

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Representative Kenny Wilk at 10:00 a.m. on March 19, 2002, in Room 514-S of the Capitol.

All members were present except: Representative Stone, Excused

Committee staff present:

- Amy Kramer, Legislative Research
- Alan Conroy, Legislative Research
- Julian Efird, Legislative Research
- Deb Hollon, Legislative Research
- Leah Robinson, Legislative Research
- Robert Waller, Legislative Research
- Carolyn Rampey, Legislative Research
- Martha Dorsey, Legislative Research
- Becky Krahl, Legislative Research
- Paul West, Legislative Research
- Audrey Nogle, Legislative Research
- Jim Wilson, Revisor of Statutes
- Mike Corrigan, Revisor of Statutes
- Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Colonel Adam King, Kansas Air National Guard

Others attending: See Attached

Hearing, Discussion, and Action on HB 2743—Appropriations for FY 2002 and FY 2003, supplemental appropriations for various state agencies and FY 2003 adjustments for certain biennially-budgeted and other state agencies; and HB 3008—Appropriations for FY 2002 and FY 2003 for various state agencies

Staff distributed copies of and reviewed the following:

- House Appropriations Committee Proposal Potential FY 2002 and FY 2003 Cost Reductions (Attachment 1)
- State General Fund Year to Date Expenditures for Selected Agencies (Attachment 2)
- State Water Plan Fund: FY 2002 and FY 2003 (Attachment 3)
- Economic Development Initiatives Fund (Attachment 4)
- Children's Initiatives Fund (Tobacco) (Attachment 5)
- FY 2002 and FY 2003 Shrinkage Amounts by Agency (Attachment 6)
- State Operations Expenditures FY 2002 and FY 2003 Governor's Revised Recommendation from all Funding Sources (Attachment 7)
- House Adjustments to the Governor's Recommendation (Attachment 8)
- Senate Adjustments to the Governor's Recommendation (Attachment 9)
- Revised State General Fund Receipts for FY 2002 and FY 2003 (Attachment 10)

During Committee discussion on the proposed \$800,000 increase in the Department of Motor Vehicle Operating Fund in the Governor's recommendations, it was pointed out that this was really not an enhancement but is for the increased cost of aluminum for production of license plates. There is currently a bill in the Senate which would allow displaying only one vanity plate rather than two which would decrease the cost. The agency had requested less than was in the Governor's recommendation

Representative Klein moved for a 20 percent decrease in the Department of Motor Vehicles Operating Fund in the Department of Revenue which would transfer \$200,000 to the State General Fund. Motion was seconded by Representative Shriver. Motion carried.

During discussion on the Judicial Branch, it was pointed out that the Appellate Court is not handling more than twice the number of cases per year it should be hearing and this is causing a delay in the processing of these cases. It was suggested that all appeals did not have to be heard and this may not be the time to approve a new unclassified position and classified FTE positions.

Representative Shriver moved to amend the bill by not funding the requested \$255,000 for an appellate judge and the renovation of a suite to accommodate the judge but leaving the three FTE positions as requested. The motion was seconded by Representative Nichols. The motion failed.

Representative Spangler moved to amend the bill by to increase all shrinkage rates by one percent for FY 2002 and FY 2003. There was no second to the motion.

Chairman Wilk recessed the meeting at 10:55 a.m. and called it back to order at 1:40 p.m.

Tim Shallenburger, Secretary of the Treasury, shared his ideas on and experiences in working both within the Legislature and in running an agency (Attachment 11). He encouraged the Committee to stay as closely as possible to their proposed budget and not increase taxes. Secretary Shallenburger shared the following observations and suggestions:

1. Check agency budgets at the end of the third quarter and also in the last month. Figure the expenditures of the first three quarters versus the last quarter. Are agencies spending the money very rapidly in the last quarter or month in order to prove their need for the same or more funding in the next fiscal year?
2. Government has grown at twice the rate of inflation i.e. the cost is currently \$470 million more than incoming revenue. Kansas is eighth in the nation in the number of bureaucrats per capita (including city and state government leaders) and we pay 17 percent more in taxes than those who live in Colorado.
3. Budgets should be based on a three to four year plan.
4. The school finance formula is broken and has never worked the way it was proposed. Needs to be completely reformatted without using the head count method. If education does not receive adequate funding, the property taxes across the state will go up. The proposed \$300 per pupil tax cut is too steep for K-12 and could devastate the education system especially in Western Kansas.
5. Small fee agencies should be consolidated, thus, removing fee board heads who work with part-time staff.
6. Review the furlough idea as it may be better to eliminate the FTE positions which are not needed.
7. There are currently too many priorities budget-wise.
8. A tax increase is not needed, more prudent use of existing resources and reduction of spending is the answer. Lowering taxes is true economic development. The persons who usually want taxes raised are those who would personally benefit.
9. Elimination of the Department of Commerce and Housing as the small grants they make are inadequate and do not accomplish what lowering corporate tax would do for economic development. This would also leave more money in EDIF
10. The proposal to eliminate sales tax exemptions should be examined very closely and definitely not across the board as there would be many businesses as well as the general public on which this would have a negative impact, i.e. farm machinery, prescriptions. Closing loopholes may be one way to avoid raising the tax rate.
11. When the commitment was made by the Legislature to fund higher education in a certain amount, our universities made their plans and commitments. Every attempt should be made to honor the Legislature's monetary commitment to these universities and any other funding commitment they make i.e. research and development.

Chairman Wilk recessed the meeting at 2:30 p.m. and reconvened it at 2:50 p.m.

Staff distributed an updated House Appropriations Committee proposal for potential cost reductions for FY 2002 and FY 2003 including the Klein amendment (Attachment 12).

The Committee discussed Item 2 of Attachment 12 regarding the establishment of a furlough policy for all state employees. Furloughing would not impact retirement benefits as would a percentage decrease of four percent in salary or the other option of reducing FTE positions. Two-thirds of the state workforce is classified and one-third is unclassified and receives approximately fifty percent of the salary split. Committee members expressed their disappointment and reluctance to cutting the payroll of state employees and expressed their realization of the negative impact this could have on morale and feeling of worth for the employee.

Also discussed was the option of eliminating Kansas-Tec and Kansas, Inc., and rolling those responsibilities into the Department of Commerce with a savings of \$46 million of EDIF money.

Chairman Wilk moved for the adoption of the Committee Report (Attachment 12) including the Klein amendment to amend HB 3008 and HB 2743. Motion was seconded by Representative Neufeld. Motion carried.

Representative Neufeld moved to amend the bill by adding a proviso for the Department of Social and Rehabilitative Services to continue using the existing Community Mental Health Centers. Motion was seconded by Representative Landwehr. Motion carried.

Staff informed the committee that the National Guard Emergency Preparedness fund will be running out of SGF in March and will not have the funding for the federal match for the disaster area.

Colonel Adam King, Kansas Air National Guard, said that the last estimate they had was that the federal funding was for \$60 million with the state being responsible for ten percent or \$6 million.

Chairman Wilk requested that the Public Safety Budget Committee determine how to procedurally handle the funding request for the Emergency Preparedness Fund.

The Committee requested staff to flag EDIF at Omnibus for the possibility of means testing the recipients of the grants. Also noted was that there was no report to support removing Kansas, Inc., from the EDIF.

Representative Pottorff moved to amend the General Government and Human Resources Budget Report for the Department of Human Resources Budget for FY 2003 to include the planning for construction money which was deleted from their budget as money from FY 2002 is available within the department and to transfer \$40,000 of this available money to the SGF. Motion was seconded by Representative Shriver. Motion carried.

Representative Henry moved to amend the General Government and Human Resources Budget Committee report for the Governor's budget for FY 2003 to allow for the expenditure of \$250,000 for the participation of Kansas in the Lewis and Clark anniversary recognition. Motion was seconded by Representative Nichols. Motion carried.

Representative Schwartz moved to amend the Agriculture and Natural Resources Budget Committee report for the Kansas State Fair budget for FY 2002 by making technical corrections in the numerical section. Motion was seconded by Representative Feuerborn. Motion carried.

Representative Bethell moved to amend the Education Budget Committee report for the State Board of Regents budget for FY 2003 by adding a proviso which would remove \$143,000 from the Comprehensive Grant Program for Heston College until such time as they fly the American flag on a permanent basis in front of their institution. This money would be transferred to the Kansas Arts Commission budget for FY 2003. Motion was seconded by Representative Landwehr. Motion carried. Representative Spangler asked to be recorded as a "no" vote.

Staff was directed to flag for Omnibus the option of merging the Conservation Commission, the Water Office and the Water Resources Office into the Department of Agriculture.

Representative Pottorff moved to amend the House Appropriations Committee report (Attachment 12) by

removing the funding for Kansas Tec in the amount of \$200,000 and reinstate the funding of Kansas, Inc. Motion was seconded by Representative Shriver. Motion carried.

Representative Nichols moved to amend the House Appropriations Committee report (Attachment 12) by increasing the Children's Initiatives Fund to \$7.45 million. Motion was seconded by Representative Neufeld. Motion carried.

Representative Wilk moved to report **HB 2743** favorably as amended with staff instructed to make any technical changes required. Motion was seconded by Representative Neufeld. Motion carried.

Representative Wilk moved to report **HB 3008** favorably as amended with staff instructed to make any technical changes required. Motion was seconded by Representative Neufeld. Motion carried.

The meeting was adjourned at 4:02 p.m. The next meeting is scheduled for Monday, March 25, 2002.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE:

NAME	REPRESENTING
Dick Koevth	KIDWP
John Pincgar	Washburn Univ.
J. Chubb	SOS
Drave Duffy	SOS
Debra Duncan	Animal Health
Kevin Barone	Hen law firm.
Mike Huffles	Ks. Gov't. Consulting
Jan Brad	KSC
Niki CHRISTOPHER	CURB
Jon Josseland	KU
Janet Murguia	KU
Jennie Chinn	Ks State Historical Society
MAX Foster	KS Dept. of Agriculture
Jamie Clover Adams	KS Dept. of Agriculture
Bonnie Heim	State Library
Dave Wilson	KS Arts Commission
RaeAnne Davis	KDOCH
Leow Kuba	KGP
Christi Stewart	KS Motor Carriers Assoc.

**HOUSE APPROPRIATIONS COMMITTEE PROPOSAL
POTENTIAL FY 2002 AND FY 2003 COST REDUCTIONS**

Amount (Millions)	Item*
\$ 75.6	1) \$131 Base State Aid Per Pupil reduction from \$163 recommended by Governor to \$292
36.0	2) <i>Establish global furlough policy - 2 days in FY 2002 for all employees at \$3.5 million per day; in FY 2003, 6 days for classified employees at \$1.5 million per day and 10 days for unclassified employees at \$2.0 million per day</i>
25.0	3) <i>Capture fee fund balances; offset SGF or transfer to SGF (KHP, KDHE, Banking, etc.)</i>
24.0	4) Regents base budget adjustment
15.0	5) <i>Sale of state assets (Departments of Administration, Transportation, Wildlife and Parks)</i>
12.0	6) Nursing facility shift to person-centered plan of care, resulting in pharmacy savings
10.3	7) <i>Reduce demand/revenue transfers 10 percent from Governor's green book recommendation (LAVTRF, CCRSF, CCHF, State Water Plan); no new local school district bonds for School District Capital Improvement Fund beyond those already approved or those where a local bond election has been scheduled</i>
10.0	8) <i>Eliminate all on-call temporary services</i>
10.0	9) <i>Reduce FY 2002 SGF expenditures based on year-to-date expenditures</i>
8.3	10) <i>Freeze Nursing Home Rates</i>
6.7	11) <i>SRS - Raise Level of Care score to 50; grandfather existing clients (\$16.8 million if not grandfathered)</i>
6.0	12) <i>One-year moratorium on all office furniture/equipment purchases</i>
5.0	13) <i>Delete FY 2003 SGF out of state travel expenditures</i>
5.0	14) <i>One-year moratorium on vehicle purchases</i>
4.5	15) <i>Reduce Children's Initiatives Fund expenditures by 10 percent in FY 2003</i>
4.5	16) <i>Aging - Raise Level of Care score to 50</i>
4.3	17) <i>Reduce EDIF expenditures by 10 percent in FY 2003</i>
3.0	18) <i>Make Department of Wildlife and Parks a fee-funded agency</i>
2.6	19) <i>Fund half of longevity bonus payments - agencies would have to absorb remainder</i>
2.5	20) <i>Reduce all purchasing contracts for general supplies by 10 percent</i>
1.9	21) <i>Lottery - Increase State Gaming Revenue Fund transfer rate</i>
1.9	22) <i>Change pharmaceutical price (AWP minus 15)</i>
1.8	23) <i>Reduce State Water Plan Fund expenditures by 10 percent in FY 2003</i>
1.6	24) <i>Make the Kansas Arts Commission a privately funded entity</i>
1.0	25) <i>Transfer from State Fire Marshal Fee Fund to SGF</i>
1.5	26) <i>Merge Animal Health, Conservation Commission, Veterinary Medical Examiners, State Fair and Agricultural Products Division from Dept. of Commerce and Housing into Dept. of Agriculture</i>
0.7	27) <i>Increase KDHE fee fund administrative overhead from 20 to 30 percent</i>
0.6	28) <i>Recoup funding Parsons and KNI provide to schools and make local districts pay</i>
0.6	29) <i>Limit 2003 Legislative Session to 80 days</i>
0.3	30) <i>Eliminate the mental health quality enhancement staff (12.0 FTE positions)</i>
0.3	31) <i>Delete amount of unlimited reappropriation in Governor's Office budget</i>
0.3	32) <i>Eliminate \$0.2 million in JJA discretionary grants from Juvenile Detention Facilities Fund (JDFF) and use JDFF to offset SGF expenditures; reduce JDFF ending balance by \$0.1 million</i>
0.3	33) <i>Spend Water Plan balance remaining in Governor's recommendation</i>
0.2	34) <i>Reduce private vehicle reimbursement for in-state travel 10 percent</i>
0.2	35) <i>Eliminate Kansas, Inc.</i>
0.2	36) <i>Close Rainbow Mental Health Facility on December 31, 2002</i>
0.2	37) <i>Institute moratorium on special Legislative Interim Committees and abolish Legislative Compensation Commission</i>
0.1	38) <i>Delete all funding for Governor's Wichita office (including one month of FY 2002)</i>
\$ 284.0	TOTAL

Other Items:

State agencies will be required to make a concerted effort to save energy through lighting retrofits, motion sensors, and effective utility management

Direct Department of Administration to study the option to utilize open source software (no license costs) such as Linux operating system, to be used by state government to replace Microsoft products on servers, web servers, etc., and not desktops or laptops

Impose on a one-year moratorium on purchase of all computers outside of the existing contracts; agencies would be permitted to buy off the contract after review by Joint Committee on Information Technology and State Finance Council

*One time items in italics

**STATE GENERAL FUND
YEAR TO DATE EXPENDITURES FOR SELECTED AGENCIES**

	Gov. Rec. FY 2002	Year to Date 28-Feb-02	% of SGF Budget Spent	Expected Expenditure Based on Percent of Fiscal Year Elapsed	Difference
Legislative Coordinating Council	\$ 1,031,490	\$ 589,752	57.2	\$ 688,004	\$ 98,252
Legislative Research Department	2,534,190	1,658,128	65.4	1,690,305	32,177
Revisor of Statutes	2,486,866	1,284,087	51.6	1,658,740	374,653
Legislature	13,105,038	6,987,714	53.3	8,741,060	1,753,346
Governor's Department	2,178,647	1,141,727	52.4	1,453,158	311,431
Lieutenant Governor	147,605	82,126	55.6	98,453	16,327
State Treasurer	1,533,200	964,064	62.9	1,022,644	58,580
KPERS	32,000	0	0.0	21,344	21,344
Department of Administration	26,623,289	17,359,833	65.2	17,757,734	397,901
State Board of Tax Appeals	2,181,780	1,363,473	62.5	1,455,247	91,774
Department of Human Resources	2,906,889	1,180,774	40.6	1,938,895	758,121
Department of Education	2,333,775,147	1,501,102,675	64.3	1,556,628,023	55,525,348
School for the Blind	4,527,583	3,000,154	66.3	3,019,898	19,744
School for the Deaf	7,266,358	4,482,492	61.7	4,846,661	364,169
Fort Hays State University	31,951,242	19,776,520	61.9	21,311,478	1,534,958
University of Kansas	138,687,727	90,212,219	65.0	92,504,714	2,292,495
Lansing Correctional Facility	32,365,279	21,420,227	66.2	21,587,641	167,414
Ellsworth Correctional Facility	9,287,005	5,812,441	62.6	6,194,432	381,991
Norton Correctional Facility	11,856,762	7,836,088	66.1	7,908,460	72,372
Juvenile Justice Authority	34,840,803	21,098,735	60.6	23,238,816	2,140,081
Adjutant General	4,802,616	3,075,077	64.0	3,203,345	128,268
Kansas Sentencing Commission	467,282	275,636	59.0	311,677	36,041
TOTAL					\$ 66,576,786
				Total excluding Department of Education	\$ 11,051,438

State Water Plan Fund: FY 2002

Agency/Program	Governor's Rec. FY 2002	House Cmte. Adj. FY 2002	Senate Cmte. Adj. FY 2002
State Conservation Commission			
Water Quality Buffer Initiative	265,134	0	0
Aid to Conservation Districts	1,038,000	0	0
Multipurpose Small Lakes	230,000	0	0
Nonpoint Source Pollution Asst.	3,471,715	0	0
Riparian and Wetland Program	250,000	0	0
Land Treatment Cost Share - Const. Tech.	0	0	0
Water Resources Cost Share	5,079,950	0	0
Watershed Dam Construction	805,000	0	0
Water Rights Purchase	69,433	0	0
Total--Conservation Commission	11,209,232	0	0
Kansas Water Office			
Assessment and Evaluation	200,000	0	0
Federal Cost-Share Programs	250,000	0	0
GIS Administrative Support	0	0	0
GIS Data Access and Support Center	143,773	0	0
GIS Data Base Development	250,000	0	0
Groundwater Condition Evaluation	0	0	0
MOU - Storage Operations and Maintenance	437,833	0	0
Ogallala Aquifer Institute	45,000	0	0
PMIB Loan Payment for Storage	263,991	0	0
Public Information	30,000	0	0
Stream Gauging Program	416,000	0	0
Technical Assistance to Water Users	440,795	0	0
Water Planning Process	55,552	0	0
Water Resource Education	60,000	0	0
Weather Modification	178,000	0	0
Kansas Water Authority	0	0	0
Kansas River Study	0	0	0
Total--Kansas Water Office	2,770,944	0	0
Department of Wildlife and Parks			
River Recreation	0	0	0
Stream (Biological) Monitoring	50,000	0	0
Total--Department of Wildlife and Parks	50,000	0	0
KSU--Western Ks. Irrigation Research Project	0	0	0
Department of Agriculture			
Floodplain Management	136,578	0	0
Best Management Practices	0	0	0
Interstate Water Issues	243,905	0	0
Subbasin Water Resources Management	644,450	0	0
Total--Department of Agriculture	1,024,933	0	0
Department of Health and Environment			
Assessment of Sediment Quality	50,000	0	0
Contamination Remediation	1,397,506	0	0
Local Environmental Protection Program	1,800,000	0	0
Nonpoint Source Program	434,335	0	0
TMDL Initiatives	454,147	0	0
Use Attainability Analysis	0	0	0
Total--Department of Health and Environment	4,135,988	0	0
KCC--Well Plugging	400,000	0	0
University of Kansas--Geological Survey	50,000	0	0
Total Water Plan Expenditures	19,641,097	0	0
State Water Plan Resource Estimate			
Beginning Balance	2,550,678	0	0
Adjustments			
Released Encumbrances	0	0	0
Transfer to State General Fund	(250,000)	0	0
Revenues			
State General Fund Transfer	6,000,000	0	0
Economic Development Fund Transfer	2,000,000	0	0
Municipal Water Fees	3,603,419	0	0
Industrial Water Fees	1,225,000	0	0
Stock Water Fees	334,880	0	0
Pesticide Registration Fees	910,000	0	0
Fertilizer Registration Fees	3,311,597	0	0
Pollution Fines and Penalties	75,000	0	0
Sand Royalty Receipts	375,000	0	0
Total Receipts	17,584,896	0	0
Total Available	20,135,574	0	0
Less Expenditures	19,641,097	0	0
Ending Balance	494,477	0	0
Remaining Balance		494,477	494,477

HOUSE APPROPRIATIONS
 DATE 3/14/02
 ATTACHMENT 3

State Water Plan Fund: FY 2003

Agency/Program	Governor's Rec. FY 2003	House Cmte. Adj. FY 2003	Senate Cmte. Adj. FY 2003
State Conservation Commission			
Water Quality Buffer Initiative	386,634	0	0
Aid to Conservation Districts	1,042,500	0	0
Multipurpose Small Lakes	0	0	0
Nonpoint Source Pollution Asst.	3,150,000	0	0
Riparian and Wetland Program	250,000	0	0
Land Treatment Cost Share - Const. Tech.	0	0	0
Water Resources Cost Share	4,329,744	0	0
Watershed Dam Construction	705,000	0	0
Water Rights Purchase	69,433	0	0
Total--Conservation Commission	9,933,311	0	0
Kansas Water Office			
Assessment and Evaluation	230,000	0	0
Federal Cost-Share Programs	160,285	0	0
GIS Administrative Support	0	0	0
GIS Data Access and Support Center	76,824	0	0
GIS Data Base Development	225,000	0	0
Groundwater Condition Evaluation	0	0	0
MOU - Storage Operations and Maintenance	390,715	0	0
Ogallala Aquifer Institute	40,000	0	0
PMIB Loan Payment for Storage	261,810	0	0
Public Information	35,000	0	0
Stream Gauging Program	392,448	0	0
Technical Assistance to Water Users	436,298	0	0
Water Planning Process	154,077	0	0
Water Resource Education	55,000	0	0
Weather Modification	173,000	0	0
Kansas Water Authority	22,101	0	0
Kansas River Study	0	0	0
Total--Kansas Water Office	2,652,558	0	0
Department of Wildlife and Parks			
River Recreation	0	0	0
Stream (Biological) Monitoring	50,000	0	0
Total--Department of Wildlife and Parks	50,000	0	0
KSU--Western Ks. Irrigation Research Project	0	0	0
Department of Agriculture			
Floodplain Management	143,042	0	0
Best Management Practices	0	0	0
Interstate Water Issues	242,552	0	0
Subbasin Water Resources Management	548,342	0	0
Total--Department of Agriculture	933,936	0	0
Department of Health and Environment			
Assessment of Sediment Quality	0	0	0
Contamination Remediation	1,351,840	0	0
Local Environmental Protection Program	1,800,000	0	0
Nonpoint Source Program	431,043	0	0
TMDL Initiatives	461,792	0	0
Use Attainability Analysis	0	0	0
Total--Department of Health and Environment	4,044,675	0	0
KCC--Well Plugging	400,000	0	0
University of Kansas--Geological Survey	50,000	0	0
Total Water Plan Expenditures	18,064,480	0	0

State Water Plan Resource Estimate	Governor's Rec. FY 2003	House Cmte. Adj. FY 2003	Senate Cmte. Adj. FY 2003
Beginning Balance	494,477	0	0
Adjustments			
Released Encumbrances	300,000	0	0
Transfer to State General Fund	0	0	0
Revenues			
State General Fund Transfer	6,000,000	0	0
Economic Development Fund Transfer	2,000,000	0	0
Municipal Water Fees	3,550,000	0	0
Industrial Water Fees	1,235,000	0	0
Stock Water Fees	315,000	0	0
Pesticide Registration Fees	910,000	0	0
Fertilizer Registration Fees	3,038,000	0	0
Pollution Fines and Penalties	75,000	0	0
Sand Royalty Receipts	405,000	0	0
Total Receipts	17,828,000	0	0
Total Available	18,322,477	0	0
Less Expenditures	18,064,480	0	0
Ending Balance	257,997	0	0

Remaining Balance 257,997 257,997

ECONOMIC DEVELOPMENT INITIATIVES FUND

<u>Agency/Program</u>	<u>2001 Legislative Approved FY 2002</u>	<u>Governor's Recommendation FY 2002</u>
Department of Commerce and Housing ⁽¹⁾		
Agency Operations	\$ 8,459,757	\$ 8,450,051
Small Business Development Centers	485,000	485,000
Certified Development Companies	400,000	400,000
Kansas Industrial Training/Retraining	3,600,000	3,600,000
Trade Show Promotion Grants	150,000	150,000
Community Capacity Building Grants	197,000	197,000
Kansas Economic Opportunity Initiative Fund	3,500,000	3,500,000
Kansas Existing Industry Expansion Program	500,000	500,000
Tourism Promotion Grants	1,052,100	1,052,100
Mainstreet Grant and Development Prog.	216,800	216,800
Agriculture Product Development	540,000	535,000
Training Equipment Grants	277,500	277,500
Travel Information Centers	115,000	115,000
Motion Picture and Television Rebate	75,000	75,000
HOME Program	530,000	530,000
Subtotal - KDCH	<u>\$ 20,098,157</u>	<u>\$ 20,083,451</u>
Kansas Technology Enterprise Corporation ⁽¹⁾		
Agency Operations	\$ 1,331,781	\$ 1,341,174
Centers of Excellence	4,350,000	4,350,000
Research Matching Grants	1,216,000	1,260,000
Business Innovative Research Grants	76,000	516,000
State Small Business Innovation Research	440,000	-
Special Projects	79,303	79,303
Commercialization Grants	1,450,000	1,450,000
Mid-America Manufact. Tech. Center	1,000,059	900,000
EPSCoR	3,000,000	3,000,000
Subtotal - KTEC	<u>\$ 12,943,143</u>	<u>\$ 12,896,477</u>
Kansas, Inc. ⁽¹⁾	\$ 343,267	\$ 341,663
Board of Regents		
Matching Grants - AVTS	\$ 166,855	\$ 166,855
Post-secondary Aid - AVTS	6,916,110	6,882,981
Capital Outlay Aid - AVTS	2,700,000	2,700,000
Comprehensive Grant Program	250,000	250,000
Subtotal - Regents	<u>\$ 10,032,965</u>	<u>\$ 9,999,836</u>
State Water Plan Fund ⁽²⁾	\$ 2,000,000	\$ 2,000,000
Adjutant General - Kansas National Guard Educational Asst.	\$ 250,000	\$ 250,000
Death and Disability Transfer	\$ 16,412	\$ 10,308
TOTAL TRANSFERS AND EXPENDITURES	<u>\$ 45,683,944</u>	<u>\$ 45,581,735</u>

EDIF Resource Estimate

Beginning Balance	\$ 1,976,476	\$ 1,868,022
Gaming Revenues	42,500,000	42,432,000
Other Income ⁽³⁾	1,000,000	1,108,253
Total Available	<u>\$ 45,476,476</u>	<u>\$ 45,408,275</u>
Less: Expenditures and Transfers	45,683,944	45,581,735
ENDING BALANCE	<u>\$ (207,468)</u>	<u>\$ (173,460)</u>

- 1) Does not include expenditures from prior year EDIF allocations.
 2) The Legislature approved a transfer of \$1,638,180 in FY 2002. Due to a technical error, \$2,000,000 was actually transferred.
 3) Other Income includes interest earnings and released encumbrances.

ECONOMIC DEVELOPMENT INITIATIVES FUND

<u>Agency/Program</u>	<u>Governor's Recommendation FY 2003</u>	<u>House Committee Adjustments FY 2003</u>
Department of Commerce and Housing ⁽¹⁾		
Operating Grant	\$ 15,320,885	
Kansas Economic Initiatives Opportunity Fund	3,500,000	
Kansas Existing Industry Expansion Program	500,000	
Subtotal - Commerce and Housing	<u>\$ 19,320,885</u>	
Kansas Technology Enterprise Corporation ⁽¹⁾		
Agency Operations	\$ 1,291,549	
Centers of Excellence	3,925,000	
Research Matching Grants	1,260,000	
Business Innovative Research Grants	396,000	
Special Projects	79,303	
Commercialization Grants	1,350,000	
Mid-America Manufact. Tech. Center	905,399	
EPSCoR	3,000,000	
Subtotal - KTEC	<u>\$ 12,207,251</u>	<u>\$ -</u>
Kansas, Inc. ⁽¹⁾	\$ 313,292	
Board of Regents		
Matching Grants - AVTS	\$ 200,000	
Post-secondary Aid - AVTS	6,467,660	
Capital Outlay Aid - AVTS	2,700,000	
Subtotal - Regents	<u>\$ 9,367,660</u>	<u>\$ -</u>
Adjutant General - National Guard Educational Assist.	\$ -	\$ 270,380
State Water Plan Fund	\$ 2,000,000	
TOTAL TRANSFERS AND EXPENDITURES	<u>\$ 43,209,088</u>	<u>\$ 270,380</u>

EDIF Resource Estimate

Beginning Balance	\$ (173,460)	\$ (173,460)
Gaming Revenues	42,432,000	42,432,000
Other Income ⁽²⁾	1,032,300	1,032,300
Total Available	<u>\$ 43,290,840</u>	<u>\$ 43,290,840</u>
Less: Expenditures and Transfers	43,209,088	43,479,468
ENDING BALANCE	<u>\$ 81,752</u>	<u>\$ (188,628)</u>

1) Does not include expenditures from prior year EDIF allocations.

2) Other Income includes interest earnings and released encumbrances.

FY 2003 Children's Initiatives Fund (Tobacco)

<u>Agency/Program</u>	<u>Agency Request FY 2003</u>	<u>Gov. Rec. FY 2003</u>	<u>Children's Cabinet Rec. FY 2003</u>	<u>Senate Ways and Means Adjustments FY 2003</u>	<u>House Appropriations Adjustments FY 2003</u>
State Library					
Community Access Network	0	0	0	0	0
Subtotal - Misc.	\$0	\$0	\$0	\$0	\$0
Department of Health and Environment					
Healthy Start/Home Visitor	250,000	250,000	250,000	0	0
Infants and Toddlers Program	500,000	1,000,000	500,000	0	0
Smoking Cessation/Prevention Program Grants	1,225,000	1,500,000	1,225,000	0	0
Subtotal - KDHE	\$1,975,000	\$2,750,000	\$1,975,000	\$0	\$0
Juvenile Justice Authority					
Juvenile Prevention Program Grants	6,000,000	6,500,000	6,500,000	0	0
Juvenile Graduated Sanctions Grants	2,000,000	2,000,000	0	0	0
Subtotal - JJA	\$8,000,000	\$8,500,000	\$6,500,000	\$0	\$0
Department of Social and Rehabilitation Services					
Children's Mental Health Initiative	1,800,000	2,500,000	2,500,000	0	0
Family Centered System of Care	5,000,000	5,000,000	500,000	0	0
Therapeutic Preschool	1,000,000	1,000,000	1,000,000	0	0
Community Services - Child Welfare	2,600,000	2,600,000	2,600,000	0	0
Child Care Services	1,400,000	1,400,000	0	0	0
Children's Cabinet Accountability Fund	2,504,000	600,000	1,900,000	0	0
HealthWave	1,000,000	2,000,000	0	0	0
Smart Start Kansas - Children's Cabinet	14,475,000	4,000,000	6,475,000	0	0
Children's Medicaid Increases	3,000,000	3,000,000	0	0	0
Immunization outreach	0	0	0	0	750,000
Family Preservation	0	0	0	0	375,000
Grants to CMHC's to develop childrens programs	0	0	0	0	2,000,000
Subtotal - SRS	\$32,779,000	\$22,100,000	\$14,975,000	\$0	\$3,125,000
Department of Education					
Parent Education	2,500,000	3,000,000	2,500,000	(125,000)	0
Four-Year -Old At-Risk Programs	4,500,000	6,000,000	6,000,000	0	0
School Violence Prevention	500,000	500,000	500,000	(500,000)	0
Vision Research	300,000	400,000	400,000	(100,000)	0
Communities in Schools	0	0	0	0	0
Mentoring Program Grants	0	0	0	0	0
Reading Recovery	0	500,000	0	(500,000)	0
Special Education	0	0	0	1,225,000	0
Subtotal - Dept. of Ed.	\$7,800,000	10,400,000	9,400,000	\$0	\$0
University of Kansas Medical Center					
Tele-Kid Health Care Link	250,000	250,000	250,000	0	0
Pediatric Biomedical Research	1,000,000	1,000,000	0	0	0
Subtotal - KU Medical Center	\$1,250,000	\$1,250,000	\$250,000	\$0	\$0
TOTAL	\$51,804,000	\$45,000,000	\$33,100,000	\$0	\$3,125,000

Resource Estimate					
<u>Agency Request FY 2003</u>	<u>Gov. Rec. FY 2003</u>	<u>Children's Cabinet Rec. FY 2003</u>	<u>Senate Ways and Means Adjustments FY 2003</u>	<u>House Appropriations Adjustments FY 2003</u>	
Beginning Balance	3,105,000	3,125,242	3,125,242	3,125,242	3,125,242
KEY Fund Transfer	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
Total Available	48,105,000	48,125,242	48,125,242	48,125,242	48,125,242
Less: Expenditures and Transfers	51,804,000	45,000,000	33,100,000	45,000,000	48,125,000
ENDING BALANCE	(\$3,699,000)	\$3,125,242	\$15,025,242	\$3,125,242	\$242

HOUSE APPROPRIATIONS

FY 2002 Children's Initiatives Fund (Tobacco)

<u>Agency/Program</u>	<u>Actual FY 2001</u>	<u>Approved FY 2002</u>	<u>Adjusted Gov. Rec. FY 2002</u>	<u>Children's Cabinet Rec. FY 2002</u>	<u>Senate Ways and Means Adjustments FY 2002</u>	<u>House Appropriations Adjustments FY 2002</u>
State Library						
Community Access Network	70,000	0	0	0	0	0
Subtotal - Misc.	\$70,000	\$0	\$0	\$0	\$0	\$0
Department of Health and Environment						
Healthy Start/Home Visitor	249,495	250,000	250,000	250,000	0	0
Infants and Toddlers Program	500,000	500,000	500,000	500,000	0	0
Smoking Cessation/Prevention Program Grants	500,000	500,000	500,000	0	0	0
Subtotal - KDHE	\$1,249,495	\$1,250,000	\$1,250,000	\$750,000	\$0	\$0
Juvenile Justice Authority						
Juvenile Prevention Program Grants	5,000,000	6,000,000	6,000,000	5,000,000	0	0
Juvenile Graduated Sanctions Grants	2,000,000	2,000,000	2,000,000	2,000,000	0	0
Subtotal - JJA	\$7,000,000	\$8,000,000	\$8,000,000	\$7,000,000	\$0	\$0
Department of Social and Rehabilitation Services						
Children's Mental Health Initiative	1,800,000	1,800,000	1,800,000	1,800,000	0	0
Family Centered System of Care	5,000,000	5,000,000	5,000,000	5,000,000	0	0
Therapeutic Preschool	1,000,000	1,000,000	1,000,000	1,000,000	0	0
Community Services - Child Welfare	2,599,999	2,600,000	2,600,000	2,600,000	0	0
Child Care Services	1,400,000	1,400,000	1,400,000	1,400,000	0	0
Children's Cabinet Accountability Fund	250,000	550,000	550,000	750,000	0	0
HealthWave	1,000,000	1,000,000	1,000,000	1,000,000	0	0
Smart Start Kansas - Children's Cabinet	2,738,395	3,000,000	3,000,000	14,825,000	0	0
Children's Medicaid Increases	0	3,000,000	3,000,000	0	0	0
Immunization outreach	0	0	0	0	0	0
Family Preservation	0	0	0	0	0	0
Grants to CMHC's to develop childrens program s	0	0	0	0	0	0
Subtotal - SRS	\$15,788,394	\$19,350,000	\$19,350,000	\$28,375,000	\$0	\$0
Department of Education						
Parent Education	1,500,000	2,500,000	2,500,000	1,500,000	0	0
Four-Year -Old At-Risk Programs	1,000,000	4,500,000	4,500,000	1,000,000	0	0
School Violence Prevention	491,870	500,000	500,000	500,000	0	0
Vision Research	250,000	300,000	300,000	0	0	0
Communities in Schools	125,000	0	0	0	0	0
Mentoring Program Grants	499,999	0	0	0	0	0
Reading Recovery	0	0	0	0	0	0
Subtotal - Dept. of Ed.	\$3,866,869	\$7,800,000	\$7,800,000	\$3,000,000	\$0	\$0
University of Kansas Medical Center						
Tele-Kid Health Care Link	250,000	250,000	250,000	250,000	0	0
Pediatric Biomedical Research*	0	1,000,000	2,000,000	0	0	0
Subtotal - KU Medical Center	\$250,000	\$1,250,000	\$2,250,000	\$250,000	\$0	\$0
TOTAL	\$28,224,758	\$37,650,000	\$38,650,000	\$39,375,000	\$0	\$0

* The FY 2002 recommended amount reflects a reappropriation of funds from FY 2000.

Resource Estimate						
	<u>Actual FY 2001</u>	<u>Approved FY 2002</u>	<u>Gov. Rec. FY 2002</u>	<u>Children's Cabinet Rec. FY 2002</u>	<u>Senate Ways and Means Adjustments FY 2002</u>	<u>House Appropriations Adjustments FY 2002</u>
Beginning Balance	0	755,000	1,775,242	1,775,242	1,775,242	1,775,242
KEY Fund Transfer	30,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Total Available	30,000,000	40,755,000	41,775,242	41,775,242	41,775,242	41,775,242
Less: Expenditures and Transfers	28,224,758	37,650,000	38,650,000	39,375,000	38,650,000	38,650,000
ENDING BALANCE	\$1,775,242	\$3,105,000	\$3,125,242	\$2,400,242	\$3,125,242	\$3,125,242

**FY 2002 Shrinkage Amounts
By Agency**

	Percentage of State Operations Budget from SGF	Gross Salaries and Wages	FY 2002 Governor's Rec. Shrinkage		Amount Generated by each 0.1 Percent Increase in Shrinkage	
			Amount	Percentage	All Funds	SGF
Legislative Coordinating Council	100.0%	637,070	0	0.0 %	637	637
Legislative Research Department	100.0%	2,387,290	0	0.0	2,387	2,387
Revisor of Statutes	100.0%	1,818,551	0	0.0	1,819	1,819
Legislature	98.3%	7,398,314	0	0.0	7,398	7,273
Division of Post Audit	100.0%	1,370,585	0	0.0	1,371	1,371
Governor's Department	100.0%	1,554,652	111,280	7.2	1,555	1,555
Lieutenant Governor	100.0%	101,010	0	0.0	101	101
Attorney General	62.8%	5,643,539	165,372	2.9	5,644	3,544
Secretary of State	50.6%	2,431,189	120,732	5.0	2,431	1,230
State Treasurer	42.6%	1,953,547	146,646	7.5	1,954	832
Insurance Department	0.0%	7,582,480	367,692	4.8	7,582	0
Health Care Stabilization Fund	0.0%	707,274	14,145	2.0	707	0
Judicial Council	73.8%	259,846	0	0.0	260	192
State Board of Indigents' Defense Services	97.8%	7,717,894	540,091	7.0	7,718	7,548
Judicial Branch	88.5%	87,478,009	3,949,473	4.5	87,478	77,418
KPERS	0.1%	4,489,155	134,672	3.0	4,489	4
Governmental Ethics Commission	71.5%	444,000	0	0.0	444	317
Kansas Human Rights Commission	76.9%	1,652,476	137,609	8.3	1,652	1,271
State Corporation Commission	0.0%	10,797,508	269,942	2.5	10,798	0
Citizens' Utility Ratepayer Board	0.0%	261,919	0	0.0	262	0
Department of Administration	95.3%	12,957,159	670,951	5.2	12,957	12,348
State Board of Tax Appeals	99.3%	1,555,616	0	0.0	1,556	1,545
Department of Revenue	47.3%	48,687,451	3,663,582	7.5	48,687	23,029
Kansas Lottery	0.0%	3,891,237	102,490	2.6	3,891	0
Kansas Racing and Gaming Commission	0.0%	3,308,374	95,570	2.9	3,308	0
Department of Commerce and Housing	0.0%	7,384,579	281,555	3.8	7,385	0
Kansas, Inc.	0.0%	280,665	0	0.0	281	0

HOUSE APPROPRIATIONS
 DATE 3/19/02
 ATTACHMENT 6

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**FY 2002 Shrinkage Amounts
By Agency**

	Percentage of State Operations Budget from SGF	Gross Salaries and Wages	FY 2002 Governor's Rec. Shrinkage		Amount Generated by each 0.1 Percent Increase in Shrinkage	
			Amount	Percentage	All Funds	SGF
Kansas Technology Enterprise Corporation	0.0%	1,833,275	0	0.0	1,833	0
Abstracters Board of Examiners	0.0%	17,017	0	0.0	17	0
Board of Accountancy	0.0%	113,413	0	0.0	113	0
State Bank Commissioner	0.0%	4,496,108	0	0.0	4,496	0
Board of Barbering	0.0%	80,669	0	0.0	81	0
Behavioral Sciences Regulatory Board	0.0%	312,935	0	0.0	313	0
State Board of Healing Arts	0.0%	1,233,236	0	0.0	1,233	0
Board of Cosmetology	0.0%	440,165	0	0.0	440	0
Department of Credit Unions	0.0%	701,380	14,499	2.1	701	0
Kansas Dental Board	0.0%	101,411	0	0.0	101	0
Board of Mortuary Arts	0.0%	148,024	0	0.0	148	0
Hearing Aid Board of Examiners	0.0%	18,987	0	0.0	19	0
Board of Nursing	0.0%	855,168	0	0.0	855	0
Board of Examiners in Optometry	0.0%	40,099	0	0.0	40	0
Board of Pharmacy	0.0%	338,590	0	0.0	339	0
Real Estate Appraisal Board	0.0%	167,751	0	0.0	168	0
Real Estate Commission	0.0%	475,847	0	0.0	476	0
Office of the Securities Commissioner	0.0%	1,604,482	16,445	1.0	1,604	0
Board of Technical Professions	0.0%	259,937	0	0.0	260	0
Board of Veterinary Medical Examiners	0.0%	145,085	0	0.0	145	0
Department of Human Resources	3.8%	43,446,359	5,752,282	13.2	43,446	1,651
Kansas Commission on Veterans Affairs	30.8%	10,583,904	1,393,286	13.2	10,584	3,260
Department of Health and Environment	20.0%	51,353,115	3,778,458	7.4	51,353	10,271
Department on Aging	48.4%	6,735,923	579,289	8.6	6,736	3,260
Department of Social & Rehabilitation Services	32.6%	163,204,368	14,262,225	8.7	163,204	53,205
Kansas Neurological Institute	37.2%	23,344,751	2,451,199	10.5	23,345	8,684

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**FY 2002 Shrinkage Amounts
By Agency**

	Percentage of State Operations Budget from SGF	Gross Salaries and Wages	FY 2002 Governor's Rec. Shrinkage		Amount Generated by each 0.1 Percent Increase in Shrinkage	
			Amount	Percentage	All Funds	SGF
Larned State Hospital	31.9%	27,523,525	3,294,191	12.0	27,524	8,780
Osawatomie State Hospital	28.0%	18,244,325	2,028,616	11.1	18,244	5,108
Parsons State Hospital & Training Center	30.8%	18,826,310	1,515,518	8.1	18,826	5,799
Rainbow Mental Health Facility	6.6%	5,472,067	462,134	8.4	5,472	361
Kansas Guardianship Program	100.0%	523,559	0	0.0	524	524
Department of Education	42.6%	11,822,833	322,050	2.7	11,823	5,037
State Library	66.3%	1,099,665	0	0.0	1,100	729
Arts Commission	60.6%	402,959	0	0.0	403	244
School for the Blind	92.0%	3,620,526	437,741	12.1	3,621	3,331
School for the Deaf	92.6%	7,080,661	361,114	5.1	7,081	6,557
Historical Society	83.2%	5,978,838	559,864	9.4	5,979	4,974
Fort Hays State University	60.9%	39,495,130	503,809	1.3	39,495	24,053
Kansas State University	44.6%	187,321,983	3,402,765	1.8	187,322	83,546
KSU-Ext. Sys. And Ag. Res. Programs	49.5%	79,074,643	1,298,673	1.6	79,075	39,142
KSU-Veterinary Medical Center	40.5%	16,616,101	367,219	2.2	16,616	6,730
Emporia State University	60.2%	41,996,035	458,654	1.1	41,996	25,282
Pittsburg State University	57.5%	44,296,964	536,128	1.2	44,297	25,471
University of Kansas	40.7%	263,131,722	4,499,485	1.7	263,132	107,095
University of Kansas Medical Center	51.9%	161,108,534	3,312,351	2.1	161,109	83,615
Wichita State University	49.1%	98,394,642	1,856,518	1.9	98,395	48,312
Board of Regents	35.0%	2,862,520	33,070	1.2	2,863	1,002
Subtotal-Regents	47.4%	934,298,274	16,268,672	1.7	934,298	442,857
Department of Corrections	74.9%	14,881,664	394,600	2.7	14,882	11,146
Topeka Correctional Facility	98.0%	9,337,207	421,130	4.5	9,337	9,150

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**FY 2002 Shrinkage Amounts
By Agency**

	Percentage of State Operations Budget from SGF	Gross Salaries and Wages	FY 2002 Governor's Rec. Shrinkage		Amount Generated by each 0.1 Percent Increase in Shrinkage	
			Amount	Percentage	All Funds	SGF
Hutchinson Correctional Facility	98.6%	21,045,687	947,056	4.5	21,046	20,751
Lansing Correctional Facility	99.1%	28,783,198	1,325,661	4.6	28,783	28,524
Ellsworth Correctional Facility	99.5%	7,724,104	346,420	4.5	7,724	7,685
Winfield Correctional Facility	98.6%	7,980,263	199,507	2.5	7,980	7,869
Norton Correctional Facility	97.7%	10,510,528	394,134	3.7	10,511	10,269
El Dorado Correctional Facility	99.6%	17,835,729	893,494	5.0	17,836	17,764
Larned Correctional MH Facility	100.0%	7,243,232	424,367	5.9	7,243	7,243
<i>Subtotal-Corrections</i>	<i>89.7%</i>	<i>125,341,612</i>	<i>5,346,369</i>	<i>4.3</i>	<i>125,342</i>	<i>112,431</i>
Juvenile Justice Authority	66.6%	2,455,715	49,113	2.0	2,456	1,636
Topeka Juvenile Correctional Facility	94.3%	8,500,369	416,518	4.9	8,500	8,016
Atchison Juvenile Correctional Facility	96.9%	4,212,352	0	0.0	4,212	4,082
Beloit Juvenile Correctional Facility	95.6%	3,486,705	100,926	2.9	3,487	3,333
Larned Juvenile Correctional Facility	94.8%	4,910,854	217,995	4.4	4,911	4,655
<i>Subtotal-Juvenile Justice</i>	<i>90.4%</i>	<i>23,565,995</i>	<i>784,552</i>	<i>3.3</i>	<i>23,566</i>	<i>21,304</i>
Adjutant General	21.7%	11,914,584	353,855	3.0	11,915	2,585
State Fire Marshal	0.0%	2,251,344	0	0.0	2,251	0
Kansas Parole Board	100.0%	460,370	0	0.0	460	460
Kansas Highway Patrol	47.9%	42,553,975	2,989,114	7.0	42,554	20,383
Kansas Bureau of Investigation	67.3%	12,374,327	559,610	4.5	12,374	8,328
Emergency Medical Services Board	97.2%	662,750	0	0.0	663	644
Kansas Sentencing Commission	58.9%	560,270	11,205	2.0	560	330
Ombudsman of Corrections	90.5%	160,301	0	0.0	160	145
Department of Agriculture	47.6%	14,670,562	919,155	6.3	14,671	6,983
Animal Health Department	31.4%	1,281,455	32,048	2.5	1,281	402
State Fair Board	3.9%	1,338,189	0	0.0	1,338	52
State Conservation Commission	15.4%	663,748	8,266	1.2	664	102

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**FY 2002 Shrinkage Amounts
By Agency**

	Percentage of State Operations Budget from SGF	Gross Salaries and Wages	FY 2002 Governor's Rec. Shrinkage		Amount Generated by each 0.1 Percent Increase in Shrinkage	
			Amount	Percentage	All Funds	SGF
Kansas Water Office	19.7%	1,423,680	0	0.0	1,424	280
Department of Wildlife and Parks	11.9%	20,221,050	495,030	2.4	20,221	2,406
 Kansas Department of Transportation	 0.0%	 139,865,263	 7,005,276	 5.0	 139,865	 0
 TOTAL	 41.4%	 1,971,006,405	 82,773,865	 4.2 %	 1,971,006	 815,997

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**FY 2003 Shrinkage Amounts
By Agency**

	Percentage of State Operations Budget from SGF	Gross Salaries and Wages	FY 2003 Governor's Rec. Shrinkage		Amount Generated by each 0.1 Percent Increase in Shrinkage	
			Amount	Percentage	All Funds	SGF
Legislative Coordinating Council	100.0%	650,126	28,564	4.4 %	650	650
Legislative Research Department	100.0%	2,393,483	101,547	4.2	2,393	2,393
Revisor of Statutes	100.0%	1,824,214	36,109	2.0	1,824	1,824
Legislature	99.0%	7,472,824	181,437	2.4	7,473	7,398
Division of Post Audit	100.0%	1,417,259	28,859	2.0	1,417	1,417
Governor's Department	100.0%	1,588,205	185,976	11.7	1,588	1,588
Lieutenant Governor	100.0%	104,399	5,092	4.9	104	104
Attorney General	56.6%	5,778,983	443,127	7.7	5,779	3,271
Secretary of State	51.7%	2,495,323	194,007	7.8	2,495	1,290
State Treasurer	41.7%	2,004,137	114,298	5.7	2,004	836
Insurance Department	0.0%	8,047,339	540,510	6.7	8,047	0
Health Care Stabilization Fund	0.0%	743,073	14,515	2.0	743	0
Judicial Council	70.4%	239,075	0	0.0	239	168
State Board of Indigents' Defense Services	97.8%	7,902,470	545,230	6.9	7,902	7,729
Judicial Branch	88.5%	90,427,819	4,250,115	4.7	90,428	80,029
KPERS	0.0%	4,619,770	136,920	3.0	4,620	0
Governmental Ethics Commission	79.8%	455,075	0	0.0	455	363
Kansas Human Rights Commission	75.8%	1,607,366	143,622	8.9	1,607	1,218
State Corporation Commission	0.0%	11,031,993	272,736	2.5	11,032	0
Citizens' Utility Ratepayer Board	0.0%	309,048	0	0.0	309	0
Department of Administration	95.1%	13,037,160	736,481	5.6	13,037	12,398
State Board of Tax Appeals	99.3%	1,629,418	2,783	0.2	1,629	1,618
Department of Revenue	46.1%	50,034,491	4,282,692	8.6	50,034	23,066
Kansas Lottery	0.0%	3,986,984	103,428	2.6	3,987	0
Kansas Racing and Gaming Commission	0.0%	3,379,077	60,623	1.8	3,379	0
Department of Commerce and Housing	0.0%	6,492,615	284,187	4.4	6,493	0
Kansas, Inc.	0.0%	284,801	0	0.0	285	0

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**FY 2003 Shrinkage Amounts
By Agency**

	Percentage of State Operations Budget from SGF	Gross Salaries and Wages	FY 2003 Governor's Rec. Shrinkage		Amount Generated by each 0.1 Percent Increase in Shrinkage	
			Amount	Percentage	All Funds	SGF
Kansas Technology Enterprise Corporation	0.0%	1,857,365	0	0.0	1,857	0
Abstracters Board of Examiners	0.0%	17,191	0	0.0	17	0
Board of Accountancy	0.0%	118,975	0	0.0	119	0
State Bank Commissioner	0.0%	4,726,809	0	0.0	4,727	0
Board of Barbering	0.0%	82,629	0	0.0	83	0
Behavioral Sciences Regulatory Board	0.0%	314,279	0	0.0	314	0
State Board of Healing Arts	0.0%	1,266,249	0	0.0	1,266	0
Board of Cosmetology	0.0%	457,990	0	0.0	458	0
Department of Credit Unions	0.0%	725,868	0	0.0	726	0
Kansas Dental Board	0.0%	111,808	0	0.0	112	0
Board of Mortuary Arts	0.0%	146,149	0	0.0	146	0
Hearing Aid Board of Examiners	0.0%	20,918	0	0.0	21	0
Board of Nursing	0.0%	889,570	0	0.0	890	0
Board of Examiners in Optometry	0.0%	41,545	0	0.0	42	0
Board of Pharmacy	0.0%	342,434	0	0.0	342	0
Real Estate Appraisal Board	0.0%	172,373	0	0.0	172	0
Real Estate Commission	0.0%	497,571	0	0.0	498	0
Office of the Securities Commissioner	0.0%	1,634,976	7,847	0.5	1,635	0
Board of Technical Professions	0.0%	270,494	0	0.0	270	0
Board of Veterinary Medical Examiners	0.0%	148,628	0	0.0	149	0
Department of Human Resources	2.6%	44,318,626	5,676,507	12.8	44,319	1,152
Kansas Commission on Veterans Affairs	32.2%	11,821,939	1,734,199	14.7	11,822	3,807
Department of Health and Environment	19.0%	52,648,561	4,067,615	7.7	52,649	10,003
Department on Aging	46.7%	6,986,218	666,636	9.5	6,986	3,263
Department of Social & Rehabilitation Services	32.1%	167,302,669	9,999,924	6.0	167,303	53,704
Kansas Neurological Institute	39.4%	23,650,271	2,380,178	10.1	23,650	9,318

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**FY 2003 Shrinkage Amounts
By Agency**

	Percentage of State Operations Budget from SGF	Gross Salaries and Wages	FY 2003 Governor's Rec. Shrinkage		Amount Generated by each 0.1 Percent Increase in Shrinkage	
			Amount	Percentage	All Funds	SGF
Larned State Hospital	36.5%	27,278,768	5,500,947	20.2	27,279	9,957
Osawatomie State Hospital	30.9%	17,641,760	1,890,400	10.7	17,642	5,451
Parsons State Hospital & Training Center	32.3%	18,849,423	1,619,943	8.6	18,849	6,088
Rainbow Mental Health Facility	10.5%	5,623,226	581,064	10.3	5,623	590
Kansas Guardianship Program	100.0%	539,680	0	0.0	540	540
Department of Education	44.4%	12,202,054	342,571	2.8	12,202	5,418
State Library	65.7%	1,131,469	0	0.0	1,131	743
Arts Commission	60.6%	412,536	0	0.0	413	250
School for the Blind	92.3%	4,386,700	530,794	12.1	4,387	4,049
School for the Deaf	95.6%	6,935,233	350,379	5.1	6,935	6,630
Historical Society	87.2%	6,001,625	594,100	9.9	6,002	5,233
Fort Hays State University	59.9%	39,919,517	509,354	1.3	39,920	23,912
Kansas State University	43.5%	189,637,202	3,428,007	1.8	189,637	82,492
KSU-Ext. Sys. And Ag. Res. Programs	48.4%	79,671,483	1,308,340	1.6	79,671	38,561
KSU-Veterinary Medical Center	40.4%	16,838,168	369,927	2.2	16,838	6,803
Emporia State University	59.8%	42,446,129	463,599	1.1	42,446	25,383
Pittsburg State University	56.9%	44,774,205	541,943	1.2	44,774	25,477
University of Kansas	40.0%	265,851,278	4,547,814	1.7	265,851	106,341
University of Kansas Medical Center	50.6%	162,305,750	3,341,221	2.1	162,306	82,127
Wichita State University	48.1%	99,221,079	1,872,437	1.9	99,221	47,725
Board of Regents	33.5%	2,886,193	33,042	1.1	2,886	967
Subtotal-Regents	46.5%	943,551,004	16,415,684	1.7	943,551	438,751
Department of Corrections	76.6%	15,406,714	401,085	2.6	15,407	11,802
Topeka Correctional Facility	98.7%	9,737,826	430,788	4.4	9,738	9,611

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**FY 2003 Shrinkage Amounts
By Agency**

	Percentage of State Operations Budget from SGF	Gross Salaries and Wages	FY 2003 Governor's Rec. Shrinkage		Amount Generated by each 0.1 Percent Increase in Shrinkage	
			Amount	Percentage	All Funds	SGF
Hutchinson Correctional Facility	99.0%	22,034,801	974,043	4.4	22,035	21,814
Lansing Correctional Facility	99.3%	29,184,469	1,288,366	4.4	29,184	28,980
Ellsworth Correctional Facility	99.6%	9,236,442	316,302	3.4	9,236	9,199
Winfield Correctional Facility	98.6%	8,322,895	204,486	2.5	8,323	8,206
Norton Correctional Facility	97.5%	9,912,250	433,813	4.4	9,912	9,664
El Dorado Correctional Facility	99.3%	17,955,054	881,340	4.9	17,955	17,829
Larned Correctional MH Facility	100.0%	7,576,792	427,435	5.6	7,577	7,577
<i>Subtotal-Corrections</i>	<i>90.4%</i>	<i>129,367,243</i>	<i>5,357,658</i>	<i>4.1</i>	<i>129,367</i>	<i>116,948</i>
Juvenile Justice Authority	46.0%	2,533,147	49,984	2.0	2,533	1,165
Topeka Juvenile Correctional Facility	96.1%	8,867,085	426,824	4.8	8,867	8,521
Atchison Juvenile Correctional Facility	96.9%	4,400,927	216,059	4.9	4,401	4,264
Beloit Juvenile Correctional Facility	95.6%	3,616,516	106,492	2.9	3,617	3,457
Larned Juvenile Correctional Facility	94.5%	5,850,470	286,844	4.9	5,850	5,529
<i>Subtotal-Juvenile Justice</i>	<i>88.1%</i>	<i>25,268,145</i>	<i>1,086,203</i>	<i>4.3</i>	<i>25,268</i>	<i>22,261</i>
Adjutant General	21.2%	12,199,268	357,769	2.9	12,199	2,586
State Fire Marshal	0.0%	2,316,138	0	0.0	2,316	0
Kansas Parole Board	100.0%	469,419	0	0.0	469	469
Kansas Highway Patrol	47.6%	43,573,218	3,809,702	8.7	43,573	20,741
Kansas Bureau of Investigation	66.4%	12,880,681	866,803	6.7	12,881	8,553
Emergency Medical Services Board	97.0%	741,582	0	0.0	742	719
Kansas Sentencing Commission	62.1%	573,297	11,347	2.0	573	356
Ombudsman of Corrections	92.4%	164,452	0	0.0	164	152
Department of Agriculture	48.5%	14,406,482	904,441	6.3	14,406	6,987
Animal Health Department	29.5%	1,320,679	32,419	2.5	1,321	390
State Fair Board	0.0%	1,438,185	0	0.0	1,438	0
State Conservation Commission	31.3%	698,658	8,361	1.2	699	219

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**FY 2003 Shrinkage Amounts
By Agency**

	Percentage of State Operations Budget from SGF	Gross Salaries and Wages	FY 2003 Governor's Rec. Shrinkage		Amount Generated by each 0.1 Percent Increase in Shrinkage	
			Amount	Percentage	All Funds	SGF
Kansas Water Office	24.9%	1,406,724	0	0.0	1,407	350
Department of Wildlife and Parks	11.6%	20,962,559	309,638	1.5	20,963	2,432
 Kansas Department of Transportation	 0.0%	 144,009,824	 7,085,960	 4.9	 144,010	 0
 TOTAL	 40.7%	 2,006,878,664	 84,881,947	 4.2 %	 2,006,879	 816,800

**STATE OPERATIONS EXPENDITURES
FY 2002 GOVERNOR'S REVISED RECOMMENDATION
FROM ALL FUNDING SOURCES**

	Total	Salaries and Wages	Percent of Total	Other Operating Expenditures	Percent of Total
Legislative Coordinating Council	\$ 1,031,490	\$ 637,070	61.8 %	\$ 394,420	38.2 %
Legislative Research Department	2,534,190	2,387,290	94.2	146,900	5.8
Revisor of Statutes	2,486,866	1,818,551	73.1	668,315	26.9
Legislature	13,330,389	7,398,314	55.5	5,932,075	44.5
Division of Post Audit	1,867,114	1,370,585	73.4	496,529	26.6
Governor's Department	2,178,647	1,443,372	66.3	735,275	33.7
Lieutenant Governor	147,605	101,010	68.4	46,595	31.6
Attorney General	10,409,877	5,478,167	52.6	4,931,710	47.4
Secretary of State	3,527,828	2,310,457	65.5	1,217,371	34.5
State Treasurer	3,600,209	2,225,876	61.8	1,374,333	38.2
Insurance Department	11,201,647	7,214,788	64.4	3,986,859	35.6
Health Care Stabilization Fund	4,362,328	693,129	15.9	3,669,199	84.1
Judicial Council	315,990	259,846	82.2	56,144	17.8
State Board of Indigents' Defense Services	14,620,253	7,177,803	49.1	7,442,450	50.9
Judicial Branch	89,157,895	83,528,536	93.7	5,629,359	6.3
KPERS	30,211,696	4,354,483	14.4	25,857,213	85.6
Governmental Ethics Commission	570,303	444,000	77.9	126,303	22.1
Kansas Human Rights Commission	1,985,554	1,514,867	76.3	470,687	23.7
State Corporation Commission	16,362,187	10,368,681	63.4	5,993,506	36.6
Citizens' Utility Ratepayer Board	606,186	261,919	43.2	344,267	56.8
Department of Administration	21,590,605	12,286,208	56.9	9,304,397	43.1
State Board of Tax Appeals	2,196,280	1,555,616	70.8	640,664	29.2
Department of Revenue	74,095,753	45,023,869	60.8	29,071,884	39.2
Kansas Lottery	22,191,228	3,788,747	17.1	18,402,481	82.9
Kansas Racing and Gaming Commission	4,553,702	3,212,804	70.6	1,340,898	29.4
Department of Commerce and Housing	24,489,703	7,103,024	29.0	17,386,679	71.0
Kansas, Inc.	384,102	280,665	73.1	103,437	26.9
Kansas Technology Enterprise Corporation	2,573,360	1,833,275	71.2	740,085	28.8

HOUSE APPROPRIATIONS
DATE 3/19/02
ATTACHMENT #7

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**STATE OPERATIONS EXPENDITURES
FY 2002 GOVERNOR'S REVISED RECOMMENDATION
FROM ALL FUNDING SOURCES**

	<u>Total</u>	<u>Salaries and Wages</u>	<u>Percent of Total</u>	<u>Other Operating Expenditures</u>	<u>Percent of Total</u>
Abstracters Board of Examiners	20,168	17,017	84.4	3,151	15.6
Board of Accountancy	179,432	113,413	63.2	66,019	36.8
State Bank Commissioner	5,375,669	4,398,746	81.8	976,923	18.2
Board of Barbering	129,914	80,669	62.1	49,245	37.9
Behavioral Sciences Regulatory Board	486,815	312,935	64.3	173,880	35.7
State Board of Healing Arts	1,990,963	1,233,236	61.9	757,727	38.1
Board of Cosmetology	718,630	440,165	61.3	278,465	38.7
Department of Credit Unions	859,789	686,881	79.9	172,908	20.1
Kansas Dental Board	321,902	101,411	31.5	220,491	68.5
Board of Mortuary Arts	213,541	148,024	69.3	65,517	30.7
Hearing Aid Board of Examiners	21,243	18,987	89.4	2,256	10.6
Board of Nursing	1,430,221	855,168	59.8	575,053	40.2
Board of Examiners in Optometry	83,770	40,099	47.9	43,671	52.1
Board of Pharmacy	553,254	338,590	61.2	214,664	38.8
Real Estate Appraisal Board	245,753	167,751	68.3	78,002	31.7
Real Estate Commission	670,112	475,847	71.0	194,265	29.0
Office of the Securities Commissioner	2,042,207	1,604,482	78.6	437,725	21.4
Board of Technical Professions	535,155	259,937	48.6	275,218	51.4
Board of Veterinary Medical Examiners	282,854	145,085	51.3	137,769	48.7
Subtotal - General Government	378,744,379	227,511,395	60.1	151,232,984	39.9
Department of Human Resources	54,479,455	37,694,077	69.2	16,785,378	30.8
Kansas Commission on Veterans Affairs	12,338,375	9,096,017	73.7	3,242,358	26.3
Dept. of Health & Environment-Health	55,073,138	23,902,649	43.4	31,170,489	56.6
Department on Aging	10,282,316	6,156,634	59.9	4,125,682	40.1
Department of Social & Rehabilitation Services	286,014,626	148,942,143	52.1	137,072,483	47.9
Kansas Neurological Institute	24,931,386	20,893,552	83.8	4,037,834	16.2
Larned State Hospital	30,625,229	24,229,334	79.1	6,395,895	20.9
Osawatomie State Hospital	19,974,936	16,215,709	81.2	3,759,227	18.8
Parsons State Hospital & Training Center	20,142,062	17,310,792	85.9	2,831,270	14.1

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**STATE OPERATIONS EXPENDITURES
FY 2002 GOVERNOR'S REVISED RECOMMENDATION
FROM ALL FUNDING SOURCES**

	<u>Total</u>	<u>Salaries and Wages</u>	<u>Percent of Total</u>	<u>Other Operating Expenditures</u>	<u>Percent of Total</u>
Rainbow Mental Health Facility	6,617,227	5,009,933	75.7	1,607,294	24.3
Kansas Guardianship Program	1,110,350	523,559	47.2	586,791	52.8
Subtotal - Human Resources	521,589,100	309,974,399	59.4	211,614,701	40.6
Department of Education	20,604,344	11,500,783	55.8	9,103,561	44.2
State Library	2,307,309	1,099,665	47.7	1,207,644	52.3
Arts Commission	529,778	402,959	76.1	126,819	23.9
School for the Blind	4,919,062	3,857,184	78.4	1,061,878	21.6
School for the Deaf	7,845,208	6,719,547	85.7	1,125,661	14.3
Historical Society	7,020,046	5,315,711	75.7	1,704,335	24.3
Fort Hays State University	52,488,937	38,488,494	73.3	14,000,443	26.7
Kansas State University	240,132,238	179,362,912	74.7	60,769,326	25.3
KSU-Ext. Sys. And Ag. Res. Programs	99,527,969	77,775,970	78.1	21,751,999	21.9
KSU-Veterinary Medical Center	24,796,507	16,248,882	65.5	8,547,625	34.5
Emporia State University	50,819,676	40,986,257	80.7	9,833,419	19.3
Pittsburg State University	57,442,588	43,232,488	75.3	14,210,100	24.7
University of Kansas	341,171,535	254,753,308	74.7	86,418,227	25.3
University of Kansas Medical Center	194,576,255	149,784,656	77.0	44,791,599	23.0
Wichita State University	134,221,835	95,914,862	71.5	38,306,973	28.5
Board of Regents	10,827,221	2,829,450	26.1	7,997,771	73.9
<i>Subtotal-Regents</i>	1,206,004,761	899,377,279	74.6	306,627,482	25.4
Subtotal - Education	1,249,230,508	928,273,128	74.3	320,957,380	25.7
Department of Corrections	79,768,848	14,487,064	18.2	65,281,784	81.8
Topeka Correctional Facility	10,804,029	8,916,077	82.5	1,887,952	17.5
Hutchinson Correctional Facility	24,170,607	20,098,631	83.2	4,071,976	16.8
Lansing Correctional Facility	32,646,279	27,457,537	84.1	5,188,742	15.9
Ellsworth Correctional Facility	9,237,879	7,377,684	79.9	1,860,195	20.1

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**STATE OPERATIONS EXPENDITURES
FY 2002 GOVERNOR'S REVISED RECOMMENDATION
FROM ALL FUNDING SOURCES**

	<u>Total</u>	<u>Salaries and Wages</u>	<u>Percent of Total</u>	<u>Other Operating Expenditures</u>	<u>Percent of Total</u>
Winfield Correctional Facility	9,921,460	7,780,756	78.4	2,140,704	21.6
Norton Correctional Facility	12,138,817	10,116,394	83.3	2,022,423	16.7
El Dorado Correctional Facility	20,497,912	16,942,235	82.7	3,555,677	17.3
Larned Correctional MH Facility	7,671,912	6,818,865	88.9	853,047	11.1
<i>Subtotal-Corrections</i>	<i>206,857,743</i>	<i>119,995,243</i>	<i>58.0</i>	<i>86,862,500</i>	<i>42.0</i>
Juvenile Justice Authority	5,923,764	2,406,602	40.6	3,517,162	59.4
Topeka Juvenile Correctional Facility	12,677,060	8,083,851	63.8	4,593,209	36.2
Atchison Juvenile Correctional Facility	6,518,059	4,210,352	64.6	2,307,707	35.4
Beloit Juvenile Correctional Facility	5,312,520	3,385,779	63.7	1,926,741	36.3
Larned Juvenile Correctional Facility	4,918,830	4,692,859	95.4	225,971	4.6
<i>Subtotal-Juvenile Justice</i>	<i>35,350,233</i>	<i>22,779,443</i>	<i>64.4</i>	<i>12,570,790</i>	<i>35.6</i>
Adjutant General	21,696,666	11,560,729	53.3	10,135,937	46.7
State Fire Marshal	3,230,121	2,251,344	69.7	978,777	30.3
Kansas Parole Board	531,567	460,370	86.6	71,197	13.4
Kansas Highway Patrol	54,428,595	39,564,861	72.7	14,863,734	27.3
Kansas Bureau of Investigation	18,702,584	11,814,717	63.2	6,887,867	36.8
Emergency Medical Services Board	874,981	662,750	75.7	212,231	24.3
Kansas Sentencing Commission	793,651	549,065	69.2	244,586	30.8
Ombudsman of Corrections	196,229	160,301	81.7	35,928	18.3
Subtotal - Public Safety	342,662,370	209,798,823	61.2	132,863,547	38.8
Department of Agriculture	21,198,804	13,751,407	64.9	7,447,397	35.1
Animal Health Department	2,005,232	1,249,407	62.3	755,825	37.7
State Fair Board	3,388,865	1,338,189	39.5	2,050,676	60.5
Department of Health and Environment-Environ.	58,142,266	23,672,008	40.7	34,470,258	59.3
State Conservation Commission	2,358,727	655,482	27.8	1,703,245	72.2

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**STATE OPERATIONS EXPENDITURES
FY 2002 GOVERNOR'S REVISED RECOMMENDATION
FROM ALL FUNDING SOURCES**

	<u>Total</u>	<u>Salaries and Wages</u>	<u>Percent of Total</u>	<u>Other Operating Expenditures</u>	<u>Percent of Total</u>
Kansas Water Office	7,219,774	1,427,632	19.8	5,792,142	80.2
Department of Wildlife and Parks	35,856,707	19,726,020	55.0	16,130,687	45.0
Subtotal - Agriculture and Natural Resources	130,170,375	61,820,145	47.5	68,350,230	52.5
Kansas Department of Transportation	336,094,542	83,910,405	25.0	252,184,137	75.0
Subtotal - Transportation	336,094,542	83,910,405	25.0	252,184,137	75.0
TOTAL	\$ 2,958,491,274	\$ 1,821,288,295	61.6 %	\$ 1,137,202,979	38.4 %

**STATE OPERATIONS EXPENDITURES
FY 2002 GOVERNOR'S REVISED RECOMMENDATION
FROM ALL FUNDING SOURCES**

	Total	Salaries and Wages	Percent of Total	Other Operating Expenditures	Percent of Total
Larned Juvenile Correctional Facility	\$ 4,918,830	\$ 4,692,859	95.4 %	\$ 225,971	4.6 %
Legislative Research Department	2,534,190	2,387,290	94.2	146,900	5.8
Judicial Branch	89,157,895	83,528,536	93.7	5,629,359	6.3
Hearing Aid Board of Examiners	21,243	18,987	89.4	2,256	10.6
Larned Correctional MH Facility	7,671,912	6,818,865	88.9	853,047	11.1
Kansas Parole Board	531,567	460,370	86.6	71,197	13.4
Parsons State Hospital & Training Center	20,142,062	17,310,792	85.9	2,831,270	14.1
School for the Deaf	7,845,208	6,719,547	85.7	1,125,661	14.3
Abstracters Board of Examiners	20,168	17,017	84.4	3,151	15.6
Lansing Correctional Facility	32,646,279	27,457,537	84.1	5,188,742	15.9
Kansas Neurological Institute	24,931,386	20,893,552	83.8	4,037,834	16.2
Norton Correctional Facility	12,138,817	10,116,394	83.3	2,022,423	16.7
Hutchinson Correctional Facility	24,170,607	20,098,631	83.2	4,071,976	16.8
El Dorado Correctional Facility	20,497,912	16,942,235	82.7	3,555,677	17.3
Topeka Correctional Facility	10,804,029	8,916,077	82.5	1,887,952	17.5
Judicial Council	315,990	259,846	82.2	56,144	17.8
State Bank Commissioner	5,375,669	4,398,746	81.8	976,923	18.2
Ombudsman of Corrections	196,229	160,301	81.7	35,928	18.3
Osawatomie State Hospital	19,974,936	16,215,709	81.2	3,759,227	18.8
Emporia State University	50,819,676	40,986,257	80.7	9,833,419	19.3
Department of Credit Unions	859,789	686,881	79.9	172,908	20.1
Ellsworth Correctional Facility	9,237,879	7,377,684	79.9	1,860,195	20.1
Larned State Hospital	30,625,229	24,229,334	79.1	6,395,895	20.9
Office of the Securities Commissioner	2,042,207	1,604,482	78.6	437,725	21.4
Winfield Correctional Facility	9,921,460	7,780,756	78.4	2,140,704	21.6
School for the Blind	4,919,062	3,857,184	78.4	1,061,878	21.6
KSU-Ext. Sys. And Ag. Res. Programs	99,527,969	77,775,970	78.1	21,751,999	21.9
Governmental Ethics Commission	570,303	444,000	77.9	126,303	22.1
University of Kansas Medical Center	194,576,255	149,784,656	77.0	44,791,599	23.0
Kansas Human Rights Commission	1,985,554	1,514,867	76.3	470,687	23.7

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**STATE OPERATIONS EXPENDITURES
FY 2002 GOVERNOR'S REVISED RECOMMENDATION
FROM ALL FUNDING SOURCES**

	<u>Total</u>	<u>Salaries and Wages</u>	<u>Percent of Total</u>	<u>Other Operating Expenditures</u>	<u>Percent of Total</u>
Arts Commission	529,778	402,959	76.1	126,819	23.9
Emergency Medical Services Board	874,981	662,750	75.7	212,231	24.3
Historical Society	7,020,046	5,315,711	75.7	1,704,335	24.3
Rainbow Mental Health Facility	6,617,227	5,009,933	75.7	1,607,294	24.3
Pittsburg State University	57,442,588	43,232,488	75.3	14,210,100	24.7
Kansas State University	240,132,238	179,362,912	74.7	60,769,326	25.3
University of Kansas	341,171,535	254,753,308	74.7	86,418,227	25.3
Kansas Commission on Veterans Affairs	12,338,375	9,096,017	73.7	3,242,358	26.3
Division of Post Audit	1,867,114	1,370,585	73.4	496,529	26.6
Fort Hays State University	52,488,937	38,488,494	73.3	14,000,443	26.7
Revisor of Statutes	2,486,866	1,818,551	73.1	668,315	26.9
Kansas, Inc.	384,102	280,665	73.1	103,437	26.9
Kansas Highway Patrol	54,428,595	39,564,861	72.7	14,863,734	27.3
Wichita State University	134,221,835	95,914,862	71.5	38,306,973	28.5
Kansas Technology Enterprise Corporation	2,573,360	1,833,275	71.2	740,085	28.8
Real Estate Commission	670,112	475,847	71.0	194,265	29.0
State Board of Tax Appeals	2,196,280	1,555,616	70.8	640,664	29.2
Kansas Racing and Gaming Commission	4,553,702	3,212,804	70.6	1,340,898	29.4
State Fire Marshal	3,230,121	2,251,344	69.7	978,777	30.3
Board of Mortuary Arts	213,541	148,024	69.3	65,517	30.7
Department of Human Resources	54,479,455	37,694,077	69.2	16,785,378	30.8
Kansas Sentencing Commission	793,651	549,065	69.2	244,586	30.8
Lieutenant Governor	147,605	101,010	68.4	46,595	31.6
Real Estate Appraisal Board	245,753	167,751	68.3	78,002	31.7
Governor's Department	2,178,647	1,443,372	66.3	735,275	33.7
KSU-Veterinary Medical Center	24,796,507	16,248,882	65.5	8,547,625	34.5
Secretary of State	3,527,828	2,310,457	65.5	1,217,371	34.5
Department of Agriculture	21,198,804	13,751,407	64.9	7,447,397	35.1
Atchison Juvenile Correctional Facility	6,518,059	4,210,352	64.6	2,307,707	35.4
Insurance Department	11,201,647	7,214,788	64.4	3,986,859	35.6

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**STATE OPERATIONS EXPENDITURES
FY 2002 GOVERNOR'S REVISED RECOMMENDATION
FROM ALL FUNDING SOURCES**

	Total	Salaries and Wages	Percent of Total	Other Operating Expenditures	Percent of Total
Behavioral Sciences Regulatory Board	486,815	312,935	64.3	173,880	35.7
Topeka Juvenile Correctional Facility	12,677,060	8,083,851	63.8	4,593,209	36.2
Beloit Juvenile Correctional Facility	5,312,520	3,385,779	63.7	1,926,741	36.3
State Corporation Commission	16,362,187	10,368,681	63.4	5,993,506	36.6
Board of Accountancy	179,432	113,413	63.2	66,019	36.8
Kansas Bureau of Investigation	18,702,584	11,814,717	63.2	6,887,867	36.8
Animal Health Department	2,005,232	1,249,407	62.3	755,825	37.7
Board of Barbering	129,914	80,669	62.1	49,245	37.9
State Board of Healing Arts	1,990,963	1,233,236	61.9	757,727	38.1
State Treasurer	3,600,209	2,225,876	61.8	1,374,333	38.2
Legislative Coordinating Council	1,031,490	637,070	61.8	394,420	38.2
Board of Cosmetology	718,630	440,165	61.3	278,465	38.7
Board of Pharmacy	553,254	338,590	61.2	214,664	38.8
Department of Revenue	74,095,753	45,023,869	60.8	29,071,884	39.2
Department on Aging	10,282,316	6,156,634	59.9	4,125,682	40.1
Board of Nursing	1,430,221	855,168	59.8	575,053	40.2
Department of Administration	21,590,605	12,286,208	56.9	9,304,397	43.1
Department of Education	20,604,344	11,500,783	55.8	9,103,561	44.2
Legislature	13,330,389	7,398,314	55.5	5,932,075	44.5
Department of Wildlife and Parks	35,856,707	19,726,020	55.0	16,130,687	45.0
Adjutant General	21,696,666	11,560,729	53.3	10,135,937	46.7
Attorney General	10,409,877	5,478,167	52.6	4,931,710	47.4
Department of Social & Rehabilitation Services	286,014,626	148,942,143	52.1	137,072,483	47.9
Board of Veterinary Medical Examiners	282,854	145,085	51.3	137,769	48.7
State Board of Indigents' Defense Services	14,620,253	7,177,803	49.1	7,442,450	50.9
Board of Technical Professions	535,155	259,937	48.6	275,218	51.4
Board of Examiners in Optometry	83,770	40,099	47.9	43,671	52.1
State Library	2,307,309	1,099,665	47.7	1,207,644	52.3
Kansas Guardianship Program	1,110,350	523,559	47.2	586,791	52.8
Dept. of Health & Environment-Health	55,073,138	23,902,649	43.4	31,170,489	56.6

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**STATE OPERATIONS EXPENDITURES
FY 2002 GOVERNOR'S REVISED RECOMMENDATION
FROM ALL FUNDING SOURCES**

	<u>Total</u>	<u>Salaries and Wages</u>	<u>Percent of Total</u>	<u>Other Operating Expenditures</u>	<u>Percent of Total</u>
Citizens' Utility Ratepayer Board	606,186	261,919	43.2	344,267	56.8
Department of Health and Environment-Environ.	58,142,266	23,672,008	40.7	34,470,258	59.3
Juvenile Justice Authority	5,923,764	2,406,602	40.6	3,517,162	59.4
State Fair Board	3,388,865	1,338,189	39.5	2,050,676	60.5
Kansas Dental Board	321,902	101,411	31.5	220,491	68.5
Department of Commerce and Housing	24,489,703	7,103,024	29.0	17,386,679	71.0
State Conservation Commission	2,358,727	655,482	27.8	1,703,245	72.2
Board of Regents	10,827,221	2,829,450	26.1	7,997,771	73.9
Kansas Department of Transportation	336,094,542	83,910,405	25.0	252,184,137	75.0
Kansas Water Office	7,219,774	1,427,632	19.8	5,792,142	80.2
Department of Corrections	79,768,848	14,487,064	18.2	65,281,784	81.8
Kansas Lottery	22,191,228	3,788,747	17.1	18,402,481	82.9
Health Care Stabilization Fund	4,362,328	693,129	15.9	3,669,199	84.1
KPERS	30,211,696	4,354,483	14.4	25,857,213	85.6
TOTAL	\$ 2,958,491,274	\$ 1,821,288,295	61.6 %	\$ 1,137,202,979	38.4 %

House Adjustments to the Governor's Recommendation (Reflects House Committee Adjustments for FY 2002 and FY 2003)

Agency/Item	State General Fund	All Other Funds	All Funds	FTEs
FY 2002				
<u>Health Care Stabilization Fund Board</u>				
Increase official hospitality from \$300 to \$400.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Judicial Branch</u>				
Add \$600,000 SGF in FY 2002 in order to avoid a furlough of nonjudicial employees.	600,000	0	600,000	0.0
<i>Agency Subtotal</i>	<i>\$600,000</i>	<i>\$0</i>	<i>\$600,000</i>	<i>0.0</i>
<u>KPERS</u>				
Add 1.0 FTE to reflect salary money in Governor's recommended budget	0	0	0	1.0
Add KSIP expenditures	0	133,758	133,758	0.0
Adjust KPERS investment manager fees	0	(1,974,350)	(1,974,350)	0.0
Adjust non-KPERS expenditures	0	(61,830)	(61,830)	0.0
Reduce Technology Project expenditures and reappropriate balance	0	(800,000)	(800,000)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$2,702,422)</i>	<i>(\$2,702,422)</i>	<i>1.0</i>
<u>Department of Education</u>				
Add \$105,000 SGF for school finance litigation legal fees	105,000	0	105,000	0.0
Add \$435,411 SGF as a technical adjustment to accurately reflect the Governor's recommendation for special education (the Governor lapsed too much)	435,411	0	435,411	0.0
<i>Agency Subtotal</i>	<i>\$540,411</i>	<i>\$0</i>	<i>\$540,411</i>	<i>0.0</i>
<u>Juvenile Justice Authority</u>				
Transfer \$1,750 from the KSIP Facilities Operations account to the LJCF KSIP Facilities Operations account.	(1,750)	0	(1,750)	0.0
<i>Agency Subtotal</i>	<i>(\$1,750)</i>	<i>\$0</i>	<i>(\$1,750)</i>	<i>0.0</i>
<u>Larned Juvenile Correctional Facility</u>				
Transfer \$1,750 from the JJA KSIP Facilities Operations account to the LJCF KSIP Facility Operations account	1,750	0	1,750	0.0
<i>Agency Subtotal</i>	<i>\$1,750</i>	<i>\$0</i>	<i>\$1,750</i>	<i>0.0</i>
<u>Ombudsman of Corrections</u>				
Reduce operating expenditures by an amount 'found' in the budget for the agency's impending move, since agency is not moving.	(7,444)	0	(7,444)	0.0
<i>Agency Subtotal</i>	<i>(\$7,444)</i>	<i>\$0</i>	<i>(\$7,444)</i>	<i>0.0</i>
TOTAL	\$1,132,967	(\$2,702,422)	(\$1,569,455)	1.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
FY 2003				
<u>Legislative Research Department</u>				
Add \$17,336 SGF to correct an oversight for employer related health insurance costs.	17,336	0	17,336	0.0
<i>Agency Subtotal</i>	<i>\$17,336</i>	<i>\$0</i>	<i>\$17,336</i>	<i>0.0</i>
<u>Attorney General</u>				
Authorize the transfer of up to \$100,000 from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund to make up shortfall in traffic fines.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>State Treasurer</u>				
Increase Banking Fees	28,477	0	28,477	0.0
<i>Agency Subtotal</i>	<i>\$28,477</i>	<i>\$0</i>	<i>\$28,477</i>	<i>0.0</i>
<u>Insurance Department</u>				
Move \$750,000 transfer from the Insurance Department Service Regulation Fund to the State General Fund from July 1, 2002 to May 1, 2003	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Judicial Council</u>				
Increase expenditures from the Publications Fee Fund by \$41,743 in FY 2003 to compensate for SGF reductions and add proviso authorizing expenditure from the Fund for expenses not related to publications activities.	0	41,743	41,743	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$41,743</i>	<i>\$41,743</i>	<i>0.0</i>
<u>Board of Indigents' Defense Services</u>				
Add \$248,606 SGF in FY 2003 for Legal Services for Prisoners, Inc., to restore to same level as FY 2002 (\$497,218).	248,606	0	248,606	0.0
Delete \$372,073 SGF for payments to assigned counsel in FY 2003, thereby delaying some payments until FY 2004.	(372,073)	0	(372,073)	0.0
<i>Agency Subtotal</i>	<i>(\$123,467)</i>	<i>\$0</i>	<i>(\$123,467)</i>	<i>0.0</i>
<u>KPERS</u>				
Add 1.0 FTE to reflect salary money in Governor's recommended budget	0	0	0	1.0
Add first-year cost of new computer	0	122,500	122,500	0.0
Add Technology Project reappropriated balance	0	800,000	800,000	0.0
Adjust KPERS investment manager fees	0	(2,497,627)	(2,497,627)	0.0
Adjust non-KPERS expenditures	0	(58,942)	(58,942)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$1,634,069)</i>	<i>(\$1,634,069)</i>	<i>1.0</i>

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Kansas Corporation Commission</u>				
Add a proviso, if the Governor has not already done so, to authorize expenditures from the Conservation Fee Fund to the Natural Gas Underground Storage Fee fund.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Citizens' Utility Ratepayer Board</u>				
Add \$32,415 from the Utility Regulatory Fee fund in FY 2003 for 1.0 secretary position.	0	32,415	32,415	1.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$32,415</i>	<i>\$32,415</i>	<i>1.0</i>
<u>Department of Administration</u>				
Capital Improvement - Add a proviso prohibiting the expenditure of state funds for reinforcement of the Statehouse dome for the Ad Astra sculpture.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Revenue</u>				
Reduce CAMA project financing pending passage of SB 364 that extends fees in FY 2003	0	(446,298)	(446,298)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$446,298)</i>	<i>(\$446,298)</i>	<i>0.0</i>
<u>Board of Nursing</u>				
Add a proviso to the FY 2003 appropriations bill that would allow no more than \$100,000 in unexpended FY 2002 moneys to be carried over to FY 2003 for moving expenses, including furniture, telephone and other related moving costs.	0	100,000	100,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$100,000</i>	<i>\$100,000</i>	<i>0.0</i>
<u>Department of Human Resources</u>				
Add Special Employment Security Fund money to restore 1% reductions in SGF OOE.	0	42,162	42,162	0.0
Delete remaining \$167,837 for preliminary planning of a new building due to a potential cash flow problem in the Special Employment Security Fund.	0	(167,837)	(167,837)	0.0
Reduce funding in the Special Employment Security Fund from \$210,000 recommended for preliminary planning of a new building to finance prior item.	0	(42,162)	(42,162)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$167,837)</i>	<i>(\$167,837)</i>	<i>0.0</i>
<u>Comm. on Veterans Affairs/Soldiers Home</u>				
Transfer \$30,000 from the Coordinated Public Transportation Assistance Fund in the Department of Transportation to this agency to fund the purchase of a wheel-chair lift van	0	30,000	30,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$30,000</i>	<i>\$30,000</i>	<i>0.0</i>

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<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Department of Health and Environment</u>				
Transfer \$2,206,070 (\$400,000 SGF) and AIDS Drug Assistance Program from KDHE to SRS	(400,000)	(1,806,070)	(2,206,070)	0.0
Transfer \$470,000 SGF and the Funeral Assistance Program from SRS to KDHE	470,000	0	470,000	0.0
<i>Agency Subtotal</i>	<i>\$70,000</i>	<i>(\$1,806,070)</i>	<i>(\$1,736,070)</i>	<i>0.0</i>
<u>Social and Rehabilitation Services</u>				
Add funding for family preservation programs from the CIF	0	375,000	375,000	0.0
Add funding for grants to Community Mental Health Centers (CMHC's) to develop programs for children in underserved areas from the CIF	0	2,000,000	2,000,000	0.0
Add funding for immunization outreach from the Children's Initiatives Fund (CIF)	0	750,000	750,000	0.0
Shift funding from SRS to the Department of Health and Environment (KDHE) to cover funeral assistance eliminated from the SRS budget by the Governor	(470,000)	0	(470,000)	0.0
Shift funding from the KDHE Ryan White AIDS program to the SRS AIDS drug program	400,000	0	400,000	0.0
<i>Agency Subtotal</i>	<i>(\$70,000)</i>	<i>\$3,125,000</i>	<i>\$3,055,000</i>	<i>0.0</i>
<u>Department of Education</u>				
Add a proviso to the general state aid appropriation as a technical adjustment to reflect the Governor's recommendation to transfer savings of up to \$2.0 million to inservice education	0	0	0	0.0
Add SGF savings generated from technical adjustments (\$1,084,006) to special education, to increase excess costs funding to 85.4 percent	1,084,006	0	1,084,006	0.0
Delete \$1,400,000 SGF from BSAPP as a technical adjustment to accurately reflect the Governor's recommendation	(1,400,000)	0	(1,400,000)	0.0
Delete \$224,417 SGF for juvenile detention facilities as a technical adjustment to conform funding to the Governor's recommended BSAPP	(224,417)	0	(224,417)	0.0
<i>Agency Subtotal</i>	<i>(\$540,411)</i>	<i>\$0</i>	<i>(\$540,411)</i>	<i>0.0</i>
<u>School for the Deaf</u>				
Add funding from the State Institutions Building Fund to replace roofs on the Parks-Bilger vocational Building (\$70,035) and the Taylor Gym (\$69,850).	0	139,885	139,885	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$139,885</i>	<i>\$139,885</i>	<i>0.0</i>

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>State Historical Society</u>				
Add proviso to SGF appropriations for operating expenditures stating that 10% of funding shall not be spent until Society alters its policy regarding Civil War reenactments to permit portrayal of events in Kansas history that were violent.	0	0	0	0.0
Delete funding for the Lewis and Clark Expedition Bicentennial	250,000	0	250,000	0.0
<i>Agency Subtotal</i>	<i>\$250,000</i>	<i>\$0</i>	<i>\$250,000</i>	<i>0.0</i>
<u>Adjutant General</u>				
Additional funding for the Educational Assistance program	0	270,380	270,380	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$270,380</i>	<i>\$270,380</i>	<i>0.0</i>
<u>Emergency Medical Services Board</u>				
Add proviso allowing the agency direct access to its fee fund	0	0	0	0.0
Changing the funding structure of the agency	(282,405)	293,405	11,000	0.0
<i>Agency Subtotal</i>	<i>(\$282,405)</i>	<i>\$293,405</i>	<i>\$11,000</i>	<i>0.0</i>
<u>Ombudsman of Corrections</u>				
Reduce operating expenditures by the enhancement amount for additional rental costs, since the agency is not moving.	(7,738)	0	(7,738)	0.0
<i>Agency Subtotal</i>	<i>(\$7,738)</i>	<i>\$0</i>	<i>(\$7,738)</i>	<i>0.0</i>
<u>State Conservation Commission</u>				
Proviso capturing lapsed SWPF monies over \$300,000 for use in TMDL and Water Resources Cost-Share programs	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Wildlife and Parks</u>				
Add Boating Fee Fund money for Atchison river access	0	100,000	100,000	0.0
Add proviso authorizing expenditures from different funding sources to expand a pilot project of grass terracing for encouraging bird populations, if unexpended funds are available within any limitations for spending.	0	0	0	0.0
Add proviso requiring approval of adjacent land owners prior to construction of any new river access on Kansas and Missouri rivers.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$100,000</i>	<i>\$100,000</i>	<i>0.0</i>
<u>Kansas Department of Transportation</u>				
Capital Improvement - Delete funding for projects not yet identified	0	(40,000,000)	(40,000,000)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$40,000,000)</i>	<i>(\$40,000,000)</i>	<i>0.0</i>
TOTAL	(\$658,208)	(\$39,921,446)	(\$40,579,654)	2.0

SENATE ADJUSTMENTS TO GOVERNOR'S RECOMMENDATION
(Reflects Senate Committee Adjustments for FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
FY 2002:			
Health Care Stabilization Board			
Authorize increase of \$100 in official hospitality within the agency's existing	0	0	0.0
Judicial Branch			
Add funding to avert furlough of nonjudicial personnel	600,000	600,000	0.0
KPERS			
Reduce Technology Project and reappropriate	0	(800,000)	0.0
Adjust KPERS investment manager fees	0	(1,974,350)	0.0
Adjust non-KPERS expenditures	0	(61,830)	0.0
Add KSIP expenditures	0	133,758	0.0
Add 1.0 FTE position to reflect salary money in Governor's recommendation	0	0	1.0
Bank Commissioner			
Add \$87,236 (Bank Fee Fund) for previously approved salary upgrade for financial examiners	0	87,236	0.0
Add \$58,376 (Bank Fee Fund) for capital outlay. This action will permit KSIP funds to be utilized for employee bonuses	0	58,376	0.0
Department of Education			
Add \$105,000 SGF for school finance lawsuit legal fees	105,000	105,000	0.0
Add \$435,411 SGF for special education to accurately reflect the Governor's recommendation	435,411	435,411	0.0
Juvenile Justice Authority			
Transfer KSIP from JJA to Larned JCF	(1,750)	(1,750)	0.0
Larned Juvenile Correctional Facility			
Transfer KSIP from JJA to Larned JCF	1,750	1,750	0.0
Ombudsman for Corrections			
Reduce expenditures due to cancellation of agency move	(7,444)	(7,444)	0.0
State Fair			
Delete \$65,484 (other funds) to concur with the agency's revised request (capital improvement)	0	(65,484)	0.0
Transfer \$300,000 from the State Fair Capital Improvements Fund to the State Fair Fee Fund	0	0	0.0
TOTAL CHANGE - FY 2002	\$ 1,132,967	\$ (1,489,327)	1.0
FY 2003:			
Legislative Research Department			
Correct group health insurance	17,336	17,336	0.0
Attorney General			
Authorize transfer of up to \$100,000 from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund	0	0	0.0
State Treasurer			
Add funding to cover increased bank fees	28,477	28,477	0.0
Insurance Department			
Delay transfer from fee fund to the State General Fund from July 1 to October 1	0	0	0.0
Judicial Council			
Increase expenditure limitation on the Publications Fee Fund	0	41,743	0.0
KPERS			
Add first-year cost of new computer	0	122,500	0.0

Agency/Item	State General Fund	All Funds	FTE Positions
Add Technology Project reappropriated balance	0	800,000	0.0
Adjust KPERs investment manager fees	0	(2,497,627)	0.0
Adjust non-KPERs expenditures	0	(58,942)	0.0
Add 1.0 FTE position to reflect salary money in Governor's recommendation	0	0	1.0
Bank Commissioner			
Add \$126,662 (Bank Fee Fund) to fund previously approved salary upgrade for financial examiner positions	0	126,662	0.0
Add \$95,830 (Bank Fee Fund) to fund capital outlay. This action will permit KSIP funds to be used for employee bonuses	0	95,830	0.0
Department of Human Resources			
Shift 20.0 FTE positions to Non-FTE	0	0	(20.0)
Reduce SGF and substitute fee funds from Special Employment Security Fund	(72,000)	0	0.0
Authorize funds from sale of buildings to be used for planning a new building	0	0	0.0
Reduce SGF and substitute fee funds from ending balance of Special Employment Security Fund	(118,841)	0	0.0
Commission on Veterans' Affairs			
Transfer \$30,000 from the Coordinated Public Transportation Assistance Fund in the Department on Transportation to this agency to fund the purchase of the wheelchair lift van	0	30,000	0.0
Department of Health and Environment			
Add funding for WIC Farmers Market Program (SB 604)	30,000	30,000	0.0
Department of Education			
Delete \$1,400,000 SGF for general state aid to accurately reflect the Governor's recommendation	(1,400,000)	(1,400,000)	0.0
Add \$205,500 SGF for social studies assessment	205,500	205,500	0.0
Delete \$224,417 SGF for juvenile detention facilities to conform to \$158 reduction in BSAPP	(224,417)	(224,417)	0.0
Eliminate funding (\$500,000 CIF) for the new Reading Recovery program	0	(500,000)	0.0
Delete \$100,000 CIF for the Kansas Optometric Vision Study leaving a total of \$300,000	0	(100,000)	0.0
Eliminate funding (\$500,000 CIF) for School Violence Prevention	0	(500,000)	0.0
Offset \$1,225,000 SGF funding for special education with the same amount from the CIF	(1,225,000)	0	0.0
Add a proviso to the effect that any unexpected savings in general state aid at the end of FY 2002, up to a limit of \$2,000,000, would be transferred to inservice	0	0	0.0
Reduce funding for Parent Education	(375,000)	(500,000)	0.0
State Library			
Restore 4.0 percent reduction package	152,696	152,696	0.0
Kansas Arts Commission			
Restore 4.0 reduction package	66,304	66,304	0.0
School for the Deaf			
Add \$139,885 SIBF for roof replacement (capital improvement)	0	139,885	0.0
State Historical Society			
Add funding to reduce salary shrinkage from 11.2 percent to 10.7 percent	30,000	30,000	0.0
Add funding for the Kansas Territorial Sesquicentennial Commission	50,000	50,000	0.0
Add funding for emergency repairs	75,000	75,000	0.0
Fire Marshal			

Agency/Item	State General Fund	All Funds	FTE Positions
Delete transfer from Fire Marshal Fee Fund to Hazardous Materials Emergency Fund	0	0	0.0
Ombudsman for Corrections			
Reduce expenditures due to cancellation of agency move	(7,738)	(7,738)	0.0
Department of Agriculture			
Leave FTE positions vacant in Statistical Services program to fund positions in Water Resources program currently unfunded	0	0	0.0
State Fair			
Delete \$566,442 (other funds) to reflect the agency's revised request (capital improvement)	0	(566,442)	0.0
State Conservation Commission			
Add proviso capturing lapsed SWPF monies over \$300,000 from the Water Resources Cost-Share and Non-Point Source Pollution subprograms and utilizing those funds for enhancements in those programs	0	0	0.0
Department of Wildlife and Parks			
Add \$100,000 from the Boat Fee Fund for completing river access project near Atchison (capital improvement)	0	100,000	0.0
TOTAL CHANGE - FY 2003	\$ (2,767,683)	\$ (4,243,233)	(19.0)

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March 12, 2002

To: Governor Bill Graves and the Legislative Budget Committee
From: Kansas Legislative Research Department and the Kansas Division of the Budget
Re: Revised State General Fund Receipts for FY 2002 and FY 2003

Estimates for the State General Fund (SGF) are developed using a consensus process that involves the Legislative Research Department, Division of the Budget, Department of Revenue, and three consulting economists from state universities. This estimate is the base from which the Governor and the Legislature build the annual budget. The Consensus Group met on March 8, 2002, and decreased the FY 2002 and FY 2003 estimates by a combined \$253.6 million. (At the request of the President of the Senate and the Speaker of the House, this meeting was accelerated by about a month in view of the unusually difficult state budget issues with which the Legislature and Governor are contending.) The revised FY 2002 estimate is \$4.207 billion and the revised FY 2003 estimate is \$4.464 billion.

For FY 2002, the estimate was decreased by \$129.1 million, or 3.0 percent, from the previous estimate made in November. The FY 2002 overall revised SGF estimate of \$4.207 billion is 4.7 percent below actual FY 2001 receipts. It should be noted that the growth percentage would have been 2.5 percent below such receipts had the 2001 Legislature not enacted a measure, applicable for FY 2002 only, that changed \$100 million in demand transfers to revenue transfers, effectively increasing transfers out of the SGF by that amount.

The FY 2003 estimate was decreased by \$124.5 million, or 2.7 percent from the November estimate. The revised estimate of \$4.464 billion is \$257.3 million, or 6.1 percent, above the newly revised FY 2002 figure. The growth percentage would have been 3.7 percent but for the aforementioned \$100 million change in transfers.

Detailed information regarding the specific sources of revenue constituting total receipts is presented in Table 1. Table 2 compares the FY 2002 estimate developed on November 2, 2001, with the revised estimate for the March 8, 2002 meeting. Table 3 provides a similar comparison for the FY 2003 estimates.

Economic Forecast for Kansas

The Kansas economy was weakening throughout the summer of 2001 prior to the events of September 11. Changes in consumer behavior and confidence in the wake of those events, as well as announcements of layoffs in the aviation manufacturing,

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telecommunications, and public utility sectors, have indicated that Kansas is in the midst of a downturn at least as severe as the broader recession in the national economy. While current forecasts call for the US economy to begin a gradual recovery during 2002, the specific problems afflicting Kansas' key industries suggest that the state's own economic recovery will lag behind. Thus, the consensus estimates contained herein are based on the assumption that growth will resume in the Kansas economy in 2002, albeit at a more modest pace than that in the US economy. Real US Gross Domestic Product is expected to grow by 2.2 percent in 2002 (after declining during the second half of 2001), while Kansas Gross State Product is expected to grow by 1.8 percent.

Kansas Personal Income

Kansas Personal Income (KPI) in 2001 grew by 4.5 percent over the 2000 level, and the growth rate is expected to decelerate in 2002, with the estimate now set at 3.0 percent. The forecast for 2003 calls for KPI growth to rebound to 5.7 percent.

Employment

Manufacturing employment in Kansas, which had been declining since FY 1999, has been declining even more rapidly in recent months as a result of layoffs in and around the Wichita area in the wake of last fall's terrorist attacks. (The latest statistics indicate that Wichita-area aviation manufacturing employees have annual average earnings per job of over \$50,000.) Recently announced layoffs in telecommunications, public utilities, and other sectors also are expected to contribute to additional unemployment rate increases. The revised Kansas unemployment rate forecast for FY 2002 is 4.3 percent, up from the 4.0 percent estimate used in November. The unemployment rate for FY 2003 also has increased to 4.7 percent (up from 4.3 percent in November). As a result of increased unemployment claims, payments from the Kansas Unemployment Insurance Trust Fund are projected to reach \$276 million in 2002 and \$326 million in 2003.

Agriculture

The All Farm Products Index of Prices received by Kansas farmers was 94 in February, compared with 100 a year earlier. The combined total production of the state's four major grain crops in 2001 was up four percent from the 2000 production. The final yield of the 2001 wheat crop at 40.0 bushels per acre was 3.0 bushels above the 2000 figure. Cattle marketings since September have increased about 5 percent above the same period from the prior year. Cattle prices recovered somewhat in January and February after falling well below the prior year's prices in November and December.

Oil and Gas

The average price per taxable barrel of Kansas crude oil is estimated to be \$21.00 for FY 2002 and to increase to \$22.00 for FY 2003. These figures represent decreases

relative to the November estimates of \$23.00 per barrel for both fiscal years. Gross oil production in Kansas, which has been declining steadily for the last decade, is expected to continue to decline over the forecast period. The price of natural gas is expected to decrease from the historically high FY 2001 figure of \$4.34 per mcf to \$2.40 per mcf in FY 2002 and then rebound slightly to \$2.50 per mcf in FY 2003, based on an industry source's analysis of futures markets. (The gas price estimates have been reduced relative to the November forecast, as well, when they were \$2.65 for FY 2002 and \$2.90 for FY 2003.) Natural gas production in FY 2001 of 505 million cubic feet represented a continuing decrease from the recent peak of 730 million cubic feet in FY 1996. Production is expected to continue to decline for the foreseeable future as natural gas reserves, especially those in the Hugoton field, are depleted. The latest forecast is for 470 million cubic feet for FY 2002 and 420 million cubic feet for FY 2003.

Inflation Rate

The Consumer Price Index for all Urban consumers (CPI-U) increased 2.8 percent in 2001. The national forecasts for both 2002 and 2003 are for inflation to continue at moderate levels, 1.7 percent and 2.3 percent, respectively.

Interest Rates

The Pooled Money Investment Board is authorized to make investments in US Treasury and Agency securities, highly rated commercial paper, repurchase agreements and certificates of deposit of Kansas banks. In FY 2001, the state earned 5.96 percent on its SGF portfolio. The average rate of return forecasted for FY 2002 is 2.68 percent. For FY 2003, the forecasted rate is 2.28 percent.

Accounts Receivable

As a result of additional collections resources provided to the Department of Revenue through HB 2283 by the 2001 Legislature, the estimate for FY 2002 collections was increased by \$49.01 million. The Secretary of Revenue has indicated that enhanced collections are presently on schedule to reach that level for FY 2002. Through the end of February, about \$28.7 million in enhanced collections had been received, according to the Department. The Department has reiterated its belief that the enhanced collections are expected to stay at the \$49.01 million level in FY 2003 and FY 2004; fall to \$24.505 million in FY 2005 and FY 2006; and be reduced to zero by FY 2007.

The additional revenues assumed attributable to this effort are spread by source in the current estimates for FY 2002 and FY 2003 as follows:

Enhanced "Accounts Receivable" Collections by Source

(\$ in thousands)

	<u>FY 2002</u>	<u>FY 2003</u>
Sales	\$ 19,900	\$ 19,900
Use	1,700	1,700
Individual Income	17,000	17,000
Corp Income	6,500	6,500
Cigarette	1,900	1,900
Liq Enforcement	850	850
Motor Carrier	660	660
Liquor Gallonage	240	240
Miscellaneous*	260	260
Total	<u>\$ 49,010</u>	<u>\$ 49,010</u>

* includes bingo, illegal drugs, and transient guest

Federal Tax Law Impact

An analysis completed by the Department of Revenue quantified the impact of the 2001 federal tax law, the Economic Growth and Tax Relief Reconciliation Act of 2001, on SGF receipts. That analysis indicated that the new law would be expected to reduce FY 2002 and FY 2003 individual income tax receipts by about \$7 million and \$18 million, respectively. There is no impact on estate tax receipts because of the lack of prospective conformity in the Kansas Estate Tax Act (see KSA 2000 Supp. 79-15,101, which ties the Kansas tax to the federal law in effect on December 31, 1997). The sales tax impact from increased consumer activity as a result of the rebate checks was determined to be slightly positive, but indeterminate.

Several provisions of the Job Creation and Worker Assistance Act of 2002, which has been signed into law by President Bush, also have the capacity to have a negative impact on SGF receipts because of the extent to which Kansas income tax laws conform to federal provisions. One provision in particular, relating to a special depreciation allowance for certain business property, has the potential to have a significant impact. While the Department of Revenue has not had the opportunity to complete a formal analysis of this new legislation, the Consensus Group utilized the best information available on the date of the meeting to adjust for this change.

Economic Forecasts

	<u>CY 01</u>	<u>CY 02*</u>	<u>CY 03*</u>
KPI Growth	4.5%	3.0%	5.7%
Inflation (CPI-U)	2.8%	1.7%	2.3%
	<u>FY 01</u>	<u>FY 02*</u>	<u>FY 03*</u>
SGF Interest	5.96%	2.68%	2.28%
Oil and Gas			
Oil Price per bbl	\$28.61	\$21.00	\$22.00
Gross Prod. (000)	33,523	33,000	32,000
Gas Price per mcf	\$4.34	\$2.40	\$2.50
Gas Taxable Value	2,069,566	1,020,840	950,250

* Estimated

State General Fund Receipts Estimates

FY 2002. The revised estimate of SGF receipts for FY 2002 is \$4.207 billion, a decrease of \$129.1 million from the previous estimate produced on November 2, 2001. The revised estimate is \$208.2 million or 4.7 percent below actual FY 2001 receipts, but as noted previously, the new FY 2002 figure would represent an increase of 2.5 percent had the 2001 Legislature not enacted the change of certain demand transfers to revenue transfers. Details of the revised estimate are reflected in Tables 1 and 2.

Each individual SGF source was reevaluated independently and consideration was given to revised and updated economic forecasts, collection information from the Departments of Revenue and Insurance, and year-to-date receipts.

Downward revisions in the estimates of individual and corporation income accounted for \$140 million in reductions, while all other source adjustments combined increased the prior estimate by \$10.9 million.

The estimate for individual income taxes was decreased by \$45 million. A number of factors contributed to this downward revision, including the weak economy, the aforementioned layoffs and unemployment data, substantial reductions in estimated payments and increases in refunds relative to the prior year's figures, and the fact that receipts through February were running \$31.7 million below the prior fiscal-year-to-date estimate.

The weakening economy also played a role in the \$95 million reduction of the corporation income tax estimate. Overall corporate profits were expected to be negative for CY 2001. Corporation income tax refunds in the months of November and December alone appeared to represent around \$50 million of unanticipated refunds relative to the November estimate. Many of these refunds indicate that (1) major Kansas corporate taxpayers were reconciling liabilities in the wake of excess estimated payments which had been made prior to the weakening economy; and (2) a number of taxpayers may have filed amended returns to claim tax credits for prior years of which they may have been unaware. An additional refund of \$12.5 million was paid in February that represents one half of the state's liability as a result of litigation recently decided by the Kansas Supreme Court. Total refunds for the fiscal year are now expected to exceed \$112 million. Estimated payments thus far in FY 2002 reflect the new reality regarding corporate profit expectations, as such payments through the end of February were \$55.6 million below the same eight-month period in FY 2001. Total corporation income tax receipts through February were already \$63.9 million below the prior fiscal-year-to-date estimate.

The overall severance tax estimate was reduced by \$5.9 million. Of this amount, \$5.5 million is attributable to a reduction in the estimate for the tax on natural gas and \$0.4 million is attributable to a reduction for the tax on oil.

The estimate for financial institution privilege tax, which was running \$1.3 million below the previous forecast through the end of February, was reduced by \$1.0 million. The estimate for net transfers from the SGF also was increased by \$1.2 million.

On the positive side, the estimate for the sales tax estimate was increased by \$10.0 million. Receipts from this source were \$10.8 million ahead of the November estimate through February.

Estate taxes, up \$4.6 million through February, were boosted by \$5.0 million

The only other sources with positive adjustments of \$1.0 million or more were agency earnings (\$3.0 million increase) and interest (\$1.0 million increase).

FY 2003. SGF receipts are estimated to be \$4.464 billion in FY 2003, an increase of \$208.2 million or 6.1 percent when compared to the newly revised FY 2002 figure. As noted earlier, the FY 2003 growth rate would have been 3.7 percent absent the aforementioned adjustment to transfers. Details of this estimate are shown in Tables 1 and 3.

The negative adjustments to the source estimates for the individual and corporation income taxes (\$125 million) again exceeded the entire SGF adjustment for the fiscal year. (\$124.5 million).

The \$70 million cut in the corporation income tax estimate was influenced by the assumption the refunds will once again be substantially larger than had been anticipated in November. Refunds from this source in FY 2003 are now expected to be in excess of \$90 million and will include the second \$12.5 million payment attributable to the aforementioned litigation. The estimate also factors in an adjustment relative to the special depreciation allowance provision of the new Job Creation and Worker Assistance Act of 2002.

The individual income tax growth estimate was reduced by \$55 million (after being reduced by \$45 million for FY 2002). The FY 2003 growth rate of 4.2 percent is influenced by the expectation that Kansas Personal Income will begin growing by 5.7 percent in CY 2003 after growing by only 3.0 percent in CY 2002. Also factored into the FY 2003 estimate is the anticipated \$11 million increase in the negative impact of the 2001 federal tax law on Kansas receipts.

Accuracy of Consensus Revenue Estimates

For 27 years, SGF revenue estimates for Kansas have been developed using the consensus revenue estimating process. Besides the three state agencies identified on the first page, the economists currently involved in the process are Joe Sicilian from the University of Kansas, Ed Olson from Kansas State University, and John Wong from Wichita State University. Each of the entities and individuals involved in the process prepared independent estimates and met on March 8, 2002, to discuss estimates and come to a consensus for each fiscal year.

STATE GENERAL FUND ESTIMATES

Fiscal Year	Adjusted Original Estimate*	Adjusted Final Estimate**	Actual Receipts	Difference from Original Estimate*		Difference from Final Estimate**	
				Amount	Percent	Amount	Percent
1975	--	\$614.9	\$627.6	--	--	\$12.7	2.1%
1976	\$676.3	699.7	701.2	\$24.9	3.7%	1.4	0.2
1977	760.2	760.7	776.5	16.3	2.1	15.8	2.1
1978	830.1	861.2	854.6	24.5	3.0	(6.5)	(0.8)
1979	945.2	1,019.3	1,006.8	61.6	6.5	(12.5)	(1.2)
1980	1,019.3	1,095.9	1,097.8	78.5	7.7	1.9	0.2
1981	1,197.1	1,226.4	1,226.5	29.4	2.5	0.1	0.0
1982	1,351.3	1,320.0	1,273.0	(78.3)	(5.8)	(47.0)	(3.6)
1983	1,599.2	1,366.9	1,363.6	(235.6)	(14.7)	(3.2)	(0.2)
1984	1,596.7	1,539.0	1,546.9	(49.8)	(3.1)	7.9	0.5
1985	1,697.7	1,679.7	1,658.5	(39.2)	(2.3)	(21.3)	(1.3)
1986	1,731.2	1,666.4	1,641.4	(89.8)	(5.2)	(25.0)	(1.5)
1987	1,903.1	1,764.7	1,778.5	(124.6)	(6.5)	13.8	0.8
1988	1,960.0	2,031.5	2,113.1	153.1	7.8	81.6	4.0
1989	2,007.8	2,206.9	2,228.3	220.5	11.0	21.4	1.0
1990	2,241.2	2,283.3	2,300.5	59.3	2.6	17.2	0.8
1991	2,338.8	2,360.6	2,382.3	43.5	1.9	21.7	0.9
1992	2,478.7	2,454.5	2,465.8	(12.9)	(0.5)	11.3	0.5
1993	2,913.4	2,929.6	2,932.0	18.6	0.6	2.4	0.1
1994	3,040.1	3,126.8	3,175.7	135.6	4.5	48.9	1.6
1995	3,174.4	3,243.9	3,218.8	44.4	1.4	(25.1)	(0.8)
1996	3,428.0	3,409.2	3,448.3	20.3	0.6	39.0	1.1
1997	3,524.8	3,642.4	3,683.8	159.0	4.5	41.4	1.1
1998	3,714.4	3,971.0	4,023.7	309.3	8.3	52.7	1.3
1999	3,844.7	4,051.9	3,978.4	133.7	3.5	(73.4)	(1.8)
2000	4,204.1	4,161.0	4,203.1	(1.0)	0.0	42.1	1.0
2001	4,420.7	4,408.7	4,415.0	(5.7)	(0.1)	6.4	0.1

* The adjusted original estimate is the estimate made in November or December prior to the start of the next fiscal year in July and adjusted to account for legislation enacted, if any, which affected receipts to the SGF.

** The final estimate made in March or April is the adjusted original estimate plus or minus changes subsequently made by the Consensus Estimating Group. It also includes the estimated impact of legislation on receipts.

The table (above) presents estimates compared to actual receipts since FY 1975, the fiscal year for which the current process was initiated. First, the adjusted original estimate is compared to actual collections and then the final estimate is compared to actual receipts. In each of the last two fiscal years, actual receipts have been slightly lower than original estimates.

As might be expected, there has usually been a smaller difference between actual receipts and the final estimate because only three months remained in the fiscal year when the final estimate was made. In the last 13 fiscal years, the difference ranged from 0.5 to 1.8 percent, with the largest differences being the FY 1999 shortfall of 1.8 percent and the FY 1994 underestimate of 1.6 percent.

Concluding Comment

Consensus revenue estimates are based on current federal and state laws and their current interpretation. These estimates will be adjusted at the conclusion of the 2002 Legislative Session to reflect all enacted legislation which affects SGF receipts.

Table 1

State General Fund Receipts
(In Thousands)
Consensus Revenue Estimates—March 8, 2002

	FY 2001 (Actual)		FY 2002 (Revised)		FY 2003 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	\$17,920	11.1 %	\$20,500	14.4 %	\$20,500	-- %
Income Taxes:						
Individual	\$1,977,342	6.6 %	\$2,010,000	1.7 %	\$2,095,000	4.2 %
Corporation	211,907	(15.3)	100,000	(52.8)	125,000	25.0
Financial Inst.	24,816	11.3	24,000	(3.3)	25,000	4.2
Total	\$2,214,065	4.1 %	\$2,134,000	(3.6) %	\$2,245,000	5.2 %
Estate	\$41,196	(34.5) %	\$50,000	21.4 %	\$49,000	(2.0) %
Excise Taxes:						
Retail Sales	\$1,423,059	(1.2) %	\$1,485,000	4.4 %	\$1,525,000	2.7 %
Compensating Use	235,893	12.3	255,000	8.1	275,000	7.8
Cigarette	48,784	(0.7)	49,000	0.4	49,000	--
Tobacco Prod.	4,092	8.4	4,000	(2.2)	4,300	7.5
Cereal Malt Beverage	2,489	2.4	2,600	4.5	2,700	3.8
Liquor Gallonage	14,490	0.8	14,600	0.8	14,900	2.1
Liquor Enforcement	35,351	6.0	38,000	7.5	39,000	2.6
Liquor Drink	6,238	10.1	6,600	5.8	7,100	7.6
Corporate Franchise	16,927	0.6	17,500	3.4	17,700	1.1
Severance	101,537	91.7	54,800	(46.0)	52,500	(4.2)
Gas	87,320	125.7	41,100	(52.9)	38,300	(6.8)
Oil	14,217	(0.4)	13,700	(3.6)	14,200	3.6
Total	\$1,888,860	3.3 %	\$1,927,100	2.0 %	\$1,987,200	3.1 %
Other Taxes:						
Insurance Prem.	\$67,680	11.5 %	\$71,150	5.1 %	\$75,000	5.4 %
Miscellaneous	2,112	8.7	3,400	61.0	5,000	47.1
Total	\$69,792	11.5 %	\$74,550	6.8 %	\$80,000	7.3 %
Total Taxes	\$4,231,834	3.3 %	\$4,206,150	(0.6) %	\$4,381,700	4.2 %
Other Revenues:						
Interest	\$80,269	(1.2) %	\$38,500	(52.0) %	\$24,000	(37.7) %
Net Transfers	59,755	n/a	(89,200)	(249.3)	5,000	(105.6)
Project 2000	--	--	(9,175)	100.0	--	(100.0)
Other Transfers	59,755	n/a	(80,025)	(233.9)	5,000	(106.2)
Agency Earnings	43,190	(5.3)	51,400	19.0	53,400	3.9
Total Other Revenue	\$183,215	73.6 %	\$700	(99.6) %	\$82,400	n/a %
Total Receipts	\$4,415,048	5.0 %	\$4,206,850	(4.7) %	\$4,464,100	6.1 %

Table 2

State General Fund Receipts -- Comparison of Estimates for FY 2002

	<u>CRE Estimate 10:22 am</u>	<u>CRE Estimate 10:22 am</u>	<u>Difference</u>
Property Tax:			
Motor Carrier	\$20,000	\$20,500	\$500
Income Taxes:			
Individual	\$2,055,000	\$2,010,000	\$(45,000)
Corporation	195,000	100,000	(95,000)
Financial Inst.	<u>25,000</u>	<u>24,000</u>	<u>(1,000)</u>
Total	\$2,275,000	\$2,134,000	\$(141,000)
Estate Tax	\$45,000	\$50,000	\$5,000
Excise Taxes:			
Retail Sales	\$1,475,000	\$1,485,000	\$10,000
Compensating Use	255,000	255,000	0
Cigarette	49,700	49,000	(700)
Tobacco Product	4,000	4,000	0
Cereal Malt Beverage	2,600	2,600	0
Liquor Gallonage	14,400	14,600	200
Liquor Enforcement	37,900	38,000	100
Liquor Drink	6,700	6,600	(100)
Corporate Franchise	17,500	17,500	0
Severance	60,700	54,800	(5,900)
Gas	46,600	41,100	(5,500)
Oil	<u>14,100</u>	<u>13,700</u>	<u>(400)</u>
Total	\$1,923,500	\$1,927,100	\$3,600
Other Taxes:			
Insurance Premium	\$71,150	\$71,150	0
Miscellaneous	<u>3,400</u>	<u>3,400</u>	<u>0</u>
Total	\$74,550	\$74,550	0
Total Taxes	\$4,338,050	\$4,206,150	\$(131,900)
Other Revenues:			
Interest	\$37,500	\$38,500	\$1,000
Net Transfers	(87,975)	(89,200)	(1,225)
Project 2000	(9,175)	(9,175)	0
Other Transfers	(78,800)	(80,025)	(1,225)
Agency Earnings	<u>48,400</u>	<u>51,400</u>	<u>3,000</u>
Total Other Revenue	\$(2,075)	\$700	\$2,775
Total Receipts	<u>\$4,335,975</u>	<u>\$4,206,850</u>	<u>\$(129,125)</u>

Table 3

State General Fund Receipts -- Comparison of Estimates for FY 2003

	CRE Estimate <u>10:22 am</u>	CRE Estimate <u>10:22 am</u>	<u>Difference</u>
Property Tax:			
Motor Carrier	\$20,000	\$20,500	\$500
Income Taxes:			
Individual	\$2,150,000	\$2,095,000	\$(55,000)
Corporation	195,000	125,000	(70,000)
Financial Inst.	<u>26,000</u>	<u>25,000</u>	<u>(1,000)</u>
Total	\$2,371,000	\$2,245,000	\$(126,000)
Estate Tax	\$47,000	\$49,000	\$2,000
Excise Taxes:			
Retail Sales	\$1,515,000	\$1,525,000	\$10,000
Compensating Use	270,000	275,000	5,000
Cigarette	49,700	49,000	(700)
Tobacco Product	4,300	4,300	0
Cereal Malt Beverage	2,700	2,700	0
Liquor Gallonage	14,900	14,900	0
Liquor Enforcement	39,000	39,000	0
Liquor Drink	7,100	7,100	0
Corporate Franchise	17,700	17,700	0
Severance	59,900	52,500	(7,400)
Gas	46,200	38,300	(7,900)
Oil	<u>13,700</u>	<u>14,200</u>	<u>500</u>
Total	\$1,980,300	\$1,987,200	\$6,900
Other Taxes:			
Insurance Premium	\$75,000	\$75,000	\$0
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total	\$80,000	\$80,000	\$0
Total Taxes	\$4,498,300	\$4,381,700	\$(116,600)
Other Revenues:			
Interest	\$33,500	\$24,000	\$(9,500)
Net Transfers	6,500	5,000	(1,500)
Project 2000	0.00	0.00	0
Other Transfers	6,500	5,000	(1,500)
Agency Earnings	<u>50,300</u>	<u>53,400</u>	<u>3,100</u>
Total Other Revenue	\$90,300	\$82,400	\$(7,900)
Total Receipts	<u>\$4,588,600</u>	<u>\$4,464,100</u>	<u>\$(124,500)</u>

STATE TREASURER TOTAL (W/O PMIB)

	2000 Actuals	2001 Actuals	FY 2002 Approp	FY 2003 Budget
Expenditures				
Salaries & Wages	\$1,656,125	\$1,716,177	\$1,806,899	\$1,888,250
Communications	122,169	149,161	158,743	153,903
Freight & Express	154	759	1,200	1,200
Printing & Advertising	46,689	38,013	119,071	86,950
Rents	191,268	203,431	206,900	220,662
Repairing & Servicing	27,862	29,100	31,400	35,200
Travel	43,826	60,849	54,199	65,000
Fees-Other Services	310,884	321,177	327,500	317,680
Fees-Other Profess Services	37,558	193,467	44,500	73,000
Other Contractual Svc (w/o Hosp)	5,717	6,852	14,996	15,300
Hospitality	515	777	2,750	2,750
Contractual Subtotal	786,643	1,003,586	961,259	971,645
Clothing	150	0	400	400
Maintenance, supplies	6,683	0	3,800	0
Professional supplies	0	3,961	0	3,800
Stationery, Office & DP Supplies	71,027	58,082	56,050	67,370
Other supplies	3,376	328	3,500	2,000
Commodities Subtotal	81,236	62,371	63,750	73,570
Eqmt, Mach & F&F	229,488	66,074	42,487	73,492
Total Expenditures all funds	<u>\$2,753,492</u>	<u>\$2,848,208</u>	<u>\$2,874,395</u>	<u>\$3,006,957</u>

Funding Sources

State General Fund*	\$2,164,281	\$1,878,298	\$1,533,200	\$1,562,804
UP Expense Fund	566,496	651,521	638,329	704,296
Unclaimed Prop Hospitality Fund	0	471	2,000	2,000
Sale of FF&E Fund	0	3,041	5,000	5,000
Bond Services Fee Fund	18,539	302,628	445,366	475,357
College Savings Program fee fund	0	0	237,500	237,500
Svcs Reimbursement fund	4,176	12,250	13,000	20,000
Total Funding Spent or Approved	<u>\$2,753,492</u>	<u>\$2,848,208</u>	<u>\$2,874,395</u>	<u>\$3,006,957</u>

*Breakdown of SGF spent or approved

State General Fund appropriations	\$1,734,810	\$1,432,440	\$999,014	\$1,200,730
Prior Year SGF Carryover	402,052	174,417	277,211	51,245
Lapse Prior Year SGF carryover	(210,639)	0	(7,530)	0
College Savings Program SGF budget	119,626	175,000	0	0
CSP SGF Prior Year Carryover	0	117,929	0	0
Lapse CSP Prior Year SGF carryover	0	(59,583)	0	0
SGF Hospitality Fund	515	306	750	750
Banking svcs -SGF only	292,334	315,000	315,000	310,080
Total available SGF dollars	2,338,698	2,155,509	1,584,445	1,562,805
Carryover to subsequent year	(174,417)	(277,211)	(51,245)	(1)
Total SGF Spent or Approved	<u>\$2,164,281</u>	<u>\$1,878,298</u>	<u>\$1,533,200</u>	<u>\$1,562,804</u>

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HOUSE APPROPRIATIONS

DATE 3/19/02

ATTACHMENT 21

YEAR	Actual or Estimated General Fund Expenditures			Actual or Estimated General Fund Receipts			Spending in Excess of Receipts	Actual or Estimated General Fund Expenditures Excluding Property and Motor Vehicle Tax Replacement			Actual or Estimated General Fund Expenditures if Growth Limited to Inflation Rate		
	State Fund Actual Expenditures	Dollar Increase	Percent Increase	Receipts	Dollar Increase	Percent Increase		Expenditures	Dollar Increase	Percent Increase	Expenditures	Dollar Increase	Percent Increase
1993	2,690,098	198,828	8.0%	2,932,030	466,223	18.9%	241,932	2,690,098	198,828	8.0%	1,801,317	54,162	3.1%
1994	3,111,023	420,925	15.6%	3,175,692	243,662	8.3%	64,669	3,111,023	420,925	15.6%	1,848,151	46,834	2.6%
1995	3,309,835	198,812	6.4%	3,218,807	43,115	1.4%	(91,028)	3,309,835	198,812	6.4%	1,901,748	53,596	2.9%
1996	3,439,255	129,420	3.9%	3,448,270	229,463	7.1%	9,015	3,434,839	125,004	3.8%	1,953,095	51,347	2.7%
1997	3,537,915	98,660	2.9%	3,683,775	235,505	6.8%	145,860	3,517,706	82,867	2.4%	2,009,735	56,640	2.9%
1998	3,799,114	261,199	7.4%	4,023,683	339,908	9.2%	224,569	3,645,616	127,910	3.6%	2,045,910	36,175	1.8%
1999	4,196,192	397,078	10.5%	3,978,427	-45,256	-1.1%	(217,765)	3,856,759	211,143	5.8%	2,078,644	32,735	1.6%
2000	4,367,621	171,429	4.1%	4,202,076	223,649	5.6%	(165,545)	3,938,911	82,152	2.1%	2,126,453	47,809	2.3%
2001	4,436,322	68,701	1.6%	4,415,000	212,924	5.1%	(21,322)	3,963,704	24,793	0.6%	2,188,120	61,667	2.9%
2002	4,508,854	72,532	1.6%	4,436,000	21,000	0.5%	(72,854)	4,168,638	204,934	5.2%	2,240,635	52,515	2.4%
2003	4,682,000	173,146	4.1%	4,589,000	153,000	3.4%	(93,000)						
	Ttl increase since 93		1,818,756	Ttl increase since 93	1,503,970		24,531	Ttl increase since 93	1,478,540		Ttl increase since 93	439,318	
	Ttl increase since 95		1,199,019	Ttl increase since 95	1,217,193			Ttl increase since 95	858,803		Ttl increase since 95	338,888	
	Since 1993 (not including)		67.6%	Since 1993		51.3%		Since 1993	1,478,540	55.0%	Since 1993		25.2%
	Since 1995		36.2%	Since 1995		37.8%		Since 1995	858,803	44.7%	Since 1995		19.5%
	Since 1998		18.7%										
	Since 1993 times the rate of inflation		2.7	Since 1993 times the rate of inflation		2.0		Since 1993 times the rate of inflation		2.2	Since 1993 times the rate of inflation		n/a
	Since 1995 times the rate of inflation		1.9	Since 1995 times the rate of inflation		1.9		Since 1995 times the rate of inflation		2.3	Since 1995 times the rate of inflation		n/a
	Since 1998 times the rate of inflation		0.0	Since 1995 times the rate of inflation		0.0		Since 1995 times the rate of inflation		0.0	Since 1995 times the rate of inflation		n/a

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UNCLAIMED PROPERTY RECAP

Month	Receipts								Claims Expenditures							
	FY 02	FY 01	FY 00	FY 99	FY 98	FY 97	FY 96	FY 95	FY 02	FY 01	FY 00	FY 99	FY 98	FY 97	FY 96	FY 95
Jul	2,135,355	1,164,897	205,513	29,853	137,872	313,118	107,572	61,431	1,108,514	1,328,748	385,431	231,878	192,345	17,077	426,501	82,703
Aug	1,324,824	70,423	111,546	138,679	91,538	259,396	374,534	318,420	1,222,681	664,072	1,130,188	225,760	14,624	309,152	437,500	295,147
Sep	346,545	127,463	195,957	452,896	134,628	827,790	83,785	51,088	1,039,482	986,119	532,986	248,730	799,844	169,403	214,112	147,466
Oct	3,976,616	5,509,449	2,535,736	2,866,419	2,940,361	1,429,272	1,577,396	1,936,012	488,201	793,976	300,648	212,179	517,028	145,427	167,150	85,745
Nov	4,401,338	3,779,174	2,703,768	3,457,584	3,236,385	3,607,049	3,685,698	5,983,564	430,603	343,932	250,663	179,564	550,598	179,385	112,288	36,356
Dec	471,148	304,509	8,812,451	1,257,950	1,033,785	442,614	653,606	330,224	381,963	532,052	406,689	233,936	148,012	19,294	205,613	74,629
Jan	162,898	400,056	1,309,295	751,017	338,234	656,915	154,820	111,860	549,002	709,497	298,194	259,400	121,853	511,439	404,693	129,999
Feb	176,584	637,794	1,075,642	73,858	166,784	171,792	945,253	120,610	711,956	549,338	200,581	588,260	297,669	198,304	140,173	195,184
Mar		460,895	378,594	63,271	127,381	131,090	214,560	326,990		799,830	604,150	100,214	288,067	247,298	109,459	215,597
Apr		952,316	1,103,743	585,366	585,388	630,776	354,714	689,512		429,724	379,876	785,788	273,249	198,812	109,211	95,450
May		405,524	366,533	352,274	390,344	247,858	446,117	355,149		526,901	437,036	395,556	132,166	749,844	221,773	150,566
Jun		343,041	105,947	376,554	1,956,969	602,912	2,085,938	109,233		341,859	1,218,985	637,270	146,472	487,465	46,484	586,726
Total	12,995,308	14,155,540	18,904,725	10,405,722	11,139,669	9,320,582	10,683,993	10,394,093	5,932,403	8,006,048	6,145,426	4,098,538	3,481,928	3,232,899	2,594,958	2,095,565
Mo Avg	1,624,413	1,179,628	1,575,394	867,143	928,306	776,715	890,333	866,174	741,550	667,171	512,119	341,545	290,161	269,408	216,246	174,630

**HOUSE APPROPRIATIONS COMMITTEE PROPOSAL
POTENTIAL FY 2002 AND FY 2003 COST REDUCTIONS**

Amount (Millions)	Item*
\$ 80.8	1) \$140 Base State Aid Per Pupil reduction from \$163 recommended by Governor to \$303
36.0	2) Establish global furlough policy - 2 days in FY 2002 for all employees at \$3.5 million per day; in FY 2003, 6 days for classified employees at \$1.5 million per day and 10 days for unclassified employees at \$2.0 million per day
25.0	3) Capture fee fund balances; offset SGF or transfer to SGF (KHP, KDHE, Banking, etc.)
25.7	4) Regents base budget adjustment
15.0	5) Sale of state assets (Departments of Administration, Transportation, Wildlife and Parks)
5.1	6) Nursing facility shift to person-centered plan of care, resulting in pharmacy savings
10.3	7) Reduce demand/revenue transfers 10 percent from Governor's green book recommendation (LAVTRF, CCRSF, CCHF, State Water Plan); no new local school district bonds for School District Capital Improvement Fund beyond those already approved or those where a local bond election has been scheduled
10.0	8) Eliminate all on-call temporary services
10.0	9) Reduce FY 2002 SGF expenditures based on year-to-date expenditures
8.3	10) Freeze Nursing Home Rates
6.7	11) SRS - Raise Level of Care score to 50; grandfather existing clients (\$16.8 million if not grandfathered)
6.0	12) One-year moratorium on all office furniture/equipment purchases
5.0	13) Delete FY 2003 SGF out of state travel expenditures
5.0	14) One-year moratorium on vehicle purchases
4.5	15) Reduce Children's Initiatives Fund expenditures by 10 percent in FY 2003
4.5	16) Aging - Raise Level of Care score to 50
4.3	17) Reduce EDIF expenditures by 10 percent in FY 2003
3.0	18) Make Department of Wildlife and Parks a fee-funded agency
2.6	19) Fund half of longevity bonus payments - agencies would have to absorb remainder
2.5	20) Reduce all purchasing contracts for general supplies by 10 percent
1.9	21) Lottery - Increase State Gaming Revenue Fund transfer rate
1.9	22) Change pharmaceutical price (AWP minus 15)
1.8	23) Reduce State Water Plan Fund expenditures by 10 percent in FY 2003
1.6	24) Make the Kansas Arts Commission a privately funded entity
1.0	25) Transfer from State Fire Marshal Fee Fund to SGF
1.5	26) Merge Animal Health, Conservation Commission, Veterinary Medical Examiners, State Fair and Agricultural Products Division from Dept. of Commerce and Housing into Dept. of Agriculture
0.7	27) Increase KDHE fee fund administrative overhead from 20 to 30 percent
0.6	28) Recoup funding Parsons and KNI provide to schools and make local districts pay
0.6	29) Limit 2003 Legislative Session to 80 days
0.3	30) Eliminate the mental health quality enhancement staff (12.0 FTE positions)
0.3	31) Delete amount of unlimited reappropriation in Governor's Office budget
0.3	32) Eliminate \$0.2 million in JJA discretionary grants from Juvenile Detention Facilities Fund (JDFF) and use JDFF to offset SGF expenditures; reduce JDFF ending balance by \$0.1 million
0.3	33) Spend Water Plan balance remaining in Governor's recommendation
0.2	34) Reduce private vehicle reimbursement for in-state travel 10 percent
0.2	35) Eliminate Kansas, Inc.
0.2	36) Close Rainbow Mental Health Facility on December 31, 2002
0.2	37) Institute moratorium on special Legislative Interim Committees and abolish Legislative Compensation Commission
0.1	38) Delete all funding for Governor's Wichita office (including one month of FY 2002)
\$ 284.0	TOTAL

Other Items:

State agencies will be required to make a concerted effort to save energy through lighting retrofits, motion sensors, and effective utility management

Direct Department of Administration to study the option to utilize open source software (no license costs) such as Linux operating system, to be used by state government to replace Microsoft products on servers, web servers, etc., and not desktops or laptops

Impose on a one-year moratorium on purchase of all computers outside of the existing contracts; agencies would be permitted to buy off the contract after review by Joint Committee on Information Technology and State Finance Council

*One time items in italics