EXPENDITURES BY PROGRAM – GOVERNOR’S FY 2018 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Administration	\$ 1,092,417	14.3 %	\$ 824,748	11.2 %
Substance Abuse Treatment	6,571,812	85.7	6,571,812	88.8
TOTAL	\$ 7,664,229	100.0 %	\$ 7,396,560	100.0 %

Program	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Administration	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Substance Abuse Treatment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	9.5	9.5	9.5	9.5	9.5	9.5	9.5

A. Administration

The Administration program develops prison population projections and maintains a statewide sentencing database. The Commission annually publishes the “Desk Reference Manual,” or “Sentencing Guideline Manual,” which contains the sentencing grids and the required sentencing forms for felony

offenders. Training and assistance to judges, court services, and other criminal justice professionals also are provided on the implementation and legislative changes regarding sentencing. The agency also is an information resource to the Governor, Legislature, and the State’s criminal justice agencies.

ADMINISTRATION							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 724,250	\$ 833,405	\$ 831,151	\$ 824,324	\$ 816,092	\$ 855,724	\$ 847,084
Contractual Services	151,828	510,735	510,735	260,475	260,475	160,475	160,475
Commodities	7,853	7,850	7,850	7,850	7,850	7,850	7,850
Capital Outlay	7,273	7,700	7,700	8,000	8,000	8,000	8,000
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 891,204</i>	<i>\$ 1,359,690</i>	<i>\$ 1,357,436</i>	<i>\$ 1,100,649</i>	<i>\$ 1,092,417</i>	<i>\$ 1,032,049</i>	<i>\$ 1,023,409</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 891,204</u>	<u>\$ 1,359,690</u>	<u>\$ 1,357,436</u>	<u>\$ 1,100,649</u>	<u>\$ 1,092,417</u>	<u>\$ 1,032,049</u>	<u>\$ 1,023,409</u>
Financing:							
State General Fund	\$ 761,079	\$ 968,617	\$ 966,574	\$ 832,360	\$ 824,748	\$ 887,945	\$ 879,932
All Other Funds	130,125	391,073	390,862	268,289	267,669	144,104	143,477
TOTAL	<u>\$ 891,204</u>	<u>\$ 1,359,690</u>	<u>\$ 1,357,436</u>	<u>\$ 1,100,649</u>	<u>\$ 1,092,417</u>	<u>\$ 1,032,049</u>	<u>\$ 1,023,409</u>
FTE Positions	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Non-FTE Uncl.Perm.Pos.	3.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	<u>12.5</u>	<u>13.5</u>	<u>13.5</u>	<u>13.5</u>	<u>13.5</u>	<u>13.5</u>	<u>13.5</u>

The **agency** requests FY 2018 operating expenditures of \$1.1 million, including \$832,360 from the State General Fund, for the Administration program. The request is an all funds decrease of \$259,041, or 19.1 percent, and a State General Fund decrease of \$136,257, or 14.1 percent, below the FY 2017 estimate. The decrease is primarily attributable to a \$250,510 reduction in other contractual services and a \$9,081 reduction in salaries and wages, offset by a \$300 increase in microcomputer equipment. The requests include 9.5 FTE positions and 4.0 non-FTE positions, which is no change from the FY 2017 estimate.

The **Governor** recommends FY 2018 operating expenditures of \$1.1 million, including \$824,748 from the State General Fund, for the Administration program. The recommendation is an all funds decrease of \$8,232, or 0.7 percent, including a State General Fund decrease of \$7,612, or 0.9 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$6,742, including \$6,234 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$1,490, including \$1,378 from the State General Fund.

The **agency** requests FY 2019 operating expenditures of \$1.0 million, including \$887,945 from the State General Fund, for the Administration program. The request is an all funds decrease of \$68,600, or 6.2 percent, and a State General Fund increase of \$55,585, or 6.7 percent, from the FY 2018 estimate. The decrease is attributable to the agency ceasing to expend money to a third-party utilization management company for \$100,000 in FY 2018, offset by a \$31,400 increase in salaries and wages. The increase in salaries and wages is primarily attributable to rising group health hospitalization rates (\$13,766) and rising unclassified temporary wages (\$21,524) offset by decreases in unclassified regular salaries and wages (\$4,122). The request includes 9.5 FTE positions and 4.0 non-FTE positions, which is no change from the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$1.0 million, including \$879,932 from the State General Fund. The recommendation is an all funds decrease of \$8,640, or 0.8 percent, and a State General Fund decrease of \$8,013, or 0.9 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

B. Substance Abuse Treatment

The Kansas Sentencing Commission is responsible for the implementation, development, and management of 2003 SB 123. This law requires offenders convicted of drug possession to attend mandatory substance abuse treatment. Treatment options include detoxification; inpatient, outpatient, and continuing care; aftercare; and relapse prevention and education. Offenders are placed under the supervision of

Community Corrections. The Kansas Sentencing Commission is responsible for the payment of treatment providers in this program, as well as the collection of reimbursement money from offenders with the ability to pay for a portion of the treatment. The agency also is collecting data on this offender group to analyze whether mandatory substance abuse treatment is an effective alternative to incarceration.

SUBSTANCE ABUSE TREATMENT							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,563,674	6,507,644	6,507,644	6,571,812	6,571,812	6,522,804	6,522,804
TOTAL	\$ 6,563,674	\$ 6,507,644	\$ 6,507,644	\$ 6,571,812	\$ 6,571,812	\$ 6,522,804	\$ 6,522,804
Financing:							
State General Fund	\$ 6,563,674	\$ 6,507,644	\$ 6,507,644	\$ 6,571,812	\$ 6,571,812	\$ 6,522,804	\$ 6,522,804
All Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 6,563,674	\$ 6,507,644	\$ 6,507,644	\$ 6,571,812	\$ 6,571,812	\$ 6,522,804	\$ 6,522,804
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl.Perm.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests FY 2018 operating expenditures of \$6.6 million, all from the State General Fund, for the Substance

Abuse Treatment program. The request is a State General Fund increase of \$64,168, or 1.0 percent, above the FY 2017

estimate. The increase is attributable to augmenting its reimbursement rate for its reintegration modality, which allows offenders to receive educational services related to job, living, and sustained sobriety during treatment. The program does not employ any personnel as FTE or non-FTE.

The **Governor** concurs with the agency's FY 2018 request.

The **agency** requests FY 2019 operating expenditures of \$6.5 million, all from the State General Fund, for the Substance Abuse Treatment program. The request is a State General Fund decrease of \$49,008, or 0.7 percent, below the FY 2018

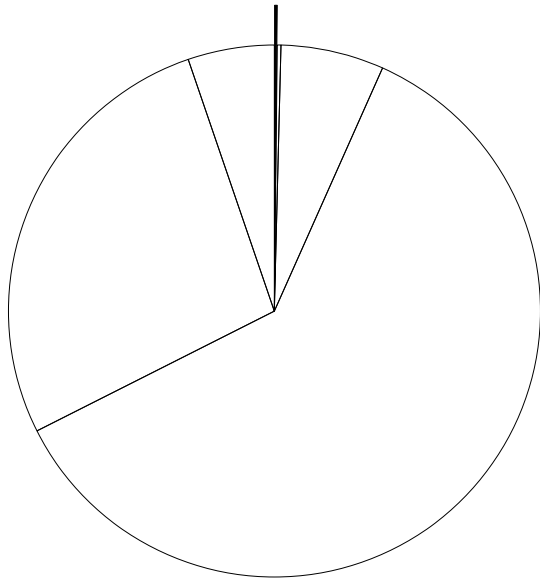
request. The decrease is attributable to the agency projecting that its intermediate residential modality will be used less in coming years as intensive outpatient treatment modalities improve. The agency asserts that increased oversight from its third-party management company will result in treatment programs placing offenders into less costly modalities (*i.e.* placing offenders into intensive outpatient treatment instead of being placed into the more expensive intermediate residential treatment facilities). The program does not employ any personnel as FTE or non-FTE.

The **Governor** concurs with the agency's FY 2019 request.

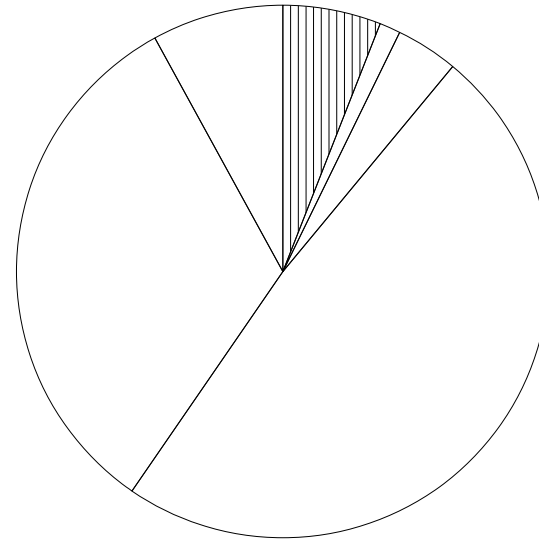
Measure	PERFORMANCE MEASURES				
	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
Number of adult journal pre-sentence investigation reports entered into database	17,823	20,064	20,365	20,670	20,980
Number of staff hours required to complete adult prison population projections	3,200	3,200	3,200	3,300	3,300
Number of offenders receiving alternative substance abuse treatment	1,650	2,054	2,000	2,000	2,000
Number of prison bed impact statements completed	700	722	730	740	750

TRANSPORTATION

State General Fund



All Funds



Transportation includes the Department of Transportation (KDOT) that has responsibility for the construction and maintenance of highways and other transportation functions. It also includes funding for debt service payments made by the Department of Administration.

The Governor's FY 2018 recommendation for the Transportation function totals \$912.1 million from all funding sources, including \$10.4 million from the State General Fund.

Agencies in this Function:
<i>Kansas Department of Transportation.....561</i>

The FY 2018 recommendation represents a State General Fund decrease of less than 0.1 percent, or \$1,919, below FY 2017. Expenditures from all funds decrease by 27.5 percent, or \$345.4 million, below FY 2017.

A total of 1,846.0 FTE positions are recommended by the Governor for the Transportation function for FY 2018, which is no change from FY 2017. Of all state FTE positions, 5.0 percent are in this function.

Agencies in this function comprise 0.2 percent of the total State General Fund budget for FY 2018, unchanged from FY 2017. They comprise 6.0 percent of expenditures from all funding sources for FY 2018, down from 7.9 percent in FY 2017.

The Governor's FY 2019 recommendation for the Transportation function totals \$1.2 billion from all funding sources.

The FY 2019 recommendation represents a State General Fund decrease of 100.0 percent, or \$10.4 million, below FY 2018. Expenditures from all funds increase by 27.9 percent, or \$254.2 million, above FY 2018.

A total of 1,846.0 FTE positions are recommended by the Governor for the Transportation function for FY 2019, which is no change from FY 2018. Of all state FTE positions, 5.0 percent are in this function.

Agencies in this function comprise 0.0 percent of the total State General Fund budget for FY 2019, down from 0.2 percent from FY 2018. They comprise 7.4 percent of expenditures from all funding sources for FY 2019, up from 6.0 percent for FY 2018.

KANSAS DEPARTMENT OF TRANSPORTATION

	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Operating Expenditures:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	619,048,459	650,200,219	653,049,317	628,544,394	628,947,943	620,258,610	621,355,996
TOTAL	\$ 619,048,459	\$ 650,200,219	\$ 653,049,317	\$ 628,544,394	\$ 628,947,943	\$ 620,258,610	\$ 621,355,996
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	365,123,988	897,675,143	594,078,089	665,879,695	272,745,161	924,483,884	544,926,227
TOTAL	\$ 365,123,988	\$ 897,675,143	\$ 594,078,089	\$ 665,879,695	\$ 272,745,161	\$ 924,483,884	\$ 544,926,227
Reportable Exp. - TOTAL	\$ 984,172,447	\$ 1,547,875,362	\$ 1,247,127,406	\$ 1,294,424,089	\$ 901,693,104	\$ 1,544,742,494	\$ 1,166,282,223
Non-Reportable Exp. - TOTAL	\$ 606,090,914	\$ 184,124,782	\$ 184,124,782	\$ 203,489,593	\$ 203,489,593	\$ 203,489,593	\$ 218,745,754
GRAND TOTAL	<u>\$ 1,590,263,361</u>	<u>\$ 1,732,000,144</u>	<u>\$ 1,431,252,188</u>	<u>\$ 1,497,913,682</u>	<u>\$ 1,105,182,697</u>	<u>\$ 1,748,232,087</u>	<u>\$ 1,385,027,977</u>
Percentage Change:							
Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	1.2	5.0	5.5	(3.3)	(3.7)	(1.3)	(1.2)
FTE Positions	1,899.0	1,846.0	1,846.0	1,846.0	1,846.0	1,846.0	1,846.0
Non-FTE Perm.Uncl.Pos.	616.6	464.0	464.0	464.0	464.0	464.0	464.0
TOTAL	<u>2,515.6</u>	<u>2,310.0</u>	<u>2,310.0</u>	<u>2,310.0</u>	<u>2,310.0</u>	<u>2,310.0</u>	<u>2,310.0</u>

AGENCY OVERVIEW

The Kansas Department of Transportation (KDOT) is a cabinet-level agency headed by a secretary appointed by the Governor. The purpose of KDOT is to coordinate the planning, development, and operation of the various modes and systems of transportation within the state. KDOT has administrative and planning responsibilities for aviation, highways, public transportation, railroads, and waterways. However, the agency's efforts focus primarily on approximately 10,000 of the state highway system's 140,000 miles of public roads and highways (KSA 68-406(a)). KDOT has four programs: Administration and Transportation Planning, Local Support, Maintenance, and Construction.

Reportable and Non-reportable Expenditures

In order to gauge the full magnitude of spending by KDOT, a number of tables include non-reportable expenditures including bond payments (largest), inter-agency transfers, inter-agency motor fuel sales, payments for the Rail Loan program, and leasing of radios and tower space as part of KDOT's inter-operable 800 MHz communication system. However, for state budgeting and accounting purposes, an expenditure is categorized as reportable only when it initially is spent to avoid

MAJOR ISSUES FROM PRIOR YEARS

Comprehensive Transportation Program

The **1999 Legislature** passed a ten-year Comprehensive Transportation Program (CTP) for FY 2000 through FY 2009. The CTP included maintenance and substantial maintenance; construction and reconstruction, with major modifications and priority bridges; system enhancement projects; and a highway

double counting. Consequently, when reviewing KDOT's budget, most tabular data (including those in the Governor's Budget Report) reflect reportable expenditures and exclude spending of non-reportable money. The magnitude of non-reportable spending by KDOT is significant. **Within the agency's budget submission, non-reportable expenditures include \$184.1 million in FY 2017, \$203.5 million for FY 2018, and \$218.7 million for FY 2019.**

State Operations and Capital Improvements

In a state agency budget, state operations include agency operating costs for salaries and wages and other operating expenditures. Other operating expenditures include contractual services, commodities, and capital outlay. Agency budgets also include separate categories for aid to local units, other assistance, and capital improvements. The KDOT budget differs from other agency budgets in that expenditures typically considered state operations are included with budgeted capital improvements expenditures. For example, the Construction program includes capital improvements expenditures but also contains expenditures classified as state operations.

demonstration project to evaluate pavement guarantees by the contractor. The CTP also provided enhanced assistance to local units of government and programs for other transportation elements, including rail, air, and public transit.

Total CTP expenditures of \$12.9 billion were proposed in 1999 with total revenues estimated at \$12.7 billion. To fund the

program, the Legislature included revenue enhancements totaling \$2.3 billion from motor fuels taxes, a State General Fund sales tax transfer, interest on funds, and bonds. With the completion of the CTP, actual revenues and expenditures from FY 2000 to FY 2009 totaled \$13.3 billion.

The Legislature made a series of adjustments to the financing of the CTP. The following describes the major revenue sources of the CTP, the original funding mechanisms, and the changes adopted by subsequent Sessions of the Legislature:

- **Motor Fuels Taxes.** The **1999 Legislature** authorized a 4¢-per-gallon increase in motor fuel taxes. The tax was implemented in phases, with a 2¢ increase on July 1, 1999, a 1¢ increase on July 1, 2001, and the remaining 1¢ increase on July 1, 2003. The 2002 Legislature increased the motor fuel tax an additional 2¢ per gallon beginning on July 1, 2002, for a total increase of 6¢ between 1999 and July 1, 2003. The additional 2¢ increase in 2002 was estimated to generate an additional \$253.7 million for the CTP from FY 2003 to FY 2009;
- **State General Fund Sales Tax Transfer.** Beginning in 1983, a portion of sales tax receipts were transferred from the State General Fund to the State Highway Fund. The Legislature took the following actions regarding these transfers:
 - The **1999 Legislature** approved the transfer of 7.628 percent of sales tax receipts from the State General Fund to the State Highway Fund for FY 2000 and FY 2001. The original intent was to increase the transfer over the next five fiscal years to a rate of 12.0 percent in FY 2005 and subsequent fiscal years; and
 - The **2000 Legislature** reduced the transfers in FY 2000 and FY 2001 by \$27.2 million and \$39.2 million, respectively. The 2001 Legislature approved a further reduction of \$3.0 million in the FY 2001 transfer and reduced the FY 2002 transfer by \$20.0 million. The 2002 Legislature eliminated the FY 2003 sales tax transfer, estimated at \$149.0 million. The 2003 Legislature eliminated the estimated \$128.0 million sales tax transfer in FY 2004. The sales tax transfer was eliminated for the remainder of the CTP by the 2004 Legislature;
- **Sales and Compensating Use Tax Direct Deposit.** The **1989 Legislature** increased the sales and compensating use tax from 4.00 percent to 4.25 percent, and directed that the additional 0.25 percent go to the State Highway Fund; the State Highway Fund also received a direct deposit attributable to this portion of all sales and use tax receipts. The 2004 Legislature increased the sales and use tax direct deposit to 0.38 percent beginning in FY 2007 and to 0.65 percent in FY 2008 and subsequent fiscal years;
- **Motor Vehicle Registration Fees.** Motor vehicle registration fees are deposited in the State Highway Fund. The **2002 Legislature** increased motor vehicle registration fees for passenger automobiles and pickup trucks by \$5, and for other trucks in amounts ranging from \$2 to \$10,

beginning July 1, 2002. The increases were estimated to generate an additional \$84.6 million for the CTP from FY 2003 to FY 2009;

- **Federal Construction Reimbursement.** The **2004 Legislature** included an estimated additional \$250.0 million in federal aid from FY 2005 to FY 2009;
- **Bonding Authority.** The **1999 Legislature** authorized the issuance of CTP bonds of \$995.0 million, backed by the State Highway Fund. The 2001 Legislature authorized additional bond authority of \$277.0 million for the CTP. This additional bonding was authorized to offset the reduction in the sales tax transfer approved by the 2001 Legislature. To compensate for the elimination of the sales tax transfer, the 2004 Legislature authorized the issuance of \$150.0 million in State General Fund backed bonds with the proceeds deposited in the State Highway Fund. In addition, the 2004 Legislature authorized the issuance of up to an additional \$60.0 million in State General Fund bonds if the Federal Highway Trust Fund did not generate an additional \$50.0 million annually for the CTP. The agency reports that all the authorized CTP and State General Fund bonds have been issued. The debt service for the \$210.0 million in State General Fund bonds appears in the Department of Administration's budget; and
- **Other Adjustments.** The **2002 Legislature** transferred \$94.6 million from the State Highway Fund to the State General Fund. This funding was equal to the FY 2002 sales tax transfer

amount and was considered a loan with repayment scheduled in FY 2003. The 2003 Legislature delayed repayment until FY 2007 with the repayment to be spread over four fiscal years.

The **2003 Legislature** transferred \$28.9 million from the State Highway Fund to the State General Fund to finance the Kansas Highway Patrol in FY 2004. This transfer was considered to be a loan with repayment scheduled each year from FY 2007 to FY 2010. The 2003 Legislature also transferred \$1.6 million from the State Highway Fund to the State General Fund to finance a portion of the Department of Revenue's Division of Vehicles. This loan was scheduled for repayment in FY 2007.

The **2006 Legislature** approved a \$32.5 million transfer in FY 2007 from the State General Fund to the State Highway Fund for loan repayments. Payments of \$31.9 million annually were scheduled in fiscal years 2008, 2009, and 2010 (as noted later, Governor and legislative action canceled both the FY 2009 and FY 2010 loan repayments to the State Highway Fund).

Other Major Issues

The **2008 Legislature** passed SB 359, which authorized up to \$1.0 million in FY 2009 and FY 2010 from the North Central Kansas Air Passenger Service Support Fund for the Manhattan, Kansas, regional airport to secure passenger service, with reimbursements for any expenditures to be paid from the Economic Development Initiatives Fund in subsequent fiscal years.

The **2009 Legislature** approved the transfer of \$25,287,150, all from the State Highway Fund, to the State General Fund to reimburse the State General Fund in FY 2009 and FY 2010 for Comprehensive Transportation Plan bond payments.

The **2010 Legislature** approved expenditure reductions and transfers from the State Highway Fund to the State General Fund which totaled \$143.3 million in FY 2010 and included: 1) \$108.0 million captured through reductions to agency operations, preservation lettings, and existing State Highway Fund balance; 2) \$25.3 million transferred to reimburse the State General Fund for debt service principal and interest payments on CTP bonds (as part of 2009 Senate Sub. for HB 2373); and 3) \$10.0 million transferred as part of \$11.0 million in federal funding the agency is eligible to receive as part of the passage of HB 2130, the primary safety belt law.

In addition, the **2010 Legislature** approved expenditure reductions and transfers from the State Highway Fund to the State General Fund totaling \$149.3 million in FY 2011, which included: 1) \$124.3 million captured through reductions to agency operations, preservation lettings, and existing State Highway Fund balance; and 2) \$25.0 million to reimburse the State General Fund for debt service principal and interest payments on CTP bonds.

The **2010 Legislature** also approved cancellation of the transfer of \$10.1 million from the State General Fund to the Special City and County Highway Fund in FY 2011.

The **2010 Legislature** also approved cancellation of the FY 2011 loan repayment from the State General Fund to the State Highway Fund of \$30,896,209. The amount was originally delayed from FY 2010 to FY 2011.

In addition, the **2010 Legislature** added language that would repay the 5 previously underpaid counties a total of \$11.1

million from FY 2012 to FY 2016 from the Special City and County Highway Fund. The payments are deducted from the quarterly distributions from the Special City and County Highway Fund for 5 years from the 100 remaining counties that were overpaid from FY 2000 to FY 2009.

The **2010 Legislature** also passed the ten-year T-WORKS transportation program (Senate Sub. for Senate Sub. for HB 2650) for the period of FY 2011 to FY 2020. Expenditures for the period are estimated at \$8.2 billion. New revenue enhancements of \$2.7 billion during the period are authorized, including authority to issue new bonds up to an 18.0 percent debt service bonding cap (such that debt service on agency bonds owed in a year cannot exceed 18.0 percent of expected State Highway Fund revenues). It is estimated that \$1.7 billion in bonds will be issued over the ten-year period.

The **2011 Legislature** transferred \$205.0 million from the State Highway Fund to the State General Fund in FY 2012. In order to capture the necessary savings for the FY 2012 transfer, preservation projects were reduced by \$22.0 million in both FY 2011 and FY 2012. The additional \$5.0 million was to capture administrative savings experienced by the agency in FY 2011.

The **2013 Legislature** transferred \$3.5 million from the State Highway Fund to the new Municipal University Forensic Laboratory Fund in FY 2014 and added language to provide that the transfer shall be repaid in full by Washburn University before the end of FY 2015. The 2013 Legislature then added \$3.5 million, all from the new Municipal University Forensic Laboratory Fund in FY 2014, to provide funding for a new forensic science laboratory at Washburn University for use by the Kansas Bureau of Investigation.

The **2013 Legislature** transferred \$6,751,952 from the State Highway Fund to the Department of Revenue's Division of Vehicles Modernization Fund in FY 2013; transferred \$893,036 from the State Highway Fund to the Department of Education in

FY 2013, \$143.5 million in FY 2014, and \$107.5 million in FY 2015; and increased the transfer from the State Highway Fund to the Kansas Highway Patrol Operations Fund by \$315,986 in FY 2013.

The **2013 Legislature** deleted \$25,000 in FY 2013, \$321,267 and 3.0 FTE positions in FY 2014, and \$305,161 and 3.0 FTE positions in FY 2015, all from special revenue funds, to transfer certain emergency response responsibilities from the Department of Transportation to the Adjutant General.

The **2013 Legislature** approved direct transfers from the State Highway Fund to the Highway Patrol Operations Fund, totaling \$55.1 million in FY 2014 and \$56.5 million for FY 2015, to support the operations of the Highway Patrol.

The **2013 Legislature** reduced the sales tax to 6.15 percent, effective July 1, 2013. This change in sales tax also led to a recalculation of the amount the State Highway Fund receives in order to keep them whole. It was estimated that KDOT would receive sales tax in the amount of \$478.5 million in FY 2014 and \$510.3 million in FY 2015.

The **2013 Legislature** passed HB 2234 which names the Secretary of Transportation (Secretary) as the director of operations of the Kansas Turnpike Authority (KTA). The director of operations is responsible for the daily administration of the toll roads, bridges, structures, and facilities constructed, maintained, or operated by the KTA and the director or the director's designee would have such powers as are necessary to carry out those responsibilities. The bill set this provision to expire July 1, 2016 (this sunset provision was later removed by the 2015 Legislature in HB 2085).

The bill provided the KTA cannot use KTA toll or other revenue in ways other than those established in existing law: maintaining, repairing, and operating turnpike projects; paying principal and interest on bonds and creating reserves for the

same; fixing and collecting tolls; and entering into certain types of contracts.

The bill changed authority for contracting between KTA and the Kansas Department of Transportation (KDOT) for three years. The bill adds an effective date of July 1, 2016, to provisions in existing law regarding contracting between the KTA and KDOT (generally, allowing KTA to contract with KDOT for use of KDOT resources for certain types of work related to KTA projects).

In a new section, the bill stated the KTA retains its separate identity, powers, and duties as an instrumentality of the State; however, the bill in this new section requires duplication of effort, facilities, and equipment between KDOT and the KTA be minimized in operation and maintenance of turnpikes and highways in the State. The KTA and the Secretary are authorized to take actions, including the temporary transfer of personnel, property, and equipment from the KTA to the Secretary and from the Secretary to the KTA. Further, the bill requires the integrity of the bonded indebtedness be maintained through the actions of the KTA. The provisions of this new section were set by the bill to expire July 1, 2016 (this sunset provision was later removed by the 2015 Legislature in HB 2085).

The **2014 Legislature** deleted \$4.8 million in FY 2014 and \$10.5 million in FY 2015 in debt service expenditures based on the most recent estimates from the Highway Revenue Estimating Group.

The **2014 Legislature** deleted \$1.4 million in FY 2014 and \$1.7 million in FY 2015 in Special City and County Highway Fund expenditures based on the most recent estimates from the Highway Revenue Estimating Group.

The **2014 Legislature** deleted \$3.5 million, all from the Municipal University Forensic Laboratory Fund, to reflect

expenditures not made from the fund in FY 2014. These funds were later transferred to the State General Fund as part of HB 2506.

The **2014 Legislature** transferred \$7.5 million, all from the State Highway Fund, to the State General Fund to provide for Statehouse grounds renovation and repair payments in FY 2014.

The **2014 Legislature** transferred \$20.0 million, all from the State Highway Fund, to the Statehouse Debt Service account of the Department of Administration to pay for Statehouse Debt Service payments for FY 2015.

The **2014 Legislature** added \$20,800, all from the State Highway Fund, from Sub. for 2014 HB 2424, which allows the agency to expend gifts and donations for designations and memorial signage for FY 2015.

The **2015 Legislature** approved reductions to preservation projects and lettings of \$51.0 million in FY 2015, \$491.0 million for FY 2016, and \$30.0 million for FY 2017; reductions to agency operations of \$7.8 million in FY 2015, \$13.3 million for FY 2016, and \$13.8 million for FY 2017. These approved reductions helped achieve savings for various transfers, including those to the State General Fund as follows: \$158.5 million in FY 2015 as part of House Sub. for SB 4, and \$129.3 million for FY 2016 and \$130.8 million for FY 2017 as part of House Sub. for SB 112. House Sub. for SB 112 also included language suspending the restriction capping Bond Debt Service expenditures to 18.0 percent of projected State Highway Fund revenues for both FY 2016 and FY 2017.

Additional legislation affecting the agency passed during the **2015 Session** and effective in FY 2016 includes:

- HB 2085 removed the sunset on the KDOT and KTA partnership. Additionally, the legislation designated the Secretary of Transportation as the Director of the Kansas Turnpike Authority. The Secretary previously had been designated the Director of Operations for the Kansas Turnpike Authority;
- SB 270 made several changes to tax law, including raising the state sales tax rate from 6.15 percent to 6.50 percent. The bill requires 16.226 percent in FY 2016 and 16.154 percent beginning July 1, 2016, of state sales tax collections to be deposited in the State Highway Fund. The overall portion of state sales tax receipts directed to the State Highway Fund remains at four-tenths above the Comprehensive Transportation Program level;
- SB 127 requires the Secretary of Transportation, prior to installing any memorial signs, to have received donations that cover the costs associated with designing and installing the signs plus 50.0 percent to help defray future maintenance costs;
- HB 2391 provides state agencies the authority to hire and promote individuals into regular unclassified positions; and
- The Legislature, through the passage of Senate Sub for HB 2135, authorized the Director of the

Division of the Budget to lapse appropriations or transfer funding from special revenue funds to the State General Fund, up to a total of \$100.0 million, at any time during FY 2016 if the Director determined the unencumbered ending balance of the State General Fund for FY 2016 would be less than \$100.0 million. This authority did not apply to appropriations for the Judicial Branch, Legislative Branch agencies, debt service, employer contributions to the Kansas Public Employees Retirement System (KPERs), the Department of Education (except the agency's operating expenditures account), or demand transfers to the school district capital improvements fund.

The **2016 Legislature**, through the passage of House Sub. for SB 161, added language to reinstate the maximum annual debt service on outstanding bonds issued shall not exceed 18.0 percent of projected annual State Highway Fund revenues, and set the cap to 19.0 percent for FY 2017. After FY 2017, the cap would continue at 18.0 percent annual debt service to projected annual State Highway Fund revenues. This bill also created the Conversion of Materials and Equipment Fund.

BUDGET SUMMARY AND KEY POINTS

FY 2017 Agency Estimate

The **agency** estimates a revised reportable budget in FY 2017 totaling \$1.5 billion, all from special revenue funds, which is an increase of \$192.3 million, or 14.2 percent, above the FY 2017 approved amount. The agency notes the increase is due largely to ongoing projects that were delayed from FY 2016 into FY 2017. The agency states this is the seventh year of the T-

Additional legislation affecting the agency passed during the **2016 Session** includes:

- House Sub. for SB 249 added language directing certain duties for the Director of Unmanned Aircraft Systems (UAS) for FY 2017
- SB 245 created the DUI memorial signage program, and the Legislature added \$70,000, all from the State Highway Fund, for expenditures related to the administration and operation of this program for FY 2017; and
- In HB 2610, the Legislature added \$19,300 for four memorial signage designations for FY 2017. These FY 2017 designations included: the Chief Warrant Officer 5 David Carter Fallen Veterans Memorial Interchange; the John Troy, Pete Hughes, and Earl Seifert Highway; the Captain Chris Norgren Memorial Interchange; and the SGT Lavern W. Tegtmeier Memorial Highway.

WORKS program, and that fluctuations in its funding request are due to its best estimate at a given point in time as to projects being let or added, projects being pushed forward into FY 2017, cost savings or leftover preservation funds being spent, and subsequent funding streams for these projects. The agency notes the submitted budget includes \$2.0 million in

expenditures for each fiscal year for the Unmanned Aircraft Systems program to meet legislative directives contained in 2016 SB 249. Changes from the FY 2017 approved budget include the following adjustments:

- A \$168.0 million increase in revised estimated State Highway Fund projects expenditures moved/added/continued into FY 2017;
- A \$15.5 million increase in revised estimated State Highway Fund operations expenditures from special revenue fund receipts in FY 2017;
- A \$3.3 million increase to rail service improvement fund expenditures in FY 2017;
- A \$3.0 million in additional expenditures from the Conversion of Materials and Equipment, a no limit special revenue fund created by 2016 House Sub. for SB 161 in FY 2017;
- A \$8.5 million increase to coordinated public transportation assistance expenditures in FY 2017; and
- A \$109,733 increase to public use general aviation development expenditures in FY 2017.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$1.2 billion, all from special revenue funds. The recommendation is an all funds decrease of \$300.7 million, or 19.4 percent, below the agency's revised FY 2017 estimate. The

These increases are partially offset by the following decreases:

- A \$4.9 million decrease to debt service expenditures in FY 2017; and
- A \$1.3 million decrease to other federal grants expenditures in FY 2017.

The FY 2017 revised estimate includes salaries and wages expenditures totaling \$144.1 million, which is a decrease of \$2.8 million, or 1.9 percent, below the FY 2017 approved amount. Salaries and wages in the FY 2017 revised reportable estimate support 1,846.0 FTE positions, which is a decrease of 53.0 FTE positions from the number approved by the 2016 Legislature, and a decrease of 152.6 non-FTE positions below the FY 2017 approved amount. The agency states that as positions become vacant, it is only filling those that are deemed critical. Prior budgets included unfunded vacant positions and this budget submission only includes filled and vacant positions anticipated to be filled at the time of the submission. The agency notes the submitted budget does not include any unfunded vacant positions.

The agency's FY 2017 revised estimate includes federal and local aid reimbursement estimates totaling \$389.1 million. This is an increase of \$127.4 million, or 48.7 percent, above the FY 2016 actual amount.

decrease is attributable to the Governor's recommendations to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$370,829. Additional

adjustments included within the Governor's recommendation in FY 2017 are as follows:

- Transfer all sales tax revenue credited to the State Highway Fund to state agencies and the State General Fund. The approved State Highway Fund transfer to the State General Fund was \$270.8 million, but due to revised revenues from the November 2016 Consensus Revenue Estimate, the Governor recommended to reduce this transfer by \$15.4 million;
- Reduce State Highway Fund projects expenditures to accurately reflect recommended

State Highway Fund transfers, with the following State Highway Fund expenditure reductions:

- Reduce state projects expenditures by \$19.5 million; and
- Reduce preservation project expenditures by \$284.1 million; and
- Add \$3.2 million, all from the Special City and County Highway Fund, in order to reflect the most recent estimated revenues and expenditures by the November 2016 Highway Consensus Revenue Estimating group in FY 2017.

FY 2018 Agency Request

The **agency** requests a FY 2018 reportable budget of \$1.3 billion, all from special revenue funds, a decrease of \$253.5 million, or 16.4 percent, below the FY 2017 revised estimate. The agency's FY 2018 budget reflects this being the eighth year of the T-WORKS program and the continuation of current and planned project expenditures, and reflects the agency's best estimate as to project expenditure schedules. The decrease is related particularly to reductions made to T-WORKS construction expenditures for expansion and modernization projects, which have been delayed to FY 2019 and beyond.

The FY 2018 request includes operating expenditures totaling \$628.5 million, which is a decrease of \$21.7 million, or 3.3 percent, below the FY 2017 revised reportable operating budget. The FY 2018 request includes salaries and wages

expenditures totaling \$142.5 million, which is a decrease of \$1.6 million, or 1.1 percent, below the FY 2017 revised estimate. The agency states the FY 2018 budget reflects the return to 26 pay periods (FY 2017 included an additional pay period) as well as adjustments to account for changes in benefit rates and inflation. The agency notes the FY 2018 request does not include any shrinkage. The FY 2018 request includes 1,846.0 FTE positions and 464.0 non-FTE positions, which is no change from the FY 2017 revised estimate.

The agency's budget submission notes federal and local aid reimbursements estimates within the FY 2018 request totaling \$386.9 million. This is a decrease of \$2.2 million, or 0.6 percent, below the FY 2017 revised estimate.

FY 2018 Governor Recommendation

The **Governor** recommends FY 2018 operating expenditures of \$901.7 million, all from special revenue funds. The recommendation is an all funds decrease of \$392.7 million, or 30.3 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1.1 million, all from special revenue funds, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$245,533. Additional adjustments included within the Governor's recommendation for FY 2018 are as follows:

- Transfer \$288.3 million from the State Highway Fund to the State General Fund, and continue ordinary transfers to other state agencies;

- Reduce preservation project expenditures by \$393.1 million to account for recommended revenue transfers;
- Add \$1.8 million, all from the Special City and County Highway Fund, in order to reflect the most recent estimated revenues and expenditures by the November 2016 Highway Consensus Revenue Estimating group for FY 2018;
- Reallocate \$1.8 million in requested buildings projects expenditures to preservation projects expenditures for FY 2018; and
- Reallocate (technical correction) \$517,627, in special revenue fund expenditures, from the Maintenance program to the Administration program.

FY 2019 Agency Request

The **agency** requests a FY 2019 reportable budget of \$1.5 billion, all from special revenue funds, an increase of \$250.3 million, or 19.3 percent, above the FY 2018 request. The agency's FY 2019 budget reflects this being the ninth year of the T-WORKS program and the continuation of current, planned, and delayed project expenditures, and reflects the agency's best estimate as to project expenditure schedules.

The FY 2019 request includes operating expenditures totaling \$620.3 million, which is a decrease of \$8.3 million, or

1.3 percent, below the FY 2018 requested reportable operating budget. The FY 2019 request includes salaries and wages expenditures totaling \$144.5 million, which is an increase of \$2.0 million, or 1.4 percent, above the FY 2018 request. The agency states the FY 2019 budget reflects adjustments to account for increases for employee benefit rates and inflation. The agency notes the FY 2019 request does not include any shrinkage. The FY 2019 request includes 1,846.0 FTE positions and 464.0 non-FTE positions, which is no change from the FY 2018 request.

The agency's budget submission notes Federal and Local Aid reimbursements estimates within the FY 2019 request

totaling \$388.6 million. This is an increase of \$1.7 million, or 0.45 percent, above the FY 2018 request.

FY 2019 Governor Recommendation

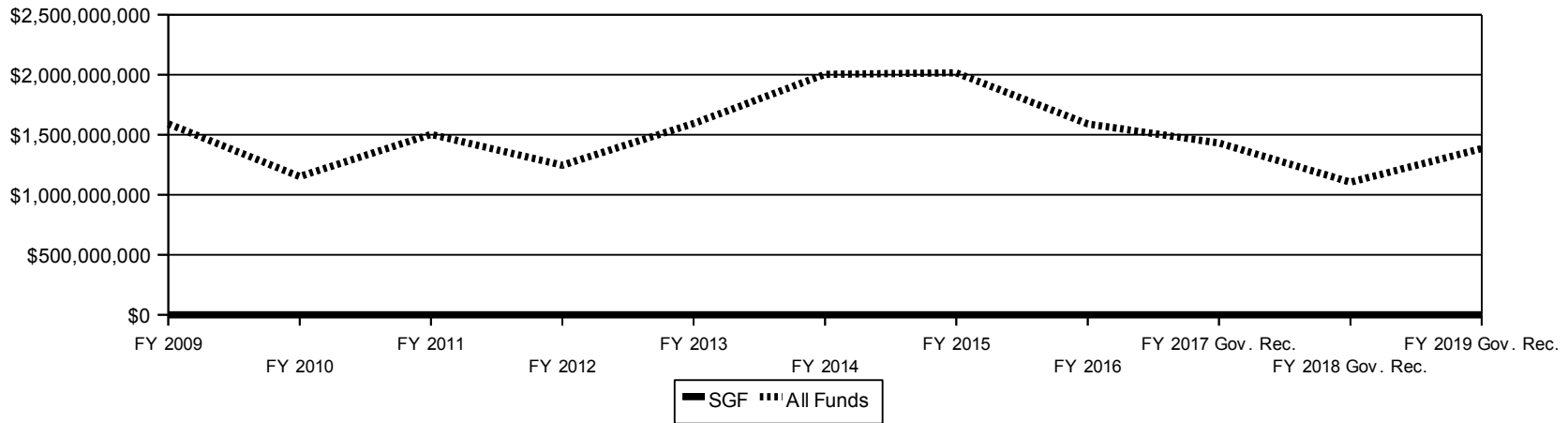
The **Governor** recommends FY 2019 operating expenditures of \$1.2 billion, all from special revenue funds. The recommendation is an all funds decrease of \$378.5 million, or 24.5 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1.6 million. Additional adjustments included within the Governor's recommendation for FY 2019 are as follows:

- Transfer \$293.1 million from the State Highway Fund to the State General Fund and continue ordinary transfers to other state agencies;
- Reduce preservation project expenditures by \$194.6 million to account for recommended revenue transfers;

- Reduce state projects expenditures by \$185.0 million to account for recommended revenue transfers;
- Add \$2.7 million, all from the Special City and County Highway Fund, in order to reflect the most recent estimated revenues and expenditures by the November 2016 Highway Consensus Revenue Estimating group for FY 2019; and
- Reallocate \$2.1 million in requested buildings projects expenditures to preservation projects expenditures for FY 2019.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2009 – FY 2019



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2009	\$	0	\$ 1,590,886,908	45.2 %	3,113.5
2010		0	1,152,389,464	(27.6)	3,113.5
2011		0	1,503,382,472	30.5	3,113.5
2012		0	1,246,526,150	(17.1)	2,916.5
2013		0	1,593,683,724	27.9	2,829.5
2014		0	2,003,609,903	25.7	2,302.5
2015		0	2,015,994,325	0.6	2,139.5
2016		0	1,590,263,361	(21.1)	1,899.0
2017 Gov. Rec.		0	1,431,252,188	(10.0)	1,846.0
2018 Gov. Rec.		0	1,105,182,697	(22.8)	1,846.0
2019 Gov. Rec.		0	1,385,027,977	25.3	1,846.0
Eleven-Year Change	\$	0	\$ (205,858,931)	(12.9)%	(1,267.5)

Summary of Operating Budget FY 2016 - FY 2018

	Actual 2016	Agency Estimate				Governor's Recommendation			
		Estimate FY 2017	Request FY 2018	Dollar Change from FY 17	Percent Change from FY 17	Rec. FY 2017	Rec. FY 2018	Dollar Change from FY 17	Percent Change from FY 17
By Program:									
Administration & Transportation Planning	\$ 45,007,588	\$ 55,034,693	\$ 56,118,645	\$ 1,083,952	2.0 %	\$ 54,958,258	\$ 56,356,976	\$ 1,398,718	2.5 %
Local Support	236,259,569	241,341,268	230,766,644	(10,574,624)	(4.4)	244,552,078	232,493,549	(12,058,529)	(4.9)
Maintenance	130,355,720	142,987,730	141,190,267	(1,797,463)	(1.3)	142,825,541	140,079,163	(2,746,378)	(1.9)
Construction	572,549,570	1,108,511,671	866,348,533	(242,163,138)	(21.8)	804,791,529	472,763,416	(332,028,113)	(41.3)
TOTAL - Reportable	\$ 984,172,447	\$ 1,547,875,362	\$ 1,294,424,089	\$ (253,451,273)	(16.4) %	\$ 1,247,127,406	\$ 901,693,104	\$ (345,434,302)	(27.7) %
Administration & Transportation Planning	\$ 190,326	\$ 251,000	\$ 251,000	\$ 0	0.0 %	251,000	251,000	0	0.0
Local Support	5,189,746	5,146,767	4,599,043	(547,724)	(10.6)	5,146,767	4,599,043	(547,724)	(10.6)
Maintenance	997,415	1,200,000	1,200,000	0	0.0	1,200,000	1,200,000	0	0.0
Construction	599,713,427	177,527,015	197,439,550	19,912,535	11.2	177,527,015	197,439,550	19,912,535	11.2
TOTAL - Non-Reportable	\$ 606,090,914	\$ 184,124,782	\$ 203,489,593	\$ 19,364,811	10.5 %	\$ 184,124,782	\$ 203,489,593	\$ 19,364,811	10.5 %
GRAND TOTAL	\$ 1,590,263,361	\$ 1,732,000,144	\$ 1,497,913,682	\$ (234,086,462)	(13.5) %	\$ 1,431,252,188	\$ 1,105,182,697	\$ (326,069,491)	(22.8) %
By Major Object of Expenditure:									
Salaries and Wages	\$ 137,477,016	\$ 144,145,290	\$ 142,519,485	\$ (1,625,805)	(1.1) %	\$ 143,774,461	\$ 141,162,831	\$ (2,611,630)	(1.8) %
Contractual Services	124,160,033	121,452,527	117,901,146	(3,551,381)	(2.9)	121,452,527	117,901,146	(3,551,381)	(2.9)
Commodities	33,986,349	42,067,047	41,490,858	(576,189)	(1.4)	42,067,047	41,490,858	(576,189)	(1.4)
Capital Outlay	15,948,775	17,024,022	15,631,257	(1,392,765)	(8.2)	17,024,022	15,631,257	(1,392,765)	(8.2)
Debt Service	75,739,786	87,584,795	83,934,641	(3,650,154)	(4.2)	87,584,795	83,934,641	(3,650,154)	(4.2)
Subtotal - Operations	\$ 387,311,959	\$ 412,273,681	\$ 401,477,387	\$ (10,796,294)	(2.6) %	\$ 411,902,852	\$ 400,120,733	\$ (11,782,119)	(2.9) %
Aid to Local Units	208,542,615	211,076,855	203,196,647	(7,880,208)	(3.7)	214,296,782	204,956,850	(9,339,932)	(4.4)
Other Assistance	23,193,885	26,849,683	23,870,360	(24,295,610)	(90.5)	26,849,683	23,870,360	(2,979,323)	(11.1)
Capital Improvements	365,123,988	897,675,143	665,879,695	(231,795,448)	(25.8)	594,078,089	272,745,161	(321,332,928)	(54.1)
TOTAL - Reportable	\$ 984,172,447	\$ 1,547,875,362	\$ 1,294,424,089	\$ (253,451,273)	(16.4) %	\$ 1,247,127,406	\$ 901,693,104	\$ (345,434,302)	(27.7) %
TOTAL-Non-Reportable	606,090,914	184,124,782	203,489,593	19,364,811	10.5	184,124,782	203,489,593	19,364,811	10.5
GRAND TOTAL	\$ 1,590,263,361	\$ 1,732,000,144	\$ 1,497,913,682	\$ (234,086,462)	(13.5) %	\$ 1,431,252,188	\$ 1,105,182,697	\$ (326,069,491)	(22.8) %

Financing:

State Highway Fund	\$ 630,006,870	\$ 1,168,688,753	\$ 929,460,614	\$ (239,228,139)	(20.5) %	\$ 864,720,870	\$ 534,969,426	\$ (329,751,444)	(38.1) %
All Other Funds	354,165,577	379,186,609	364,963,475	(14,223,134)	(3.8)	382,406,536	366,723,678	(15,682,858)	(4.1)
TOTAL - Reportable	\$ 984,172,447	\$ 1,547,875,362	\$ 1,294,424,089	\$ (253,451,273)	(16.4)	\$ 1,247,127,406	\$ 901,693,104	\$ (345,434,302)	(27.7)
State Highway Fund	111,861,311	177,933,015	197,896,050	19,963,035	11.2	177,933,015	197,896,050	19,963,035	11.2
All Other Funds	494,229,603	6,191,767	5,593,543	(598,224)	(9.7)	6,191,767	5,593,543	(598,224)	(9.7)
TOTAL - Non-Reportable	\$ 606,090,914	\$ 184,124,782	\$ 203,489,593	\$ 19,364,811	10.5 %	\$ 184,124,782	\$ 203,489,593	\$ 19,364,811	10.5 %
GRAND TOTAL	\$ 1,590,263,361	\$ 1,732,000,144	\$ 1,497,913,682	\$ (234,086,462)	(13.5) %	\$ 1,431,252,188	\$ 1,105,182,697	\$ (326,069,491)	(22.8) %

Summary of Operating Budget FY 2018 - FY 2019

	Agency Estimate				Governor's Recommendation			
	Request FY 2018	Request FY 2019	Dollar Change from FY 18	Percent Change from FY 18	Rec. FY 2018	Rec. FY 2019	Dollar Change from FY 18	Percent Change from FY 18
By Program:								
Administration & Transportation Planning	\$ 56,118,645	\$ 55,966,532	\$ (152,113)	(0.3) %	\$ 56,356,976	\$ 55,644,575	\$ (712,401)	(1.3)%
Local Support	230,766,644	231,610,990	844,346	0.4	232,493,549	234,234,069	1,740,520	0.7
Maintenance	141,190,267	144,720,686	3,530,419	2.5	140,079,163	144,036,407	3,957,244	2.8
Construction	866,348,533	1,112,444,286	246,095,753	28.4	472,763,416	732,367,172	259,603,756	54.9
TOTAL - Reportable	\$ 1,294,424,089	\$ 1,544,742,494	\$ 250,318,405	19.3 %	\$ 901,693,104	\$ 1,166,282,223	\$ 264,589,119	29.3 %
Administration & Transportation Planning	\$ 251,000	\$ 251,000	\$ 0	0.0 %	251,000	251,000	0	0.0
Local Support	4,599,043	4,548,543	(50,500)	(1.1)	4,599,043	4,548,543	(50,500)	(1.1)
Maintenance	1,200,000	1,200,000	0	0.0	1,200,000	1,200,000	0	0.0
Construction	197,439,550	212,746,211	15,306,661	7.8	197,439,550	212,746,211	15,306,661	7.8
TOTAL - Non-Reportable	\$ 203,489,593	\$ 218,745,754	\$ 15,256,161	7.5 %	\$ 203,489,593	\$ 218,745,754	\$ 15,256,161	7.5 %
TOTAL	\$ 1,497,913,682	\$ 1,763,488,248	\$ 265,574,566	17.7 %	\$ 1,105,182,697	\$ 1,385,027,977	\$ 279,845,280	25.3 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 142,519,485	\$ 144,492,850	\$ 1,973,365	1.4 %	\$ 141,162,831	\$ 142,928,772	\$ 1,765,941	1.3 %
Contractual Services	117,901,146	108,700,123	(9,201,023)	(7.8)	117,901,146	108,700,123	(9,201,023)	(7.8)
Commodities	41,490,858	43,749,720	2,258,862	5.4	41,490,858	43,749,720	2,258,862	5.4
Capital Outlay	15,631,257	16,430,186	798,929	5.1	15,631,257	16,430,186	798,929	5.1
Debt Service	83,934,641	79,065,011	(4,869,630)	(5.8)	83,934,641	79,065,011	(4,869,630)	(5.8)
Subtotal - Operations	\$ 401,477,387	\$ 392,437,890	\$ (9,039,497)	(2.3) %	\$ 400,120,733	\$ 390,873,812	\$ (9,246,921)	(2.3)%
Aid to Local Units	203,196,647	203,691,479	494,832	0.2	204,956,850	206,352,943	1,396,093	0.7
Other Assistance	23,870,360	24,129,241	258,881	1.1	23,870,360	24,129,241	258,881	1.1
Capital Improvements	665,879,695	924,483,884	258,604,189	38.8	272,745,161	544,926,227	272,181,066	99.8
TOTAL - Reportable	\$ 1,294,424,089	\$ 1,544,742,494	\$ 250,318,405	19.3 %	\$ 901,693,104	\$ 1,166,282,223	\$ 264,589,119	%
TOTAL - Non-Reportable	203,489,593	218,745,754	15,256,161	7.5	203,489,593	218,745,754	15,256,161	7.5
TOTAL	\$ 1,497,913,682	\$ 1,763,488,248	\$ 265,574,566	17.7 %	\$ 1,105,182,697	\$ 1,385,027,977	\$ 279,845,280	25.3 %
Financing:								
State Highway Fund	\$ 929,460,614	\$ 1,176,761,458	\$ 247,300,844	26.6 %	\$ 534,969,426	\$ 795,639,723	\$ 260,670,297	48.7 %
All Other	364,963,475	367,981,036	3,017,561	0.8	366,723,678	370,642,500	3,918,822	1.1
TOTAL - Reportable	\$ 1,294,424,089	\$ 1,544,742,494	\$ 250,318,405	19.3 %	\$ 901,693,104	\$ 1,166,282,223	\$ 264,589,119	29.3 %

State Highway Fund	\$ 197,896,050	\$ 213,152,211	\$ 15,256,161	7.7 %	\$ 197,896,050	\$ 213,152,211	\$ 15,256,161	7.7 %
All Other Funds	5,593,543	5,593,543	0	0.0	5,593,543	5,593,543	0	0.0
TOTAL - Non-Reportable	<u>\$ 203,489,593</u>	<u>\$ 218,745,754</u>	<u>\$ 15,256,161</u>	<u>7.5 %</u>	<u>\$ 203,489,593</u>	<u>\$ 218,745,754</u>	<u>\$ 15,256,161</u>	<u>7.5 %</u>
GRAND TOTAL	<u><u>\$ 1,497,913,682</u></u>	<u><u>\$ 1,763,488,248</u></u>	<u><u>\$ 265,574,566</u></u>	<u><u>17.7 %</u></u>	<u><u>\$ 1,105,182,697</u></u>	<u><u>\$ 1,385,027,977</u></u>	<u><u>\$ 279,845,280</u></u>	<u><u>25.3 %</u></u>

BUDGET OVERVIEW

A. FY 2017 – Current Year

Adjustments to Approved State General Fund Budget

This agency's revised estimate does not include any State General Fund expenditures.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State Highway Fund	\$ 985,153,970	\$ 1,168,688,753	\$ 183,534,783	\$ 864,720,870	\$ (120,433,100)
All Other Funds	370,402,183	379,186,609	8,784,426	382,406,536	12,004,353
TOTAL	\$ 1,355,556,153	\$ 1,547,875,362	\$ 192,319,209	\$ 1,247,127,406	\$ (108,428,747)
FTE Positions	1,899.0	1,846.0	(53.0)	1,846.0	(53.0)

The **agency's** revised reportable estimate in FY 2017 totals \$1.5 billion, all from special revenue funds, which is an increase of \$192.3 million, or 14.2 percent, above the FY 2017 approved amount. The agency notes the increase is due largely to ongoing projects that were delayed from FY 2016 into FY 2017. The agency states this is the seventh year of the TWORKS program, and that fluctuations in its funding request are due to its best estimate at a given point in time as to projects being let or added, projects being pushed forward into FY 2017, cost savings or leftover preservation funds being spent, and subsequent funding streams for these projects. The agency notes the submitted budget includes \$2.0 million in expenditures for each fiscal year for the Unmanned Aircraft Systems program

to meet legislative directives contained in 2016 SB 249. Changes from the FY 2017 approved budget include the following adjustments:

- A \$168.0 million increase in revised estimated State Highway Fund projects expenditures moved/added/continued into FY 2017;
- A \$15.5 million increase in revised estimated State Highway Fund operations expenditures from special revenue fund receipts in FY 2017;

- A \$3.3 million increase to rail service improvement fund expenditures in FY 2017;
- A \$3.0 million in additional expenditures from the Conversion of Materials and Equipment, a no limit special revenue fund created by 2016 House Sub. for SB 161 in FY 2017;
- A \$8.5 million increase to coordinated public transportation assistance expenditures in FY 2017; and
- A \$109,733 increase to public use general aviation development expenditures in FY 2017.

These increases are partially offset by the following decreases:

- A \$4.9 million decrease to debt service expenditures in FY 2017; and
- A \$1.3 million decrease to other federal grants expenditures in FY 2017.

The FY 2017 revised estimate includes salaries and wages expenditures totaling \$144.1 million, which is a decrease of \$2.8 million, or 1.9 percent, below the FY 2017 approved amount. Salaries and wages in the FY 2017 revised reportable estimate support 1,846.0 FTE positions, which is a decrease of 53.0 FTE positions from the number approved by the 2016 Legislature, and a decrease of 152.6 non-FTE positions below the FY 2017 approved amount. The agency states that as positions become vacant, it is only filling those that are deemed critical. Prior budgets included unfunded vacant positions, and this budget submission only includes filled and vacant positions anticipated

to be filled at the time of the submission. The agency notes the submitted budget does not include any unfunded vacant positions.

The agency's FY 2017 revised estimate includes federal and local aid reimbursement estimates totaling \$389.1 million. This is an increase of \$127.4 million, or 48.7 percent, above the FY 2016 actual amount.

The **Governor** recommends FY 2017 operating expenditures of \$1.2 billion, all from special revenue funds. The recommendation is an all funds decrease of \$300.7 million, or 19.4 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendations to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$370,829. Additional adjustments included within the Governor's recommendation in FY 2017 are as follows:

- Transfer all sales tax revenue credited to the State Highway Fund to state agencies and the State General Fund. The approved State Highway Fund transfer to the State General Fund was \$270.8 million, but due to revised revenues from the November 2016 Consensus Revenue Estimate, the Governor recommends to reduce this transfer by \$15.4 million;
- Reduce State Highway Fund projects expenditures to accurately reflect recommended State Highway Fund transfers, with the following State Highway Fund expenditure reductions:
 - Reduce state projects expenditures by \$19.5 million; and

- Reduce preservation projects expenditures by \$284.1 million; and
- Add \$3.2 million, all from the Special City and County Highway Fund, in order to reflect the

most recent estimated revenues and expenditures by the November 2016 Highway Consensus Revenue Estimating group in FY 2017.

B. FY 2018 – Budget Year

FY 2018 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,294,424,089	\$ 901,693,104	\$ (392,730,985)
FTE Positions	1,846.0	1,846.0	0.0
<i>Change from FY 2017:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	(253,451,273)	(345,434,302)	
TOTAL	<u>\$ (253,451,273)</u>	<u>\$ (345,434,302)</u>	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	16.4	(27.7)	
TOTAL	<u>16.4 %</u>	<u>(27.7) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests a FY 2018 reportable budget of \$1.3 billion, all from special revenue funds, a decrease of \$253.5 million, or 16.4 percent, below the FY 2017 revised estimate. The agency's FY 2018 budget reflects this being the eighth year of the T-WORKS program and the continuation of current and planned project expenditures, and reflects the agency's best estimate as to project expenditure schedules. The decrease is

related particularly to reductions made to T-WORKS construction expenditures for expansion and modernization projects, which have been delayed to FY 2019 and beyond.

The FY 2018 request includes operating expenditures totaling \$628.5 million, which is a decrease of \$21.7 million, or

3.3 percent, below the FY 2017 revised reportable operating budget. The FY 2018 request includes salaries and wages expenditures totaling \$142.5 million, which is a decrease of \$1.6 million, or 1.1 percent, below the FY 2017 revised estimate. The agency states the FY 2018 budget reflects the return to 26 pay periods (FY 2017 included an additional pay period) as well as adjustments to account for changes in benefit rates and inflation. The agency notes the FY 2018 request does not include any shrinkage. The FY 2018 request includes 1,846.0 FTE positions and 464.0 non-FTE positions, which is no change from the FY 2017 revised estimate.

The agency's budget submission notes federal and local aid reimbursements estimates within the FY 2018 request totaling \$386.9 million. This is a decrease of \$2.2 million, or 0.6 percent, below the FY 2017 revised estimate. Adjustments by program include:

- **Administration and Transportation Planning.** The agency requests an increase of \$1.1 million, or 2.0 percent, above the FY 2017 revised estimate. Most of the increase is in contractual services (\$1.4 million), followed by capital outlay (\$128,756). These increases are partially offset by a decrease in commodities expenditures (\$56,357);
- **Local Support.** The agency requests a decrease of \$10.6 million, or 4.4 percent, below the FY 2017 revised estimate. This decrease occurs within aid to locals (\$7.9 million), other assistance (\$3.0 million), salaries and wages (\$51,406), and capital outlay (\$11,618), partially offset by increases in contractual services (\$341,929) and commodities (\$6,002);

- **Maintenance.** The agency requests a decrease of \$1.8 million, or 1.3 percent, below the FY 2017 revised estimate. This decrease occurs within capital outlay (\$1.8 million), salaries and wages (\$630,249), and commodities (\$340,556), partially offset by an increase in contractual services (\$1.0 million); and
- **Construction.** The agency requests a decrease of \$242.2 million, or 21.9 percent, below the FY 2017 revised estimate. This decrease primarily occurs within capital improvements (\$231.8 million), contractual services (\$6.3 million), debt service (\$3.7 million), salaries and wages (\$551,400), and commodities (\$185,278), partially offset by an increase in capital outlay (\$323,420).

The **Governor** recommends FY 2018 operating expenditures of \$901.7 million, all from special revenue funds. The recommendation is an all funds decrease of \$392.7 million, or 30.3 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1.1 million, all from special revenue funds, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$245,533. Additional adjustments included within the Governor's recommendation for FY 2018 are as follows:

- Transfer \$288.3 million from the State Highway Fund to the State General Fund, and continue ordinary transfers to other state agencies;

- Reduce preservation projects expenditures by \$393.1 million to account for recommended revenue transfers;
- Add \$1.8 million, all from the Special City and County Highway Fund, in order to reflect the most recent estimated revenues and expenditures by the November 2016 Highway Consensus Revenue Estimating group for FY 2018;
- Reallocate \$1.8 million in requested buildings projects expenditures to preservation projects expenditures for FY 2018; and
- Reallocate (technical correction) \$517,627, in special revenue fund expenditures, from the Maintenance program to the Administration program.

C. FY 2019 – Budget Year

FY 2019 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,544,742,494	\$ 1,166,282,223	\$ (378,460,271)
FTE Positions	1,846.0	1,846.0	0.0
Change from FY 2018:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	250,318,405	264,589,119	
TOTAL	<u>\$ 250,318,405</u>	<u>\$ 264,589,119</u>	
<i>Percent Change:</i>			
State General Fund	-- %	-- %	
All Other Funds	19.3	29.3	
TOTAL	<u>19.3 %</u>	<u>29.3 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests a FY 2019 reportable budget of \$1.5 billion, all from special revenue funds, an increase of \$250.3 million, or 19.3 percent, above the FY 2018 request. The agency's FY 2019 budget reflects this being the ninth year of the T-WORKS program and the continuation of current, planned, and delayed project expenditures, and reflects the agency's best estimate as to project expenditure schedules.

The FY 2019 request includes operating expenditures totaling \$620.3 million, which is a decrease of \$8.3 million, or 1.3 percent, below the FY 2018 requested reportable operating budget. The FY 2019 request includes salaries and wages expenditures totaling \$144.5 million, which is an increase of \$2.0 million, or 1.4 percent, above the FY 2018 request. The agency states the FY 2019 budget reflects adjustments to

account for increases for employee benefit rates and inflation. The agency notes the FY 2019 request does not include any shrinkage. The FY 2019 request includes 1,846.0 FTE positions and 464.0 non-FTE positions, which is no change from the FY 2018 request.

The agency's budget submission notes federal and local aid reimbursements estimates within the FY 2019 request totaling \$388.6 million. This is an increase of \$1.7 million, or 0.5 percent, above the FY 2018 request. Adjustments by program include:

- **Administration and Transportation Planning.** The agency requests a decrease of \$152,113, or 0.3 percent, below the FY 2018 request. Most of the decrease is in contractual services (\$685,416). This decrease is partially offset by an increase in commodities (\$102,031) and capital outlay (\$52,572);
- **Local Support.** The agency requests an increase of \$844,346, or 0.4 percent, above the FY 2018 request. This increase occurs within aid to locals (\$494,832), other assistance (\$258,881), salaries and wages (\$42,049), contractual services (\$38,491), and commodities (\$16,075), partially offset by a decrease in capital outlay (\$5,982);
- **Maintenance.** The agency requests an increase of \$3.5 million, or 2.5 percent, above the FY 2018 request. This increase occurs within commodities (\$2.0 million), salaries and wages (\$932,639), and capital outlay (\$772,874), partially offset by a decrease in contractual services (\$146,936); and
- **Construction.** The agency requests an increase of \$246.1 million, or 28.4 percent, above the FY

2018 request. This increase primarily occurs within capital improvements (\$258.6 million), salaries and wages (\$619,977), and commodities (\$168,914), partially offset by decreases in contractual services (\$8.4 million), debt service (\$4.9 million), and capital outlay (\$20,535).

The **Governor** recommends FY 2019 operating expenditures of \$1.2 billion, all from special revenue funds. The recommendation is an all funds decrease of \$378.5 million, or 24.5 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1.6 million. Additional adjustments included within the Governor's Recommendation for FY 2019 are as follows:

- Transfer \$293.1 million from the State Highway Fund to the State General Fund and continue ordinary transfers to other state agencies;
- Reduce preservation projects expenditures by \$194.6 million to account for recommended revenue transfers;
- Reduce state projects expenditures by \$185.0 million to account for recommended revenue transfers;
- Add \$2.7 million, all from the Special City and County Highway Fund, in order to reflect the most recent estimated revenues and expenditures by the November 2016 Highway Consensus Revenue Estimating group for FY 2019; and
- Reallocate \$2.1 million in requested buildings projects expenditures to preservation projects expenditures for FY 2019.

Governor's Recommended Salary and Wage Adjustments

27th Payroll Period. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period occurs in FY 2017. The last time this occurred was in FY 2006. The current estimate for the cost of the 27th pay period is \$107.2 million, including \$40.3 million from the State General Fund. The next anticipated occurrence of a 27th pay period will be in FY 2028.

Longevity Bonus Payments. For FY 2017, FY 2018, and FY 2019, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2017 payments is \$4.9 million, including \$1.8 million from the State General Fund. For FY 2018, the estimated cost is \$5.1 million, including \$1.9 million from the State General Fund. For FY 2019, the estimated cost is \$4.4 million, including \$1.6 million from the State General Fund. **For this agency, FY 2017 longevity payments total \$590,360, all from special revenue funds; FY 2018 longevity payments total \$609,320, all from special revenue funds; and FY 2019 longevity payments total \$630,120, all from special revenue funds.**

Kansas Public Employees Retirement System (KPERS) Adjustments.

KPERS Employer Contributions. The employer retirement contribution rate for KPERS State and School is scheduled to be 10.81 percent in FY 2017, 12.01 percent for FY 2018, and 13.21 percent for FY 2019. For FY 2017, FY 2018, and FY 2019, the Governor recommends the employer contribution amounts be reduced, with the intention of holding employer contributions in these fiscal years to a similar amount as FY 2016 actual employer contributions, which included a quarter moratorium. This proposal

also eliminates the scheduled contribution rate increases for FY 2017 through FY 2019. The estimated expenditure reduction to freeze KPERS employer contributions is \$87.8 million, including \$85.9 million from the State General Fund, in FY 2017; \$141.6 million, including \$140.2 million from the State General Fund, for FY 2018; and \$202.3 million, including \$198.5 million from the State General Fund, for FY 2019. Additionally, the Governor recommends not to pay approximately \$97.4 million, all from the State General Fund, in delayed FY 2016 employer contributions, in FY 2018 with 8.0 percent interest per annum. **For this agency, reducing employer contributions to KPERS would reduce expenditures by \$370,829, all from special revenue funds, in FY 2017; by \$1.1 million, all from special revenue funds, for FY 2018; and by \$1.6 million, all from special revenue funds, for FY 2019.**

Death and Disability. The Governor recommends extending the current FY 2017 moratorium on employer contributions to the Group Insurance Reserve Fund through the first quarter of FY 2018. The employer contribution rate is recommended to return to 1.0 percent for FY 2019. The estimated expenditure reduction for the recommended moratorium on the first quarter of FY 2018 contributions is \$12.6 million, including \$10.1 million from the State General Fund. **For this agency, a one quarter moratorium on Group Insurance Reserve Fund contributions would reduce expenditures by \$245,533, all from special revenue funds, for FY 2018.**

KPERS Policy Changes. The Governor recommends extending the amortization period on the unfunded actuarial liability (UAL) by ten years. Currently, the UAL is scheduled to be amortized in FY 2033. In addition, the Governor recommends the combined KPERS State and School employer contribution rate be decoupled. Currently, a contribution rate is established for the combined KPERS State and the KPERS School group. The KPERS State group has a considerably lower UAL than the KPERS School group and the actuarial recommended contribution rate for the KPERS State group is consistently below the combined KPERS State and School rate.

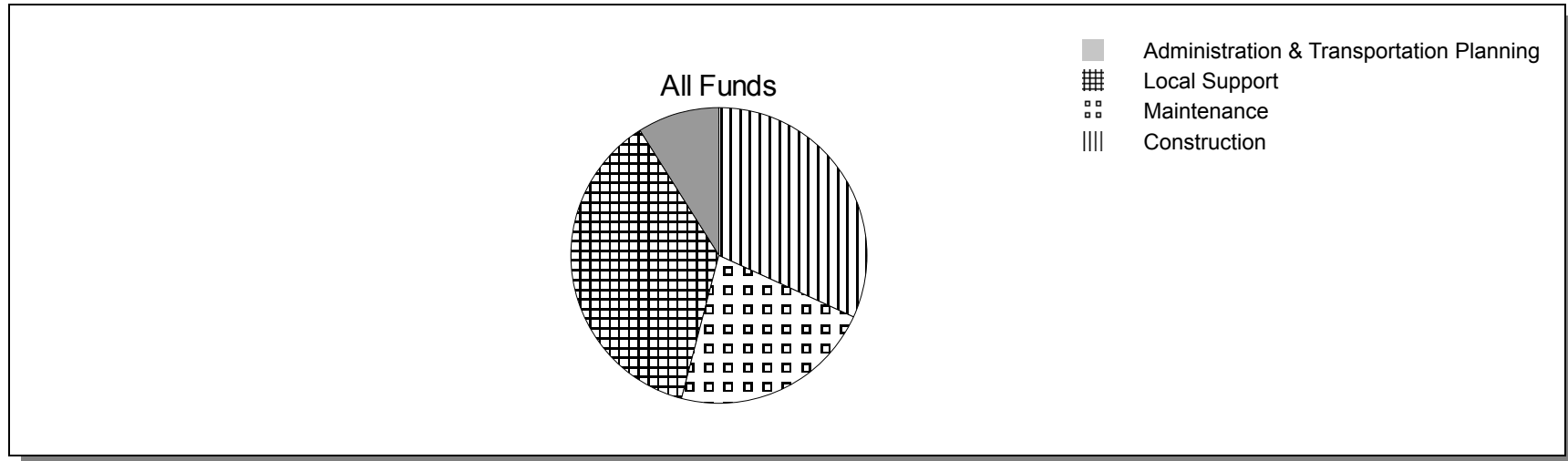
Funding Sources

Funding Source	Agency Req. Percent of Total FY 2018	Gov. Rec. Percent of Total FY 2018	Agency Req. Percent of Total FY 2019	Gov. Rec. Percent of Total FY 2019
State Highway Fund	71.8 %	59.3 %	76.2 %	68.2 %
Highway Bonds Debt Service Fund	14.9	21.4	12.7	16.8
Special City and County Highway Fund	11.3	16.5	9.5	12.9
Coordinated Public Transportation Assistance	0.9	1.2	0.7	0.9
Rail Service Improvement Fund	0.2	0.2	0.1	0.2
All Other Funds	0.9	1.4	0.7	1.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Totals may not add due to rounding.

PROGRAM DETAIL

REPORTABLE OPERATING EXPENDITURES BY PROGRAM – GOVERNOR’S FY 2018 RECOMMENDATION



*Pie chart does not include capital improvements expenditures

Program	Gov. Rec. All Funds FY 2018	Percent of Total	Gov. Rec. SGF FY 2018	Percent of Total
Administration & Transportation Planning	\$ 56,356,976	9.0 %	\$ 0	-- %
Local Support	232,493,549	37.0	0	--
Maintenance	140,079,163	22.3	0	--
Construction	200,018,255	31.8	0	--
TOTAL	\$ 628,947,943	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2016 – FY 2019							
<u>Program</u>	<u>Actual FY 2016</u>	<u>Agency Est. FY 2017</u>	<u>Gov. Rec. FY 2017</u>	<u>Agency Req. FY 2018</u>	<u>Gov. Rec. FY 2018</u>	<u>Agency Req. FY 2019</u>	<u>Gov. Rec. FY 2019</u>
Administration & Transportation Planning	188.5	209.0	209.0	209.0	209.0	209.0	209.0
Local Support	18.0	24.0	24.0	24.0	24.0	24.0	24.0
Maintenance	1,138.5	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0
Construction	554.0	538.0	538.0	538.0	538.0	538.0	538.0
TOTAL	<u>1,899.0</u>	<u>1,846.0</u>	<u>1,846.0</u>	<u>1,846.0</u>	<u>1,846.0</u>	<u>1,846.0</u>	<u>1,846.0</u>

A. Administration and Transportation Planning

The goal of the Administration and Transportation Planning program is to “provide the direction, planning, coordination, communication, and administrative support that foster an integrated, multimodal transportation system to meet the needs of Kansas.” Management planning and goal and policy direction are included in this program. The program also provides administrative and management functions for the agency such as financial and human resource management, information technology, and inventory and procurement support. KDOT maintains a central office with the State divided into six districts.

This program is responsible for mapping and transportation data collection and analysis. The program includes planning support for highways, railroads, public transit, and general aviation. In addition, this program coordinates public outreach through media, legislative, and intergovernmental relations. To achieve these goals, the management program is comprised of the following sub-programs: Administration; Office of the Secretary; Roads, Rail, and Water; Aviation Planning; and Operations Support.

**ADMINISTRATION & TRANSPORTATION PLANNING
SUMMARY OF EXPENDITURES FY 2016 – 2019**

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 27,761,776	\$ 28,972,025	\$ 28,895,590	\$ 28,579,275	\$ 28,299,979	\$ 28,957,975	\$ 28,636,018
Contractual Services	15,333,083	22,817,825	22,817,825	24,222,128	24,739,755	23,536,712	23,536,712
Commodities	672,724	914,442	914,442	858,085	858,085	960,116	960,116
Capital Outlay	1,079,558	1,730,401	1,730,401	1,859,157	1,859,157	1,911,729	1,911,729
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 44,847,141</i>	<i>\$ 54,434,693</i>	<i>\$ 54,358,258</i>	<i>\$ 55,518,645</i>	<i>\$ 55,756,976</i>	<i>\$ 55,366,532</i>	<i>\$ 55,044,575</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	160,447	600,000	600,000	600,000	600,000	600,000	600,000
Capital Improvements	0	0	0	0	0	0	0
Reportable Exp.	\$ 45,007,588	\$ 55,034,693	\$ 54,958,258	\$ 56,118,645	\$ 56,356,976	\$ 55,966,532	\$ 55,644,575
Non-Reportable Exp.	190,326	251,000	251,000	251,000	251,000	251,000	251,000
TOTAL	\$ 45,197,914	\$ 55,285,693	\$ 55,209,258	\$ 56,369,645	\$ 56,607,976	\$ 56,217,532	\$ 55,895,575
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	45,007,588	55,034,693	54,958,258	56,118,645	56,356,976	55,966,532	55,644,575
Reportable Exp.	\$ 45,007,588	\$ 55,034,693	\$ 54,958,258	\$ 56,118,645	\$ 56,356,976	\$ 55,966,532	\$ 55,644,575
Non-Reportable Exp.	190,326	251,000	251,000	251,000	251,000	251,000	251,000
TOTAL	\$ 45,197,914	\$ 55,285,693	\$ 55,209,258	\$ 56,369,645	\$ 56,607,976	\$ 56,217,532	\$ 55,895,575
FTE Positions	188.5	209.0	209.0	209.0	209.0	209.0	209.0
Non-FTE Uncl. Perm.Pos.	227.6	179.0	179.0	179.0	179.0	179.0	179.0
TOTAL	416.1	388.0	388.0	388.0	388.0	388.0	388.0

The **agency** requests FY 2018 reportable operating expenditures totaling \$56.1 million, all from special revenue funds, for the Administration and Transportation Planning program. This is an all funds increase of \$1.1 million, or 2.0 percent, above the FY 2017 revised estimate. Most of the increase is in contractual services (\$1.4 million), followed by capital outlay (\$128,756). These increases are partially offset by a decrease in commodities expenditures (\$56,357).

The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$28.6 million, all from special revenue funds, to fund 209.0 FTE positions and 179.0 non-FTE positions for FY 2018. The request is an all funds decrease of \$392,750, or 1.4 percent, below the FY 2017 revised estimate. Decreases from the FY 2017 revised estimate

include unclassified temporary pay (\$407,374), unclassified regular pay (\$253,387), classified regular pay (\$117,597), and workers' compensation (\$76,748). These decreases are partially offset by increases in employer contributions to public employee retirement (\$361,198) and group health insurance (\$149,583);

- **Contractual Services.** The agency requests expenditures of \$24.2 million, all from special revenue funds, for FY 2018. This request is an increase of \$1.4 million, or 6.2 percent, above the FY 2017 revised estimate. Increases from the FY 2017 revised estimate include information systems consulting (\$2.9 million), job-related training and conference regulations (\$49,437), and computer software maintenance service (\$49,322), partially offset by decreases in computer programming operations—DISC (\$473,252), other fees (\$436,958), state buildings operating charge (\$383,826), print bind state facility only (\$130,363), and other professional fees (\$117,832);
- **Commodities.** The agency requests expenditures of \$858,085, all from special revenue funds, for FY 2018. This request is a decrease of \$56,357, or 6.2 percent, below the FY 2017 revised estimate. Particular decreases from the FY 2017 revised estimate come in the categories of stationery and office supplies (\$18,050), professional scientific supplies—other (\$13,428), gasoline (\$13,095), and other supplies and materials (\$11,806), partially offset by

increases in other equipment materials and parts (\$11,037);

- **Capital Outlay.** The agency requests expenditures of \$1.9 million, all from special revenue funds, for FY 2018. This request is an increase of \$128,756, or 7.4 percent, above the FY 2017 revised estimate. Particular increases from the FY 2017 revised estimate come in the categories of professional and scientific equipment (\$160,000), passenger cars (\$38,930), and software expenditures (\$14,025), partially offset by decreases in trucks (\$66,687) and microcomputer equipment (\$6,781).
- **Other Assistance.** The agency requests \$600,000, all from the State Highway Fund, for expenditures for property damage or loss claims for FY 2018.
- **Non-reportable Expenditures.** The agency requests expenditures of \$251,000, which comes from two sources: expenditures from the conference fees account (\$250,000) and the remittance of collected sales tax (\$1,000).

The **Governor** recommends \$56.4 million, all from special revenue funds, for the Administration and Transportation Planning program for FY 2018. This is an increase of \$238,331, or 0.4 percent, above the FY 2018 agency request. The Governor's recommendation includes a technical correction, which adds \$517,627, all from the State Highway Fund, for contractual services, and reduces expenditures by the same amount from the Maintenance program. This increase is partially offset by the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to

provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests FY 2019 reportable operating expenditures totaling \$56.0 million, all from special revenue funds, for the Administration and Transportation Planning program. This is an all funds decrease of \$152,113, or 0.3 percent, below the FY 2018 request. Most of the decrease is in contractual services (\$685,416). This decrease is partially offset by an increase in commodities (\$102,031) and capital outlay (\$52,572). The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$29.0 million, all from special revenue funds, to fund 209.0 FTE positions and 179.0 non-FTE positions for FY 2019. The request is an all funds increase of \$378,700, or 1.3 percent, above the FY 2018 request. Increases from the FY 2018 request include old age, survivor, and disability insurance (\$1.3 million); employer contributions to public employee retirement (\$242,792); and group health insurance (\$121,309). These increases are partially offset by a decrease in Medicare expenditures (\$1.3 million);
- **Contractual Services.** The agency requests expenditures of \$23.5 million, all from special revenue funds, for FY 2019. This request is a decrease of \$685,416, or 2.8 percent, below the FY 2018 request. Particular decreases from the FY 2018 request include information systems consulting (\$3.0 million), consulting services other (\$408,041), and job-related training and conference regulations (\$48,705). These

decreases are partially offset by increases in computer programming operations—DISC (\$577,958), state buildings operating charge (\$515,098), advertising (\$458,186), other fees (\$455,809), other professional fees (\$145,035), and print bind state facility only (\$132,724);

- **Commodities.** The agency requests expenditures of \$960,116, all from special revenue funds, for FY 2019. This request is an increase of \$102,031, or 11.9 percent, above the FY 2018 request. Particular increases from the FY 2018 request come in the categories of stationery and office supplies (\$29,070), gasoline (\$20,793), data processing supplies (\$17,422), professional scientific supplies—other (\$14,466), and other supplies and materials (\$14,085);
- **Capital Outlay.** The agency requests expenditures of \$1.9 million, all from special revenue funds, for FY 2019. This request is an increase of \$52,572, or 2.8 percent, above the FY 2018 request. Particular increases from the FY 2017 revised estimate come in the categories of microcomputer equipment (\$143,755), trucks (\$56,620), and microcomputer equipment—non-capital (\$11,682), partially offset by a decrease in professional and scientific equipment (\$160,000). The agency notes specific expenditures related to the new Unmanned Aircraft Systems (UAS) responsibilities. Noted expenditures include fiber, server, airborne, or terrestrial vehicle, and mission specific sensors aligned to the agency's specifications;

- **Other Assistance.** The agency requests \$600,000, all from the State Highway Fund, for expenditures for property damage or loss claims for FY 2019; and
- **Non-reportable Expenditures.** The agency requests expenditures of \$251,000, which comes from two sources: expenditures from the

conference fees account (\$250,000) and the remittance of collected sales tax (\$1,000).

The **Governor** recommends \$55.6 million, all from special revenue funds, for the Administration and Transportation Planning program for FY 2019. This is a decrease of \$321,957, or 0.6 percent, below the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

B. Local Support

The goal of the Local Support program is to “assist in providing safe, efficient, and reliable local multimodal transportation systems.” This program provides planning and financial assistance to local governments and administers both state and federal funding for city and county roads, street, and bridge improvements; rural public transportation planning and assistance; transportation for the elderly and disabled; and highway safety plans and programs. The Local Support program includes aid to local units of government through the Special City and County Highway Fund (SCCHF). The SCCHF receives funding from motor fuel taxes and motor carrier property taxes. The funds are distributed quarterly, with 57.0 percent distributed to counties and 43.0 percent distributed to cities. Each county

receives a base allocation of \$5,000, with the remainder distributed on a formula based on motor vehicle registration fees, average daily vehicle miles traveled, and total road miles within each county. The city distribution is based on population. This program includes safety programs targeting seat belt usage, drunk driving, underage drinking, and community awareness such as the “Click It or Ticket” and “You Drink, You Drive, You Lose” media campaigns. To achieve these goals, the local support program is comprised of the following sub-programs: Special City and County Highway Aid; Traffic Safety; Local Projects; Public Transportation Assistance; and Categorical Aid.

**LOCAL SUPPORT
SUMMARY OF EXPENDITURES FY 2016 – 2019**

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 3,094,001	\$ 3,344,403	\$ 3,335,286	\$ 3,292,997	\$ 3,259,699	\$ 3,335,046	\$ 3,296,661
Contractual Services	3,209,057	3,498,286	3,498,286	3,840,215	3,840,215	3,878,706	3,878,706
Commodities	209,265	348,980	348,980	354,982	354,982	371,057	371,057
Capital Outlay	720,893	183,061	183,061	171,443	171,443	165,461	165,461
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 7,233,216</i>	<i>\$ 7,374,730</i>	<i>\$ 7,365,613</i>	<i>\$ 7,659,637</i>	<i>\$ 7,626,339</i>	<i>\$ 7,750,270</i>	<i>\$ 7,711,885</i>
Aid to Local Units	205,992,915	207,716,855	210,936,782	199,836,647	201,596,850	200,331,479	202,992,943
Other Assistance	23,033,438	26,249,683	26,249,683	23,270,360	23,270,360	23,529,241	23,529,241
Capital Improvements	0	0	0	0	0	0	0
Reportable Exp.	\$ 236,259,569	\$ 241,341,268	\$ 244,552,078	\$ 230,766,644	\$ 232,493,549	\$ 231,610,990	\$ 234,234,069
Non-Reportable Exp.	5,189,746	5,146,767	5,146,767	4,599,043	4,599,043	4,548,543	4,548,543
TOTAL	\$ 241,449,315	\$ 246,488,035	\$ 249,698,845	\$ 235,365,687	\$ 237,092,592	\$ 236,159,533	\$ 238,782,612
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	236,259,569	241,341,268	244,552,078	230,766,644	232,493,549	231,610,990	234,234,069
Reportable Exp.	\$ 236,259,569	\$ 241,341,268	\$ 244,552,078	\$ 230,766,644	\$ 232,493,549	\$ 231,610,990	\$ 234,234,069
Non-Reportable Exp.	5,189,746	5,146,767	5,146,767	4,599,043	4,599,043	4,548,543	4,548,543
TOTAL	\$ 241,449,315	\$ 246,488,035	\$ 249,698,845	\$ 235,365,687	\$ 237,092,592	\$ 236,159,533	\$ 238,782,612
FTE Positions	18.0	24.0	24.0	24.0	24.0	24.0	24.0
Non-FTE Uncl.Perm.Pos.	27.0	18.0	18.0	18.0	18.0	18.0	18.0
TOTAL	45.0	42.0	42.0	42.0	42.0	42.0	42.0

The **agency** requests FY 2018 reportable operating expenditures totaling \$230.8 million, all from special revenue funds, for the Local Support program. This is an all funds

decrease of \$10.6 million, or 4.4 percent, below the FY 2017 revised estimate. This decrease occurs within aid to locals (\$7.9 million), other assistance (\$3.0 million), salaries and wages

(\$51,406), and capital outlay (\$11,618), partially offset by increases in contractual services (\$341,929) and commodities (\$6,002). The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$3.3 million, all from special revenue funds, to fund 24.0 FTE positions and 18.0 non-FTE positions for FY 2018. The request is an all funds decrease of \$51,406, or 1.5 percent, below the FY 2017 revised estimate. Decreases from the FY 2017 revised estimate primarily include unclassified temporary pay (\$43,151), unclassified regular pay (\$33,841), and classified regular pay (\$15,435). These decreases are partially offset by increases in employer contributions to public employee retirement (\$42,944), group health insurance (\$13,827), and unemployment compensation (\$1,889);
- **Contractual Services.** The agency requests expenditures of \$3.8 million, all from special revenue funds, for FY 2018. This request is an increase of \$341,929, or 9.8 percent, above the FY 2017 revised estimate. Increases from the FY 2017 revised estimate include other professional fees (\$290,950), advertising and marketing (\$33,981), and outsourced program administration (\$5,998);
- **Commodities.** The agency requests expenditures of \$354,982, all from special revenue funds, for FY 2018. This request is an increase of \$6,002, or 1.7 percent, above the FY 2017 revised estimate. The primary increase

from the FY 2017 revised estimate is in other supplies and materials (\$5,564);

- **Capital Outlay.** The agency requests expenditures of \$171,443, all from special revenue funds, for FY 2018. This request is a decrease of \$11,618, or 6.3 percent, below the FY 2017 revised estimate. The primary decrease from the FY 2017 revised estimate is in microcomputer equipment (\$11,400);
- **Aid to Local Units of Government.** The agency requests expenditures of \$199.8 million, all from special revenue funds, for expenditures for Special City and County Highway Aid (\$149.3 million), State Aid (\$46.0 million), and Federal Aid (\$4.5 million) for FY 2018. The primary decreases from FY 2017 are in estimated State's Aid (\$8.6 million), followed by Federal Aid (\$892,026);
- **Other Assistance.** The agency requests \$23.3 million, all from special revenue funds, for expenditures for state assistance (\$2.1 million) and federal assistance (\$21.1 million) for FY 2018; and
- **Non-reportable Expenditures.** Non-reportable expenditures total \$4.6 million, which includes payments for the Rail Loan program and transfers to other state agencies for safety programs.

The **Governor** recommends \$232.5 million, all from special revenue funds, for the Local Support program for FY 2018. This

is an increase of \$1.7 million, or 0.7 percent, above the FY 2018 agency request. The increase is primarily attributable to an increase of \$1.8 million in estimated revenues and expenditures from the Special City and County Highway Fund. The increase is partially offset by the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

The **agency** requests requests FY 2019 operating expenditures totaling \$231.6 million, all from special revenue funds, for the Local Support program. This is an all funds increase of \$844,346, or 0.4 percent, above the FY 2018 request. This increase occurs within aid to locals (\$494,832), other assistance (\$258,881), salaries and wages (\$42,049), contractual services (\$38,491), and commodities (\$16,075), partially offset by a decrease in capital outlay (\$5,982). The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$3.3 million, all from special revenue funds, to fund 24.0 FTE positions and 18.0 non-FTE positions for FY 2019. The request is an all funds increase of \$42,049, or 1.3 percent, above the FY 2018 request. Increases from the FY 2018 request primarily include old age, survivor, and disability insurance (\$149,712); employer contributions to public employee retirement (\$28,948); and group health insurance (\$11,351). These increases are partially offset by a decrease in Medicare expenditures (\$149,689);
- **Contractual Services.** The agency requests expenditures of \$3.8 million, all from special revenue funds, for FY 2019. This request is an

increase of \$38,491, or 1.0 percent, above the FY 2018 request. Increases from the FY 2018 request include advertising and marketing (\$21,784), outsourced program administration (\$5,998), computer software maintenance and service (\$2,407), and other fees (\$2,365);

- **Commodities.** The agency requests expenditures of \$371,057, all from special revenue funds, for FY 2019. This request is an increase of \$16,075, or 4.5 percent, above the FY 2018 request. Increases from the FY 2018 request include gasoline (\$9,846) and other supplies and materials (\$5,959);
- **Capital Outlay.** The agency requests expenditures of \$165,461, all from special revenue funds, for FY 2019. This request is a decrease of \$5,982, or 3.5 percent, below the FY 2018 request. Decreases from the FY 2018 request include microcomputer equipment (\$4,600) and office furniture (\$1,000);
- **Aid to Local Units of Government.** The agency requests expenditures of \$200.3 million, all from special revenue funds, for expenditures for Special City and County Highway Aid (\$149.7 million), State Aid (\$46.0 million), and Federal Aid (\$4.6 million) for FY 2019. The primary increases from FY 2018 are in estimated Special City and County Highway Aid (\$437,191), followed by Federal Aid (\$57,641);
- **Other Assistance.** The agency requests expenditures of \$23.5 million, all from special revenue funds, for state assistance (\$2.1 million)

and federal assistance (\$21.4 million) for FY 2019; and

- **Non-reportable Expenditures.** Non-reportable expenditures total \$4.5 million, which includes payments for the Rail Loan program and transfers to other state agencies for safety programs for FY 2019.

The **Governor** recommends \$234.2 million, all from special revenue funds, for the Local Support program for FY 2019. This is an increase of \$2.6 million, or 1.1 percent, above the FY 2019 agency request. The increase is primarily attributable to an increase of \$2.6 million in estimated revenues and expenditures from the Special City and County Highway Fund. The increase is partially offset by the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

C. Maintenance

The Maintenance program contains all regular highway and bridge maintenance functions performed by the State. Regular maintenance activities are designed to preserve, repair, and restore the roadway system to its designed or accepted standards. System elements include travel-way surfaces, shoulders, roadsides, drainage facilities, bridges, signs, and markings. Also included are traffic services, such as lighting and signal operation, snow and ice removal, and operation of roadside rest areas.

Maintenance activities are undertaken to offset the effects of deterioration, damage, and vandalism. Deterioration includes the effects of aging, weather, material fatigue, and design and construction weaknesses. Activities also include repair of buildings and equipment essential to perform maintenance activities.

Funds also are provided to cities to assist in maintenance of routes designated as highway connecting links. Costs for maintenance of these links are apportioned between KDOT and the city as determined by agreement. KDOT reimburses cities and counties at the rate of \$3,000-per-lane mile for links maintained.

In addition, funds are available for substantial maintenance on city connecting links, and costs for maintenance of these links are apportioned between KDOT and the city as determined by agreement. When cities enter into an agreement for the city connecting links to be maintained by the State, KDOT then becomes responsible for all maintenance on the connecting link. Agency leasing expenditures are included as non-reportable expenditures while federal funds for the program are included as reportable expenditures. To achieve these goals, the local support program is comprised of the following sub-programs: Regular Maintenance and Communications System—On Budget.

MAINTENANCE
SUMMARY OF EXPENDITURES FY 2016 – 2019

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 62,080,263	\$ 64,679,547	\$ 64,517,358	\$ 64,049,298	\$ 63,455,821	\$ 64,981,937	\$ 64,297,658
Contractual Services	21,361,739	21,667,618	21,667,618	22,674,283	22,156,656	22,527,347	22,527,347
Commodities	31,177,296	39,383,974	39,383,974	39,043,418	39,043,418	41,015,260	41,015,260
Capital Outlay	13,160,722	13,896,591	13,896,591	12,063,268	12,063,268	12,836,142	12,836,142
Debt Service	0	0	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 127,780,020</i>	<i>\$ 139,627,730</i>	<i>\$ 139,465,541</i>	<i>\$ 137,830,267</i>	<i>\$ 136,719,163</i>	<i>\$ 141,360,686</i>	<i>\$ 140,676,407</i>
Aid to Local Units	2,549,700	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000
Other Assistance	0	0	0	0	0	0	0
Capital Improvements	26,000	0	0	0	0	0	0
Reportable Exp.	\$ 130,355,720	\$ 142,987,730	\$ 142,825,541	\$ 141,190,267	\$ 140,079,163	\$ 144,720,686	\$ 144,036,407
Non-Reportable Exp.	997,415	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
TOTAL	\$ 131,353,135	\$ 144,187,730	\$ 144,025,541	\$ 142,390,267	\$ 141,279,163	\$ 145,920,686	\$ 145,236,407
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	130,355,720	142,987,730	142,825,541	141,190,267	140,079,163	144,720,686	144,036,407
Reportable Exp.	\$ 130,355,720	\$ 142,987,730	\$ 142,825,541	\$ 141,190,267	\$ 140,079,163	\$ 144,720,686	\$ 144,036,407
Non-Reportable Exp.	997,415	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
TOTAL	\$ 131,353,135	\$ 144,187,730	\$ 144,025,541	\$ 142,390,267	\$ 141,279,163	\$ 145,920,686	\$ 145,236,407
FTE Positions	1,138.5	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0
Non-FTE Uncl.Perm.Pos.	172.0	145.0	145.0	145.0	145.0	145.0	145.0
TOTAL	1,310.5	1,220.0	1,220.0	1,220.0	1,220.0	1,220.0	1,220.0

The **agency** requests FY 2018 operating expenditures totaling \$141.2 million, all from special revenue funds, for the Maintenance program. This is an all funds decrease of \$1.8 million, or 1.3 percent, below the FY 2017 revised estimate. This

decrease occurs within capital outlay (\$1.8 million), salaries and wages (\$630,249), and commodities (\$340,556), partially offset by an increase in contractual services (\$1.0 million).

The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$64.0 million, all from special revenue funds, to fund 1,075.0 FTE positions and 145.0 non-FTE positions for FY 2018. The request is an all funds decrease of \$630,249, or 1.0 percent, below the FY 2017 revised estimate. Decreases from the FY 2017 revised estimate primarily include classified regular pay (\$895,282), unclassified regular pay (\$453,800), unclassified temporary (\$270,970), workers' compensation (\$162,323), and Medicare (\$122,643). These decreases are partially offset by increases in employer contributions to public employee retirement (\$774,258) and group health insurance (\$461,203);
- **Contractual Services.** The agency requests expenditures of \$22.7 million, all from special revenue funds, for FY 2018. This request is an increase of \$1.0 million, or 4.6 percent, above the FY 2017 revised estimate. Increases from the FY 2017 revised estimate include other fees (\$479,655), electricity (\$98,507), repair and servicing of building grounds (\$46,013), weed spraying (\$38,452), self-propelled service—other (\$32,634), and staffing and recruiting services (\$33,180);
- **Commodities.** The agency requests expenditures of \$39.0 million, all from special revenue funds, for FY 2018. This request is a decrease of \$340,556, or 0.9 percent, below the FY 2017 revised estimate. The primary decrease from the FY 2017 revised estimate is in diesel

fuel (\$1.3 million). This decrease is partially offset by increases that include gasoline (\$161,600), highway asphaltic concrete (\$103,275), other vehicle parts and supplies (\$91,788), highway aggregates (\$77,787), highway asphalt (\$60,409), other equipment materials and parts (\$50,067), and highway white traffic paint (\$45,520);

- **Capital Outlay.** The agency requests expenditures of \$12.1 million, all from special revenue funds, for FY 2018. This request is a decrease of \$1.8 million, or 13.2 percent, below the FY 2017 revised estimate. The primary decreases from the FY 2017 revised estimate come in the categories of trucks (\$1.5 million), self-propelled equipment (\$188,710), and shop and plant maintenance equipment (\$188,462);
- **Aid to Local Units of Government.** The agency requests expenditures of \$3.4 million, all from special revenue funds, for expenditures for highway to city connecting link maintenance for FY 2018; and
- **Non-reportable Expenditures.** Non-reportable expenditures total \$1.2 million for FY 2018 and are for inter-agency transfers, including motor fuel sales and radio purchases.

The **Governor** recommends \$140.1 million, all from special revenue funds, for the Maintenance program for FY 2018. This is a decrease of \$1.1 million, or 0.8 percent, below the FY 2018 agency request. The decrease is primarily attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a

moratorium on employer contributions for death and disability for one quarter. The Governor's recommendation also includes a technical correction, which reduces expenditures by \$517,627, all from the State Highway Fund, for contractual services from the Maintenance program and adds the same amount to the Administration and Transportation Planning program for FY 2018.

The **agency** requests FY 2019 operating expenditures totaling \$144.7 million, all from special revenue funds, for the Maintenance program. This is an all funds increase of \$3.5 million, or 2.5 percent, above the FY 2018 request. This increase occurs within commodities (\$2.0 million), salaries and wages (\$932,639), and capital outlay (\$772,874), partially offset by a decrease in contractual services (\$146,936). The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$65.0 million, all from special revenue funds, to fund 1,075.0 FTE positions and 145.0 non-FTE positions for FY 2019. The request is an all funds increase of \$932,639, or 1.5 percent, above the FY 2018 request. Increases from the FY 2018 request primarily include old age, survivor, and disability insurance (\$2.7 million); employer contributions to public employee retirement (\$517,191); and group health insurance (\$374,562). These increases are partially offset primarily by a decrease in Medicare expenditures (\$2.7 million);
- **Contractual Services.** The agency requests expenditures of \$22.5 million, all from special revenue funds, for FY 2019. This request is a decrease of \$146,936, or 0.6 percent, below the FY 2018 request. Decreases from the FY 2018

request primarily include other fees (\$376,461), other professional fees (\$37,843), and staffing and recruiting services (\$26,594). These decreases are partially offset by increases to self-propelled repair–other (\$88,840), electricity (\$55,548), repair and servicing for weed spraying (\$24,853), repair and servicing for traffic lighting (\$24,463), other contractual services (\$27,439), and repair and servicing of building grounds (\$17,145);

- **Commodities.** The agency requests expenditures of \$41.0 million, all from special revenue funds, for FY 2019. This request is an increase of \$2.0 million, or 5.1 percent, above the FY 2018 request. The primary increases from the FY 2018 request include diesel fuel (\$1.5 million), gasoline federal excise tax (\$910,333), highway rock salt (\$76,912), other vehicle parts and supplies (\$75,834), and highway asphaltic concrete (\$74,094). These increases are partially offset by a primary decrease in gasoline expenditures (\$950,805);
- **Capital Outlay.** The agency requests expenditures of \$12.8 million, all from special revenue funds, for FY 2019. This request is an increase of \$772,874, or 6.4 percent, above the FY 2018 request. The primary increases from the FY 2018 request come in the categories of trucks (\$702,290) and radio equipment (\$58,242);
- **Aid to Local Units of Government.** The agency requests expenditures of \$3.4 million, all from special revenue funds, for expenditures for

highway to city connecting link maintenance for FY 2019; and

- **Non-reportable Expenditures.** Non-reportable expenditures total \$1.2 million for FY 2019 and are for inter-agency transfers, including motor fuel sales.

The **Governor** recommends \$144.0 million, all from special revenue funds, for the Maintenance program for FY 2019. This is a decrease of \$684,279, or 0.5 percent, below the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

D. Construction

The Construction program includes functions and activities associated with constructing new highways and performing major renovations of existing state highways and facilities. The program is divided into seven sub-programs: Debt Service, Design/Right of Way, Construction Inspection, State Projects, Buildings, Local Construction, and Preservation. Program activities include right-of-way purchase, design, construction supervision, materials testing, facilities construction and remodeling, debt service, and federal aid to local governments. Also included within this program are construction-related transfers.

Highway construction projects are classified as Preservation, Modernization, and Expansion/Enhancement.

Preservation. This program includes maintenance activities completed by contract staff with selection based on statewide

need and includes the Priority Bridge program, which replaces or rehabilitates substandard bridges.

Modernization. The projects in this program are designed to improve the safety, and service of the existing roadway system by bringing it up to current design standards. Projects include widening or adding shoulders, flattening hills, or removing curves in a road.

Expansion/Enhancement. This program is designed to improve safety, relieve congestion, improve access, and enhance economic development. This includes corridor improvements, bypass construction, and interchange/separation improvements. The projects must be on the State Highway System or a logical addition to the State Highway System.

CONSTRUCTION
SUMMARY OF EXPENDITURES FY 2016 – 2019

Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Salaries and Wages	\$ 44,540,976	\$ 47,149,315	\$ 47,026,227	\$ 46,597,915	\$ 46,147,332	\$ 47,217,892	\$ 46,698,435
Contractual Services	84,256,154	73,468,798	73,468,798	67,164,520	67,164,520	58,757,358	58,757,358
Commodities	1,927,064	1,419,651	1,419,651	1,234,373	1,234,373	1,403,287	1,403,287
Capital Outlay	987,602	1,213,969	1,213,969	1,537,389	1,537,389	1,516,854	1,516,854
Debt Service	75,739,786	87,584,795	87,584,795	83,934,641	83,934,641	79,065,011	79,065,011
<i>Subtotal - Operations</i>	<i>\$ 207,451,582</i>	<i>\$ 210,836,528</i>	<i>\$ 210,713,440</i>	<i>\$ 200,468,838</i>	<i>\$ 200,018,255</i>	<i>\$ 187,960,402</i>	<i>\$ 187,440,945</i>
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
Capital Improvements	365,123,988	897,675,143	594,078,089	665,879,695	272,745,161	924,483,884	544,926,227
Reportable Exp.	\$ 572,575,570	\$ 1,108,511,671	\$ 804,791,529	\$ 866,348,533	\$ 472,763,416	\$ 1,112,444,286	\$ 732,367,172
Non-Reportable Exp.	599,713,427	177,527,015	177,527,015	197,439,550	197,439,550	212,746,211	212,746,211
TOTAL	<u>\$ 1,172,288,997</u>	<u>\$ 1,286,038,686</u>	<u>\$ 982,318,544</u>	<u>\$ 1,063,788,083</u>	<u>\$ 670,202,966</u>	<u>\$ 1,325,190,497</u>	<u>\$ 945,113,383</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	572,575,570	1,108,511,671	804,791,529	866,348,533	472,763,416	1,112,444,286	732,367,172
Reportable Exp.	\$ 572,575,570	\$ 1,108,511,671	\$ 804,791,529	\$ 866,348,533	\$ 472,763,416	\$ 1,112,444,286	\$ 732,367,172
Non-Reportable Exp.	599,713,427	177,527,015	177,527,015	197,439,550	197,439,550	212,746,211	212,746,211
TOTAL	<u>\$ 1,172,288,997</u>	<u>\$ 1,286,038,686</u>	<u>\$ 982,318,544</u>	<u>\$ 1,063,788,083</u>	<u>\$ 670,202,966</u>	<u>\$ 1,325,190,497</u>	<u>\$ 945,113,383</u>
FTE Positions	554.0	538.0	538.0	538.0	538.0	538.0	538.0
Non-FTE Uncl.Perm.Pos.	190.0	122.0	122.0	122.0	122.0	122.0	122.0
TOTAL	<u>744.0</u>	<u>660.0</u>	<u>660.0</u>	<u>660.0</u>	<u>660.0</u>	<u>660.0</u>	<u>660.0</u>

The **agency** requests FY 2018 expenditures totaling \$1.1 billion, all from special revenue funds, for the Construction program. This is an all funds decrease of \$222.3 million, or 17.3 percent, below the FY 2017 revised estimate. This decrease

primarily occurs within capital improvements (\$231.8 million), contractual services (\$6.3 million), debt service (\$3.7 million), salaries and wages (\$551,400), and commodities (\$185,278),

partially offset by an increase in capital outlay (\$323,420). The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$46.6 million, all from special revenue funds, to fund 538.0 FTE positions and 122.0 non-FTE positions for FY 2018. The request is an all funds decrease of \$551,400, or 1.2 percent, below the FY 2017 revised estimate. Decreases from the FY 2017 revised estimate primarily include unclassified regular pay (\$453,098), classified regular pay (\$447,649), unclassified temporary pay (\$292,552), and workers' compensation expenditures (\$122,767). These decreases are partially offset by increases in employer contributions to public employee retirement (\$589,321) and group health insurance (\$247,259);
- **Contractual Services.** The agency requests expenditures of \$67.2 million, all from special revenue funds, for FY 2018. This request is a decrease of \$6.3 million, or 8.6 percent, below the FY 2017 revised estimate. Decreases from the FY 2017 revised estimate primarily include architects and engineers (\$5.3 million), information systems consulting (\$984,642), in-state meals and lodging (\$73,414), and other fees (\$19,503). These decreases are partially offset by an increase in private in-state vehicle miles (\$21,189);
- **Commodities.** The agency requests expenditures of \$1.2 million, all from special revenue funds, for FY 2018. This request is a decrease of \$185,278, or 13.1 percent, below the

FY 2017 revised estimate. The primary decreases from the FY 2017 revised estimate come in the categories of professional scientific supplies–other (\$79,955), data processing supplies (\$33,423), stationery and office supplies (\$26,873), and small tools (\$17,080);

- **Capital Outlay.** The agency requests expenditures of \$1.5 million, all from special revenue funds, for FY 2018. This request is an increase of \$323,420, or 26.6 percent, above the FY 2017 revised estimate. The primary increases from the FY 2017 revised estimate include trucks (\$374,213) and professional and scientific equipment (\$13,657). These increases are primarily and partially offset by decreases to microcomputer equipment (\$25,252), self-propelled equipment (\$22,840), and books and library materials (\$13,406).
- **Capital Improvements.** The agency requests expenditures of \$665.9 million, all from special revenue funds, for FY 2018. This request is a decrease of \$231.8 million, or 25.8 percent, below the FY 2017 revised estimate. This decrease is primarily related to the announced delay in expansion and modernization projects made in April 2016; and
- **Non-reportable Expenditures.** The agency's FY 2018 budget includes \$197.4 million, all from special revenue funds, for inter-fund transfers (\$196.0 million), and traffic control expenditures for the Highway Patrol (\$1.4 million).

The **Governor** recommends \$472.8 million, all from special revenue funds, for the Construction program for FY 2018. This is a decrease of \$393.6 million, or 45.4 percent, below the FY 2018 agency request. The decrease is partially attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter. Additional adjustments included within the Governor's recommendation for FY 2018 are as follows:

- A reduction of \$393.1 million in preservation project expenditures to account for recommended revenue transfers; and
- A shift in expenditures by \$2.1 million, all from the State Highway Fund, to postpone the relocation of the Newton Subarea, and reallocate this amount to preservation projects.

The **agency** requests FY 2019 operating expenditures totaling \$1.1 billion, all from special revenue funds, for the Construction program. This is an all funds increase of \$246.1 million, or 28.4 percent, above the FY 2018 request. This increase primarily occurs within capital improvements (\$258.6 million), salaries and wages (\$619,977), and commodities (\$168,914), partially offset by decreases in contractual services (\$8.4 million), debt service (\$4.9 million), and capital outlay (\$20,535). The request is detailed below by category of expenditure:

- **Salaries and Wages.** The agency requests expenditures of \$47.2 million, all from special revenue funds, to fund 538.0 FTE positions and 122.0 non-FTE positions for FY 2019. The request is an all funds increase of \$619,977, or 1.3 percent, above the FY 2018 request.

Increases from the FY 2018 request primarily include old age, survivor, and disability insurance (\$2.1 million); employer contributions to public employee retirement (\$392,093); group health insurance (\$200,883); and workers' compensation expenditures (\$20,526). These increases are partially offset by a primary decrease in Medicare expenditures (\$2.1 million);

- **Contractual Services.** The agency requests expenditures of \$58.8 million, all from special revenue funds, for FY 2019. This request is a decrease of \$8.4 million, or 12.5 percent, below the FY 2018 request. Decreases from the FY 2018 request include architects and engineers (\$6.4 million), information systems consulting (\$1.9 million), staffing and recruiting services (\$75,000), and in-state meals and lodging (\$53,422). These decreases are partially offset by an increase in intergovernmental local communications services operations-DISC (\$11,716);
- **Commodities.** The agency requests expenditures of \$1.4 million, all from special revenue funds, for FY 2019. This request is an increase of \$168,914, or 13.7 percent, above the FY 2018 request. The primary increase from the FY 2018 request is in gasoline expenditures (\$159,168);
- **Capital Outlay.** The agency requests expenditures of \$1.5 million, all from special revenue funds, for FY 2019. This request is a decrease of \$20,535, or 1.3 percent, below the FY 2018 request. The primary decreases from

the FY 2018 request are in microcomputer equipment (\$31,830) and books and library materials (\$4,338). These decreases are primarily offset by an increase in professional and scientific equipment (\$12,718);

- **Capital Improvements.** The agency requests expenditures of \$924.5 million, all from special revenue funds, for FY 2019. This request is an increase of \$258.6 million, or 38.8 percent, above the FY 2018 request. This increase is primarily related to the shift of project expenditures between years; and
- **Non-reportable Expenditures.** The agency's FY 2019 budget includes \$212.7 million, all from special revenue funds, for inter-fund transfers (\$211.3 million) and traffic control expenditures for the Highway Patrol (\$1.4 million).

The **Governor** recommends \$732.4 million, all from special revenue funds, for the Construction program for FY 2019. This

is a decrease of \$380.1 million, or 34.2 percent, below the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. Additional adjustments included within the Governor's recommendation for FY 2018 are as follows:

- A reduction of \$194.6 million in preservation project expenditures to account for recommended revenue transfers;
- A reduction of \$185.0 million in state projects expenditures to account for recommended revenue transfers; and
- A shift in expenditures by \$1.0 million, all from the State Highway Fund, to postpone expenditures requested to update the electrical and bay extension district 2 shop in Salina and reallocate requested expenditures to preservation projects for FY 2019.

E. Debt Service

This section details principal, interest, and administrative costs related to bond debt for the Kansas Department of Transportation. These expenditures are included as part of the Construction program; the following table is provided as a breakout for additional detail on debt service expenditures. As of November 2016, bond issuance for T-WORKS totaled \$1.175 billion.

[**Note:** 2016 House Sub. for SB 161 included language reinstating the cap for annual bond debt service expenditures to 19.0 percent of annual projected state highway fund revenues for FY 2017, and then to continue at 18.0 percent for future fiscal years. (As of November 2016, the agency is over 22.0 percent annual debt service to annual projected revenues.)]

DEBT SERVICE							
SUMMARY OF EXPENDITURES FY 2016 – 2019							
Item	Actual FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Expenditures:							
Debt Service Interest	\$ 75,739,786	\$ 87,584,795	\$ 87,584,795	\$ 83,934,641	\$ 83,934,641	\$ 79,065,011	\$ 79,065,011
Debt Service Principal	102,670,000	107,310,000	107,310,000	108,285,000	108,285,000	116,635,000	116,635,000
Administrative Costs	2,456,187	658,158	658,158	660,000	660,000	660,000	660,000
TOTAL	<u>\$ 180,865,973</u>	<u>\$ 195,552,953</u>	<u>\$ 195,552,953</u>	<u>\$ 192,879,641</u>	<u>\$ 192,879,641</u>	<u>\$ 196,360,011</u>	<u>\$ 196,360,011</u>
Financing:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	180,865,973	195,552,953	195,552,953	192,879,641	192,879,641	196,360,011	196,360,011
TOTAL	<u>\$ 180,865,973</u>	<u>\$ 195,552,953</u>	<u>\$ 195,552,953</u>	<u>\$ 192,879,641</u>	<u>\$ 192,879,641</u>	<u>\$ 196,360,011</u>	<u>\$ 196,360,011</u>

The **agency** requests debt service expenditures totaling \$195.6 million, all from special revenue funds, in FY 2017.

The **Governor** concurs with the agency's FY 2018 request for debt service expenditures.

The **Governor** concurs with the agency's FY 2017 request for debt service expenditures.

The **agency** requests debt service expenditures totaling \$196.4 million, all from special revenue funds, for FY 2019.

The **agency** requests debt service expenditures totaling \$192.9 million, all from special revenue funds, for FY 2018.

The **Governor** concurs with the agency's FY 2019 request for debt service expenditures.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS - BUILDING PROJECTS						
	Agency Est. FY 2017	Gov. Rec. FY 2017	Agency Req. FY 2018	Gov. Rec. FY 2018	Agency Req. FY 2019	Gov. Rec. FY 2019
Rehabilitation and Repair	\$ 3,008,314	\$ 3,008,314	\$ 3,638,000	\$ 3,638,000	\$ 3,740,000	\$ 3,740,000
Re-roof Buildings–Various Locations	688,600	688,600	743,401	743,401	1,025,818	1,025,818
Subarea Modernization–Various Locations	2,558,790	2,558,790	3,339,679	3,339,679	4,128,728	4,128,728
Remote Chemical Storage Bunkers	0	0	79,303	79,303	81,447	81,447
Chemical Storage Facilities	0	0	0	0	242,574	242,574
Purchase Land–Various Locations	25,696	25,696	0	0	45,000	45,000
Relocate Subarea–Concordia	1,986,200	1,986,200	0	0	0	0
Relocate Subarea–Newton	0	0	2,143,534	0	0	0
Update Electrical & Bay Extension District 2 Shop–Salina	0	0	0	0	1,037,850	0
TOTAL	\$ 8,267,600	\$ 8,267,600	\$ 9,943,917	\$ 7,800,383	\$ 10,301,417	\$ 9,263,567
Financing:						
State Highway Fund	\$ 8,267,600	\$ 8,267,600	\$ 9,943,917	\$ 7,800,383	\$ 10,301,417	\$ 9,263,567
All Other Funds	0	0	0	0	0	0
TOTAL	\$ 8,267,600	\$ 8,267,600	\$ 9,943,917	\$ 7,800,383	\$ 10,301,417	\$ 9,263,567

Current Year Agency Estimate

FY 2017–Current Year. The agency's FY 2017 revised estimate includes buildings expenditures totaling \$8.3 million, all

from the State Highway Fund. This is an increase of \$546,661, or 7.1 percent, above the amount approved by the 2016

Legislature. The request includes \$5.3 million for projects and \$3.0 million for rehabilitation and repair. The agency states this increase is due to reappropriations for projects that were delayed from the previous fiscal year. The agency notes they utilize the state architect and staff, and that priority for projects is given to those projects funded by the State General Fund and are subject to lapsing. Additionally, the agency notes that zoning and regulations can affect the progress of a project. The agency's FY 2017 revised estimate includes estimated re-roofing expenditures for seven locations, subarea bay modernizations for three locations, and land purchases totaling \$25,696, all from the State Highway Fund, for relocation of a materials storage and mixing strip to a 2 acre tract of land in Sumner County.

Current Year Governor Recommendation

The **Governor** concurs with the agency's revised estimate for buildings expenditures in FY 2017.

Budget Year Agency Request

FY 2018–Budget Year. The agency's FY 2018 request includes buildings expenditures totaling \$9.9 million, all from the State Highway Fund. This is an increase of \$1.7 million, or 20.3 percent, above the FY 2017 revised estimate. The request includes \$6.3 million for projects and \$3.6 million for rehabilitation and repair. The agency's FY 2018 request includes estimated re-roofing expenditures for ten locations and subarea bay modernizations for three locations.

The agency also requests \$2.1 million, all from the State Highway Fund, to relocate the subarea in Newton for FY 2018. The agency states this would provide for the construction of a six-stall subarea shop and chemical storage to replace current facilities. The agency states the current facility is located in a

The 2016 Legislature approved the expenditure of \$2.0 million, all from the State Highway Fund, to relocate the subarea in Concordia in FY 2017. The agency owns the land for the new facility (20 acres purchased in June 2009), and that construction expenditures were to be for: a building to house the Concordia subarea and area crew; equipment storage; a wash bay building; a chemical storage dome; and a salt/sand bunker (the facility is to be located north of Concordia along Union Road, and approximately one-half mile east of US-81). This relocation also will involve the co-location of Kansas Highway Patrol trooper operations.

residential neighborhood in Newton on 1.4 acres, and has poor access to highways maintained, and that the small size of the yard restricts materials that can be stored. The agency owns the land for the new facility and construction expenditures would be for a 7,000-square-foot building, which would be subdivided into 2,110 square feet of office space, including a Kansas Highway Patrol office, and six 50' x 16' 4" equipment bays. At least two of the bays would be heated, and one would be an equipment wash bay. This would be used as the headquarters for the subarea crew. This project would include the construction of ancillary structures related to the subarea facility. These include a ten-bay equipment storage building, a chemical storage dome, and a salt/sand bunker (the facility is to be located on land near I-135 and US-50 highways).

Budget Year Governor Recommendation

The **Governor** concurs with the agency's FY 2018 request for buildings expenditures, with the following adjustment:

- Postpone the relocation of the Newton subarea and reallocate requested expenditures to preservation projects for FY 2018.

Budget Year Agency Request

FY 2019–Budget Year. The agency's FY 2019 request includes buildings expenditures totaling \$10.3 million, all from the State Highway Fund. This is an increase of \$357,500, or 3.6 percent, above the FY 2018 request. The request includes \$6.6 million for projects and \$3.7 million for rehabilitation and repair. The agency's FY 2019 request includes estimated re-roofing

expenditures for nine locations, subarea bay modernizations for four locations, and land purchases totaling \$45,000, all from the State Highway Fund. The agency's five-year plan notes the agency is looking to expand land ownership at one existing site in Sublette and one site in Kinsley in order to provide for the relocation of a subarea.

Budget Year Governor Recommendation

The **Governor** concurs with the agency's FY 2019 request for buildings expenditures, with the following adjustment:

- Postpone requested expenditures to update the electrical and bay extension district 2 shop in Salina, and reallocate requested expenditures to preservation projects for FY 2019.

State Funding Sources

The Kansas Department of Transportation receives revenue into the State Highway Fund from a number of sources. Three notable state sources of funding include: motor fuels taxes, the sales tax direct deposit, and vehicle registration fees. A history of revenue generated from these three sources from FY 2000 to FY 2019 request are included in the following table.

Motor Fuels Taxes. Motor fuels taxes are generated on a number of fuel types, including gasoline and gasohol, diesel, E-85, liquified petroleum, and other special fuels. The current fuel tax on gasoline is 24¢ per gallon and the current tax on diesel is 26¢ per gallon.

Sales and Compensating Use Tax Direct Deposit. With the passage of 2015 House Sub. for SB 270, the sales and compensating use tax, as of July 1, 2015, was increased from 6.150 percent to 6.500 percent. The State Highway Fund received a direct deposit of 16.226 percent of this tax in FY 2016, and is set to receive 16.154 percent for FY 2017.

Vehicle Registration and Licensing Fees. The State Highway Fund receives revenues from vehicle registration and

licensing fees on commercial class vehicles and commercial endorsements. These include the following:

- Type A—truck/tractor, trailer/semitrailer, and truck and trailer/semitrailer combinations weighing more than 26,000 pounds;
- Type B—trucks weighing more than 26,000 pounds;
- Type C—trucks weighing 26,000 pounds or less, farm trucks, cars, and passenger vehicles; and
- Type M—for motorcycle licenses.

As part of the enhanced revenues for the T-WORKS program, Heavy Truck Registration increased \$100 in FY 2013, and was estimated to generate \$132.0 million over the life of the program.

**STATE FUNDING SOURCES FY 2000-FY 2019 ESTIMATE
(IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Motor Fuels Tax</u>	<u>Sales Tax Transfer Received</u>	<u>Revised Sales Tax Direct Deposit*</u>	<u>Vehicle Registration Fees</u>	<u>Totals</u>
2000 Actual	\$ 356,069	\$ 62,240	\$ 88,598	\$ 134,289	\$ 641,196
2001 Actual	356,399	51,709	89,241	132,439	629,788
2002 Actual	371,201	94,288	91,611	132,969	690,069
2003 Actual	408,119	0	89,369	146,306	643,794
2004 Actual	420,353	0	90,137	149,369	659,859
2005 Actual	422,760	0	93,353	154,108	670,221
2006 Actual	424,666	0	98,914	155,834	679,414
2007 Actual	430,547	0	158,393	163,047	751,987
2008 Actual	427,808	0	273,293	162,100	863,201
2009 Actual	417,771	0	268,740	162,655	849,166
CTP TOTAL	\$ 4,035,693	\$ 208,237	\$ 1,341,649	\$ 1,493,116	\$ 7,078,695
2010 Actual	\$ 421,071	\$ 0	\$ 259,445	\$ 166,178	\$ 846,694
2011 Actual	432,730	0	292,641	167,386	892,757
2012 Actual	431,549	0	312,358	166,316	910,223
2013 Actual	411,852	0	319,382	186,962	918,196
2014 Actual	433,806	0	485,458	201,051	1,120,315
2015 Actual	436,058	0	511,724	208,935	1,156,717
2016 Actual	447,300	0	517,698	204,363	1,169,361
2017 Estimate*	439,133	0	530,769	206,000	1,175,902
2018 Estimate*	443,933	0	550,666	206,000	1,200,599
2019 Estimate*	445,233	0	571,316	206,000	1,222,549

*Note: 2017, 2018, and 2019 estimates are the most recent projections provided within the agency's September 2016 budget submission.

PERFORMANCE MEASURES					
Measure	Gov. Rec. for FY 2016	Actual FY 2016	Gov. Rec. FY 2017	Gov. Rec. FY 2018	Gov. Rec. FY 2019
Administration and Transportation Planning:					
Percent of bridges on the state highway system with bridge health index of 88 or above	86.0%	87.0%	86.0%	85.0%	85.0%
Percent of roadway miles on the state highway system with desirable levels of service during peak hours of travel	95.0%	95.0%	95.0%	95.0%	95.0%
Percent of non-interstate miles on the state highway system that are classified as "good" or "acceptable"	86.0%	90.0%	88.0%	87.0%	85.0%
Number of modernization miles programmed	14	15	3	3	35
Number of preservation miles programmed	517	1,379	2,392	2,633	2,713
Number of preservation bridges programmed	77	95	175	140	139
Number of public-use airports improved	22	22	25	25	25
Local Support:					
Number of programmed local road and street projects contracted in the programmed year	190	180	190	190	190
Annual ridership for rural public transportation operations	3,094,597	2,669,267	2,978,579	3,003,482	3,014,633
Average number of days to complete a road safety audit	450	450	450	150	150
Injuries per hundred million vehicle miles	48	47	46	45	44
Number of accidents related to alcohol	2,275	2,250	2,200	2,150	2,100
Maintenance:					
Percent of lane miles of connecting links maintained	71.0%	71.0%	70.0%	71.0%	71.0%
Percent of shoulder miles on the state highway system that are repaired	35.0%	31.0%	33.0%	33.0%	33.0%
Lane miles of state highway system repaired	1,400	1,239	1,300	1,300	1,300
Construction:					
Number of project miles designed	142	130	48	55	110
Number of bridge projects designed	31	30	27	17	22
Number of preservation projects	112	137	247	249	254
Number of preservation miles resurfaced	517	829	1,987	2,228	2,308
Number of bridges repaired and repainted	25	43	137	108	108

