

House Budget Committee Report

Agency: Department of Education

Bill No. House Sub. for SB
7

Bill Sec. 1

Analyst: Wenger

Analysis Pg. No. 1933

Budget Page No. 244

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 3,206,854,258	\$ 3,171,606,311	\$ 0
Other Funds	1,411,225,774	1,406,622,932	0
Subtotal	\$ 4,618,080,032	\$ 4,578,229,243	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 4,618,080,032	\$ 4,578,229,243	\$ 0
FTE positions	160.0	160.0	0.0
Non FTE Uncl. Perm. Pos.	95.0	95.0	0.0
TOTAL	255.0	255.0	0.0

Agency Estimate

The **agency** requests a revised estimate of \$4.6 billion, including \$3.2 billion from the State General Fund. The revised FY 2015 estimate is \$60.1 million, all funds, more than the approved FY 2015 budget and \$48.0 million more from the State General Fund. These differences are the result of the agency requests of \$22.0 million from the State General Fund to fully fund supplemental-general state aid, \$20.0 million from the State General Fund to fully fund capital outlay aid; and \$5.6 million from the State General Fund to fully fund the KPERS School contribution. A revenue transfer of \$12.0 million to fund capital improvement aid (bond and interest) is requested.

Governor's Recommendation

The **Governor** recommends a FY 2015 budget of \$4.6 billion all funds, including \$3.2 billion in State General Funds. The difference in the agency request and the Governor's recommendation was a reduction of nearly \$40.0 million. The largest part of this difference was in the aid to local units of government category. This primarily resulted from a reduction of \$46.0 million from KPERS school *via* the December allotment with a partial offset of \$12.6 million added to fund LOB state aid - an addition resulting from the November consensus estimating process.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation.

House Committee Recommendation

The **Committee** made the following changes to the Governor's recommendations:

1. Added \$484.1 million, including \$438.4 million from the State General Fund and \$45.7 million from the School District Finance Fund for special weightings to implement a block grant to school districts for FY 2016;
2. Deleted \$394.6 million, all from the State General Fund, for KPERS employer contributions included as part of the block grant for FY 2016;
3. Amended the virtual state aid formula providing \$5,000 for each full-time equivalent student; \$4,045 for each part-time student; and \$933 per successful completion of each course for students over 18 years of age for FY 2016;
4. Transferred \$12.3 million from the State General Fund to the Extraordinary Need Fund in FY 2016;
5. Added \$500,000, all from the State General Fund, to support Information Technology Opportunities for FY 2016; and
6. Added language including KPERS school employer contribution to the block grant for school districts for FY 2016.

House Committee of the Whole Recommendation

The **House Committee of the Whole** concurred with the House Committee recommendations.

Senate Subcommittee Report

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Agency Estimate

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The revised estimate eliminates ten full-time equivalent (FTE) positions that were unfilled, reducing the agency FTE position count to 160, while adding two unclassified temporary positions to carry out extensions related to existing federal grants.

Governor's Recommendation

The **Governor** recommends a FY 2015 budget of \$4.6 billion all funds, including \$3.2 billion in State General Funds. The difference in the agency request and the Governor's

recommendation was a reduction of nearly \$40.0 million. The largest part of this difference was in the aid to local units of government category. This primarily resulted from a reduction of \$46.0 million from KPERS school via the December allotment with a partial offset of \$12.6 million added to fund LOB state aid and addition resulting from the November consensus estimating process.

Senate Budget Subcommittee Recommendation

The **Subcommittee** did not convene for consideration of the agency's budget.

Senate Committee of the Whole Recommendation

The **Committee of the Whole** concurred with the recommendations of the House Committee of the Whole in House Sub. for SB 7.

Conference Committee Recommendations (House Sub. for SB 112; Senate Sub. for HB 2353)

The **Conference Committee** concurs with the Governor's recommendation in FY 2015 as adjusted by House Sub. for SB 4 with the following further adjustments:

1. SB 4 authorized the Director of Accounts and Reports to transfer \$25,300,000 from the State General Fund to the School District Capital Outlay State Aid Fund on February 20, 2015 (a portion of the total capital outlay state aid due school districts); and authorized the remainder to be transferred on June 20, 2015. This action authorized the remaining transfer in an amount not to exceed \$3,958,000.
2. Add language requiring the Department to develop and issue a Request for Proposal for a reading success program in FY 2015.
3. Add \$1,976,818 million, all from the State General Fund, for supplemental state aid for FY 2015.

	Governor's Recommendation FY 2015	Legislative Action	Legislative Approved FY 2015	Governor's Vetoed FY 2015	Final Legislative Approved FY 2015
All Funds					
State Operations	\$ 34,004,536	\$ 0	\$ 34,004,536	\$ 0	\$ 34,004,536
Aid to Local Units	4,471,577,221	(17,167,366)	4,454,409,855	0	4,454,409,855
Other Assistance	44,346,851	0	44,346,851	0	44,346,851
Subtotal- Operations	\$ 4,549,928,608	\$ (17,167,366)	\$ 4,532,761,242	\$ 0	\$ 4,532,761,242
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 4,549,928,608</u>	<u>\$ (17,167,366)</u>	<u>\$ 4,532,761,242</u>	<u>\$ 0</u>	<u>\$ 4,532,761,242</u>
State General Fund					
State Operations	\$ 12,010,437	\$ 0	\$ 12,010,437	\$ 0	\$ 12,010,437
Aid to Local Units	3,130,868,165	(17,946,933)	3,112,921,232	0	3,112,921,232
Other Assistance	427,074	0	427,074	0	427,074
Subtotal-Operating	\$ 3,143,305,676	\$ (17,946,933)	\$ 3,125,358,743	\$ 0	\$ 3,125,358,743
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 3,143,305,676</u>	<u>\$ (17,946,933)</u>	<u>\$ 3,125,358,743</u>	<u>\$ 0</u>	<u>\$ 3,125,358,743</u>
FTE Positions	160.0	0.0	160.0	0.0	160.0
Non-FTE Unclass. Perm. Pos.	95.0	0.0	95.0	0.0	95.0
TOTAL	<u>255.0</u>	<u>0.0</u>	<u>255.0</u>	<u>0.0</u>	<u>255.0</u>