

# House Budget Committee Report

**Agency:** Department of Education

**Bill No.** House Sub. for SB  
7

**Bill Sec.** 3

**Analyst:** Wenger

**Analysis Pg. No.** 1933

**Budget Page No.** 244

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 3,802,378,793	\$ 3,164,964,686	\$ 0
Other Funds	1,350,454,612	1,442,857,280	0
Subtotal	\$ 5,152,833,405	\$ 4,607,821,966	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 5,152,833,405</b>	<b>\$ 4,607,821,966</b>	<b>\$ 0</b>
FTE positions	160.0	160.0	0.0
Non FTE Uncl. Perm. Pos.	95.0	95.0	0.0
<b>TOTAL</b>	<b>255.0</b>	<b>255.0</b>	<b>0.0</b>

## Agency Request

The **agency** requests \$5.2 billion from all funds, including \$3.9 billion from the State General Fund. The increases in this budget request from the FY 2016 request includes enhancement requests described in detail later in the budget analysis. Major changes in the agency's operating budget include increased salary expenditures because of a 27th pay period. Contractual expenditures decrease because of the conclusion of several child nutrition and wellness programs, as well as an anticipated reduction in the contract with the University of Kansas to develop and administer state assessments.

## Governor's Recommendation

The **Governor** recommends an all funds budget of \$4.6 billion, including \$3.2 billion from the State General Fund. The Governor's recommendation included an all other funds request exceeding the agency's request by \$92.4 million, due primarily to funding added from the State Highway Fund (\$107.3 million) for transportation programming which offset State General Fund expenditures by the same amount. The Governor's recommendation is in the form of a block grant to school districts, rather than in recommendations to be distributed through a formula to general state aid, supplemental state aid. It does not appear the Governor recommended funding for enhancement requests.

## **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation, with the following comment: 1. Our recommendation is made with the understanding legislation related to implementation of the Governor's block grant recommendation may be developed at a later time, which could affect the agency's operations and our recommendation.

## **House Committee Recommendations**

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 Committee of the Whole concurred with the Committee recommendations.

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## Senate Subcommittee Report

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**Bill Sec.** 3

**Analyst:** Wenger

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**Budget Page No.** 244

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 3,802,378,793	\$ 3,164,964,686	\$
Other Funds	1,350,454,612	1,442,857,280	
Subtotal	<u>\$ 5,152,833,405</u>	<u>\$ 4,607,821,966</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$
Other Funds	0	0	
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 5,152,833,405</u></u>	<u><u>\$ 4,607,821,966</u></u>	<u><u>\$ 0</u></u>
FTE positions	160.0	160.0	0.0
Non FTE Uncl. Perm. Pos.	95.0	95.0	0.0
<b>TOTAL</b>	<u><u>255.0</u></u>	<u><u>255.0</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests \$5.2 billion from all funds, including \$3.9 billion from the State General Fund. The increases in this budget request from the FY 2016 request includes enhancement requests described in detail later in this analysis. Major changes in the agency's operating budget include increased salary expenditures because of a 27th pay period. Contractual expenditures decrease because of the conclusion of several child nutrition and wellness programs, as well as an anticipated reduction in the contract with the University of Kansas to develop and administer state assessments.

### Governor's Recommendation

The **Governor** recommends an all funds budget of \$4.6 billion, including \$3.2 billion from the State General Fund. The Governor's recommendation included an all other funds request exceeding the agency's request by \$92.4 million, due primarily to funding added from the State Highway Fund (\$107.3 million) for transportation programming which offset State General Fund expenditures by the same amount. The Governor's recommendation is in the form of a block grant to school districts, rather than in recommendations to be distributed

through a formula to general state aid, supplemental state aid, and such as has been done in the past. It does not appear the Governor recommended funding for enhancement requests.

### **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 with the following adjustments:

1. Add \$4.5 million, all from the State General Fund, to Block Grants to USDs, related to federal impact aid and valuation changes for FY 2017.
2. Delete \$73,226, all from the State General Fund, for a 25.0 percent reduction of travel expenditures for FY 2017.
3. Delete \$1,278,309 million, all from the State General Fund - KPERS Employer Contributions, to modify employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund.
4. Delete \$43,092, including \$22,377 from the State General Fund, to modify employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund.
5. Delete \$8,093,452, all from the State General Fund Block Grant to USDs, to modify employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund.
6. Delete \$9,203,112, all from the State General Fund - KPERS Employer Contribution, to reduce the Kansas Public Employees Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017.
7. Delete \$74,817,520, all from the State General Fund Block Grant, to reduce the Kansas Public Employees Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017.
8. Delete \$371,857, including \$193,096 from the State General Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017.

9. Add language to prohibit expenditures on newspapers and magazines, including electronic subscriptions, for FY 2017.
10. Add language requiring the Director of Accounts and Reports to withhold 10 percent of funding from the Pre-K Program and Parent Education Program until certification is received from the Children's Cabinet that requested information has been received.
11. Add language requiring monthly fund balances from school districts to be submitted quarterly *via* the Department of Education to the Director of Legislative Research for FY 2017.

	Governor's Recommendation FY 2017	Legislative Action	Legislative Approved FY 2017	Governor's Vetoed FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 31,152,328	\$ (488,175)	\$ 30,664,153	\$ 0	\$ 30,664,153
Aid to Local Units	4,531,851,491	35,700,590	4,567,552,081	0	4,567,552,081
Other Assistance	44,818,147	0	44,818,147	0	44,818,147
Subtotal- Operations	\$ 4,607,821,966	\$ 35,212,415	\$ 4,643,034,381	\$ 0	\$ 4,643,034,381
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 4,607,821,966</u>	<u>\$ 35,212,415</u>	<u>\$ 4,643,034,381</u>	<u>\$ 0</u>	<u>\$ 4,643,034,381</u>
State General Fund					
State Operations	\$ 13,091,813	\$ (288,699)	\$ 12,803,114	\$ 0	\$ 12,803,114
Aid to Local Units	3,151,681,538	(9,973,344)	3,141,708,194	0	3,141,708,194
Other Assistance	191,335	0	191,335	0	191,335
Subtotal-Operating	\$ 3,164,964,686	\$ (10,262,043)	\$ 3,154,702,643	\$ 0	\$ 3,154,702,643
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 3,164,964,686</u>	<u>\$ (10,262,043)</u>	<u>\$ 3,154,702,643</u>	<u>\$ 0</u>	<u>\$ 3,154,702,643</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>