

BILL EXPLANATION FOR 2017

SUBSTITUTE FOR SENATE BILL 189

Sub. for SB 189, as recommended by the Senate Ways and Means Committee, contains FY 2017 adjustments, FY 2018 and FY 2019 funding for most state agencies, and FY 2018 and FY 2019 capital improvement expenditures for a number of state agencies. Other adjustments to FY 2017 expenditures were included in the supplemental appropriations bill. An overview of the Governor's amended budget recommendations for FY 2018 through FY 2019 and the Senate Committee's adjustments to the Governor's amended recommendations are reflected below.

FY 2018 and FY 2019 Governor's Recommendation

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

Proposed changes include:

- Extending the KanCare contracts with the MCOs for one year, which saves \$7.0 million for FY 2018 and \$14.0 million for FY 2019;
- Increasing the HMO privilege fee from 2.00 percent to 5.77 percent in FY 2019 and increasing the hospital provider tax from 1.87 percent to 4.65 percent. By placing this additional revenue in a Kansas Department of Health and Environment (KDHE) fee fund, it brings in \$285.5 million, but also reduces State General Fund revenue by \$67.5 million;
- Adding \$82.7 million to increase the reimbursement rate for all providers by 4.0 percent and addressing rural hospital initiatives with the increased revenue from the HMO privilege fee and hospital provider tax;
- Requiring joint procurement for all USDs when purchasing goods and services, which is estimated to save \$7.2 million for FY 2018 and \$9.0 million for FY 2019;
- Requiring all USDs to consolidate K-12 benefit plans under one benefit plan similar to the State Employee Health Plan (SEHP), utilizing the SEHP network, staff, processes, and procedures, which is estimated to save \$40.0 million for FY 2018 and \$80.0 million for FY 2019;
- Funding the human services consensus caseload estimates by reducing \$120.4 million from all funds, but adding \$35.3 million from the State General Fund for FY 2018, and adding \$48.4 million, including \$160.8 million from the State General Fund, for FY 2019;

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

The Governor’s FY 2018 recommendation for capital improvements are decreased by \$380.4 million, or 43.4 percent, below the revised FY 2017 level. The largest decrease is in the budget of the Department of Transportation (\$321.3 million), related to a decrease in federal funds and projected decreases in planned road construction contract lettings for FY 2018. Expenditures in the Department of Transportation budget fluctuate in its funding request due to its best estimate at a given point in time as to projects being let and its subsequent funding streams.

The Governor’s FY 2019 recommendation for capital improvements are recommended to increase by \$249.4 million, or 50.2 percent, above the FY 2018 level. The largest increase is in the budget of the Department of Transportation (\$272.2 million), related to an increase in planned road construction contract lettings for FY 2019. Expenditures in the Department of Transportation budget fluctuate in its funding request due to its best estimate at a given point in time as to projects being let and its subsequent funding streams.

Senate Committee Adjustments for FY 2017 - FY 2020

FY 2018 Adjustments

The Senate Committee actions for FY 2018 increase the Governor’s expenditures by \$283.0 million, including \$179.0 million from the State General Fund.

The Senate Committee deleted a total of 10.5 FTE positions including 8.0 unfunded, vacant positions in the State Fair Board and 2.0 FTE positions stemming from proposed mergers the committee did not recommend.

Senate Ways and Means Committee adjustments include:

- Add \$141.6 million, including \$135.9 million from the State General Fund, to restore KPERS employer contributions to the statutory rate for FY 2018;
- Add \$57.7 million, including \$22.5 million from the State General Fund, for a 2.0 percent salary adjustment, excluding Highway Patrol law enforcement and state legislators for FY 2018;
- Eliminate the securitization of tobacco proceeds and \$34.5 million in State General Fund expenditures and \$7.2 million from Temporary Assistance for Needy Families (TANF) to restore expenditures from the Children's Initiative Fund for FY 2018;
- Add \$47.2 million, all from the State General Fund, for removing savings associated with Alvarez & Marsal (A&M) recommendations for health insurance and procurement in K-12 schools for FY 2018;
- Delete \$22.0 million, including \$22.2 million from the State General Fund, primarily for salary and staffing enhancements in the Judicial Branch for FY 2018;
- Adjust the KDADS budget for FY 2018:
 - Delete the merger of the KanCare expenditures for KDADS and KDHE into the KDHE budget for FY 2018;
 - Add \$33.8 million, including \$15.2 million from the State General Fund, and add language providing a 5.0 percent rate increase for providers of Home and Community Based Services under each of the waivers and prohibit integration of the waivers for FY 2018;
 - Add \$2.8 million, all from the State General Fund, for Community Crisis Centers for FY 2018;
 - Add \$2.1 million, all from the State General Fund, for Senior Care Act expenditures for FY 2018;
 - Add \$1.3 million, all from the State General Fund, for level of care Medicaid inpatient referrals for FY 2018;
- Delete \$2.7 million from the Teacher's Scholarship Fund State General Fund account in the Board of Regents and add the same amount to Kansas State University and University of Kansas to restore funding to equal a 4.0 percent reduction for FY 2018; and
- Delete the merger of the Securities Commission into the Insurance Department and Office of the Attorney General reducing State General Fund revenue by \$250,000 in FY 2018; and
- Delete the merger of the Board of Barbering with the Board of Cosmetology for FY 2018.

FY 2019 Adjustments

The Senate Committee actions for FY 2019 increase the Governor's expenditures by \$306.6 million, including \$318.0 million from the State General Fund.

The Committee deleted a total of 10.5 FTE positions including 8.0 unfunded, vacant positions in the State Fair Board and 2.0 FTE positions stemming from proposed mergers the committee did not recommend.

Senate Ways and Means Committee Adjustments Include:

- Add \$202.3 million, including \$194.0 million from the State General Fund, to restore KPERS employer contributions to the statutory rate for FY 2019;
- Add \$58.2 million, including \$22.6 million from the State General Fund, for a 2.0 percent salary adjustment excluding Highway Patrol law enforcement and state legislators for FY 2019;
- Eliminate the securitization of tobacco proceeds and \$34.5 million in State General Fund expenditures and \$7.2 million from TANF to restore expenditures from the Children's Initiative Fund for FY 2019;
- Add \$89.0 million, all from the State General Fund, for removing savings associated with A&M recommendations for health insurance and procurement in K-12 schools for FY 2019;
- Delete \$21.8 million, including \$22.0 million from the State General Fund, for salary and staffing enhancements in the Judicial Branch for FY 2019;
- Adjust the KDADS budget for FY 2019:
 - Delete the merger of the KanCare expenditures for KDADS and KDHE into the KDHE budget for FY 2019;
 - Add \$55.0 million, including \$24.7 million from the State General Fund, and add language providing an additional 3.0 percent rate increase for providers of Home and Community Based Services under each of the waivers and prohibit integration of the waivers for FY 2019;
 - Add \$2.8 million, all from the State General Fund, for Community Crisis Centers for FY 2019;
 - Add \$2.1 million, all from the State General Fund, for Senior Care Act expenditures for FY 2019;
 - Add \$1.3 million, all from the State General Fund, for level of care Medicaid inpatient referrals for FY 2019;
- Delete \$2.9 million from the Teacher's Scholarship Fund State General Fund account in the Board of Regents and add the same amount to Regents Institutions to restore funding equal to a 3.0 percent reduction for FY 2019; and

- Delete the merger of the Securities Commission into the Insurance Department and Office of the Attorney General reducing State General Fund revenue by \$500,000 in FY 2019; and
- Delete the merger of the Board of Barbering with the Board of Cosmetology for FY 2019.

COMPARISON OF FY 2017 - FY 2019 RECOMMENDED EXPENDITURES
Senate Ways and Means Profile
As of Tuesday, March 28, 2017

| FY 2017: | <u>State General Fund</u> | <u>All Funds</u> | <u>FTE Positions</u> |
|--|-----------------------------|------------------------------|------------------------|
| Governor's Recommendation | \$ 6,253,014,602 | \$ 15,896,845,426 | 37,090.2 |
| Senate Committee Estimate FY 2017 Budget | <u>6,148,600,443</u> | <u>15,747,984,299</u> | <u>37,092.7</u> |
| <i>Difference From Governor's Recommendation</i> | <u>\$ (104,414,159)</u> | <u>\$ (148,861,127)</u> | <u>2.5</u> |
| | | | |
| FY 2018: | <u>State General Fund</u> | <u>All Funds</u> | <u>FTE Positions</u> |
| Governor's Recommendation | \$ 6,261,937,495 | \$ 15,318,557,958 | 37,110.7 |
| Senate Committee Estimate FY 2018 Budget | <u>6,440,910,006</u> | <u>15,601,583,430</u> | <u>37,100.2</u> |
| <i>Difference From Governor's Recommendation</i> | <u>\$ 178,972,511</u> | <u>\$ 283,025,472</u> | <u>(10.5)</u> |
| | | | |
| FY 2019: | <u>State General Fund</u> | <u>All Funds</u> | <u>FTE Positions</u> |
| Governor's Recommendation | \$ 6,154,841,553 | \$ 15,831,400,491 | 37,113.7 |
| Senate Committee Estimate FY 2019 Budget | <u>6,472,855,707</u> | <u>16,137,938,444</u> | <u>37,103.2</u> |
| <i>Difference From Governor's Recommendation</i> | <u>\$ 318,014,154</u> | <u>\$ 306,537,953</u> | <u>(10.5)</u> |
| | | | |
| Two -Year Change from Gov. Rec. | \$ 496,986,665 | \$ 589,563,425 | |

STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
Senate Ways and Means Profile
As of Tuesday, March 28, 2017

| | <u>Actual FY 2016</u> | <u>SWAM Rec. FY 2017</u> | <u>SWAM Rec. FY 2018</u> | <u>SWAM Rec. FY 2019</u> |
|---------------------------------------|---------------------------|------------------------------|------------------------------|------------------------------|
| Beginning Balance | \$ 71.5 | \$ 37.1 | \$ 50.0 | \$ - |
| Receipts (November 2016 Consensus) | 6,080.6 | 5,980.1 | 5,536.4 | 5,575.4 |
| Governor's Revenue Adjustments | - | 18.4 | 397.3 | 434.7 |
| PMIB Transfer | - | 163.0 | 154.0 | - |
| Legislative Adjustments | - | - | (100.75) | (7.5) |
| Adjusted Receipts | <u>6,080.6</u> | <u>6,161.5</u> | <u>5,987.0</u> | <u>6,002.6</u> |
| Total Available | \$ <u>6,152.1</u> | \$ <u>6,198.6</u> | \$ <u>6,036.9</u> | \$ <u>6,002.6</u> |
| Less Expenditures | <u>6,115.1</u> | <u>6,148.6</u> | <u>6,440.9</u> | <u>6,472.9</u> |
| Ending Balance | <u>\$ 37.1</u> | <u>\$ 50.0</u> | <u>\$ (404.0)</u> | <u>\$ (470.2)</u> |
| | | | | |
| Ending Balance as a % of Expenditures | 0.6% | 0.8% | -6.3% | -7.3% |

**State General Fund Revenue Adjustments
Senate Committee Adjustments
As of Tuesday, March 28, 2017**

| | |
|----------------------|-------------------------|
| FY 2017: | |
| Adjust PMIB Transfer | \$ (154,000,000) |

| | |
|--|----------------------|
| FY 2018: | |
| Adjust PMIB Transfer | \$ 154,000,000 |
| Transfer to the Kansas Juvenile Justice Improvement Fund | (6,000,000) |
| Remove Securities Commission Merger Savings | (250,000) |
| Delay PMIB Loan Repayment | 22,000,000 |
| Delete transfer from Medicaid Prosecution Revolving Fund | (1,000,000) |
| Make FY 2016 delayed KPERs Payment | (115,500,000) |
| Total FY 2018 | \$ 53,250,000 |

| | |
|--|-----------------------|
| FY 2019: | |
| Transfer to the Kansas Juvenile Justice Improvement Fund | \$ (6,000,000) |
| Delete transfer from Medicaid Prosecution Revolving Fund | (1,000,000) |
| Remove Securities Commission Merger Savings | (500,000) |
| Total FY 2019 | \$ (7,500,000) |

| | |
|--------------------------------------|-------------------------|
| Total FY 2017 through FY 2019 | \$ (108,250,000) |
|--------------------------------------|-------------------------|

Senate 2017 Appropriations Bill: SB 189
(Reflects Senate Committee Adjustments for FY 2017, FY 2018, FY 2019, FY 2020, and FY 2021)

| <i>Agency/Item</i> | <i>State General Fund</i> | <i>All Other Funds</i> | <i>All Funds</i> | <i>FTEs</i> |
|---|---------------------------|------------------------|------------------|--------------|
| FY 2017 | | | | |
| <u>Sale of State Property</u> | | | | |
| 1. Add language authorizing the Secretary for Children and Families to sell property located in Wichita, without requiring approval of the State Finance Council in FY 2017. | 0 | 0 | 0 | 0.0 |
| 2. Add language authorizing the Secretary for Children and Families to sell property located in Chanute, without requiring approval of the State Finance Council in FY 2017. | 0 | 0 | 0 | 0.0 |
| 3. Add language authorizing the Secretary of Corrections to sell property located in Lansing, without requiring approval of the State Finance Council in FY 2017. | 0 | 0 | 0 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |
| <u>Commission on Veterans Affairs Office</u> | | | | |
| 1. Add language to convert the following limited funds to no limit funds in FY 2017: Federal Long Term Care Per Diem Fund, Federal Domiciliary Per Diem Fund, Kansas Soldiers' Home Fee Fund, and Kansas Veterans' Home 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>Kansas State Fair Board</u> | | | | |
| 1. Delete 8.0 FTE positions to return the FTE count to the agency's intended submission in FY 2017. | 0 | 0 | 0 | (8.0) |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>(8.0)</i> |
| <u>Department of Wildlife, Parks and Tourism</u> | | | | |
| 1. Add \$360,000, all from special revenue funds, for dam repair at the Woodson County State Fishing Lake in FY 2017. | 0 | 360,000 | 360,000 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$360,000</i> | <i>\$360,000</i> | <i>0.0</i> |
| TOTAL | \$0 | \$360,000 | \$360,000 | (8.0) |

FY 2018

| | | | | |
|--|------------|--------------------|--------------------|------------|
| <u>Board of Barbering</u> | | | | |
| 1. Add \$186,384, all from the Board of Barbering Fee Fund, and 1.0 FTE position, to eliminate the merger of the Board of Barbering with the Board of Cosmetology for FY 2018. | 0 | 186,384 | 186,384 | 1.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$186,384</i> | <i>\$186,384</i> | <i>1.0</i> |
| <u>Board of Healing Arts</u> | | | | |
| 1. Add language to transfer up to \$107,000, all from the Healing Arts Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy, for operation and maintenance of the Prescription Monitoring Program for FY 2018. | 0 | 0 | 0 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |
| <u>Board of Cosmetology</u> | | | | |
| 1. Delete \$114,297, all from the Board of Barbering Fee Fund, for operating expenditures, to eliminate the merger of the Board of Barbering with the Board of Cosmetology for FY 2018. | 0 | (114,297) | (114,297) | 0.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>(\$114,297)</i> | <i>(\$114,297)</i> | <i>0.0</i> |
| <u>Kansas Dental Board</u> | | | | |
| 1. Add language to transfer up to \$18,000, all from the Dental Board Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Kansas Prescription Monitoring Program for FY 2018. | 0 | 0 | 0 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</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>Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments</u> | | | | |
| 1. Add 0.5 FTE positions to accurately reflect the Executive Officer's position within the agency for FY 2018. | 0 | 0 | 0 | .5 |
| <i>-----</i> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>.5</i> |
| <u>Board of Nursing</u> | | | | |
| 1. Add language to transfer up to \$36,000, all from the Board of Nursing Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Kansas Prescription Drug Monitoring Program (K-TRACS) for FY 2018. | 0 | 0 | 0 | 0.0 |
| <i>-----</i> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |
| <u>Optometry Board</u> | | | | |
| 1. Add language to transfer up to \$6,500, all from the Optometry Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Prescription Monitoring Program for FY 2018. | 0 | 0 | 0 | 0.0 |
| <i>-----</i> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |
| <u>Securities Commissioner</u> | | | | |
| 1. Add \$3.5 million, all from special revenue funds, and 30.0 FTE positions to restore funding and positions to the Office of the Securities Commissioner at the FY 2018 agency request level, excluding KPERs contributions and agency death and disability payment reductions, to eliminate the transfer of the funding and positions to the Insurance Department to not effectuate the merger of the two agencies for FY 2018. | 0 | 3,536,184 | 3,536,184 | 30.0 |
| <i>-----</i> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$3,536,184</i> | <i>\$3,536,184</i> | <i>30.0</i> |
| <u>Attorney General</u> | | | | |
| 1. Delete \$400,000, all from the Fraud and Abuse Criminal Prosecution Fund, and 4.0 FTE positions to eliminate the merger of the Office of the Securities Commissioner with the Kansas Insurance Department and the Attorney General for FY 2018. The merger would consolidate criminal fraud prosecution resources within the Office of the Attorney General. | 0 | (400,000) | (400,000) | (4.0) |
| 2. Delete \$50,000, all from the Court Cost Fee Fund, to replace the State General Fund expenditures in the Consumer Protection Division with Court Cost Fee Fund expenditures for FY 2018. | 0 | (50,000) | (50,000) | 0.0 |
| 3. Add \$50,000, all from the State General Fund, to replace State General Fund expenditures in the Consumer Protection Division with Court Cost Fee Fund expenditures for FY 2018. | 50,000 | 0 | 50,000 | 0.0 |
| 4. Delete \$460,593, all from the State General Fund, to continue transfers from the Kansas Endowment for Youth Fund to the Tobacco Master Settlement Agreement Fund for FY 2018. | (460,593) | 460,593 | 0 | 0.0 |
| 5. Delete the transfer of \$1.0 million from the Medicaid Fraud Prosecution Revolving Fund to the State General Fund for FY 2018. | 0 | 0 | 0 | 0.0 |
| <i>-----</i> | | | | |
| <i>Agency Subtotal</i> | <i>(\$410,593)</i> | <i>\$10,593</i> | <i>(\$400,000)</i> | <i>(4.0)</i> |
| <u>Insurance Department</u> | | | | |
| 1. Delete \$2.9 million, all from special revenue funds, and 30.0 FTE positions, to eliminate the merger of the Insurance Department and the Office of Securities Commissioner and to review at Omnibus for FY 2018. | 0 | (2,886,184) | (2,886,184) | (30.0) |
| <i>-----</i> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>(\$2,886,184)</i> | <i>(\$2,886,184)</i> | <i>(30.0)</i> |
| <u>Judicial Branch</u> | | | | |
| 1. Delete \$7.4 million, all from the State General Fund, for an enhancement request for judicial salary increases for FY 2018 and review at Omnibus. | (7,413,695) | 0 | (7,413,695) | 0.0 |
| 2. Delete \$12.9 million, including \$12.8 million from the State General Fund, for an enhancement request for judicial employee salary and benefits increases for FY 2018 and review at Omnibus. | (12,840,328) | (9,672) | (12,850,000) | 0.0 |

| <i>Agency/Item</i> | <i>State General Fund</i> | <i>All Other Funds</i> | <i>All Funds</i> | <i>FTEs</i> |
|--|---------------------------|------------------------|--------------------------|---------------|
| 3. Delete \$840,558, all from the State General Fund, for an enhancement request for filling 20 vacant positions for workplace projections and the implementation of 2016 SB 367 for FY 2018, and review at Omnibus. | (840,558) | 0 | (840,558) | 0.0 |
| 4. Delete \$711,536, all from the State General Fund, and 10.0 FTE positions for an enhancement request for creating eight judge positions and two staff positions for FY 2018, and review at Omnibus. | (711,536) | 0 | (711,536) | (10.0) |
| 5. Delete \$402,778, all from the State General Fund, for an enhancement request for the construction of two Court of Appeals judicial suites for FY 2018 and review at Omnibus. | (402,778) | 0 | (402,778) | 0.0 |
| 6. Add \$200,000, all from the Permanent Families Account, to continue transfers from the Kansas Endowment for Youth Fund, supporting Court Appointed Special Advocate programs for FY 2018. | 0 | 200,000 | 200,000 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>(\$22,208,895)</i> | <i>\$190,328</i> | <i>(\$22,018,567)</i> | <i>(10.0)</i> |
| <u>Department of Administration</u> | | | | |
| 1. Add language extending the current proviso restricting the sale or lease of the Docking State Office Building and the construction of an Energy Service Center for FY 2018. | 0 | 0 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |
| <u>Kansas Lottery</u> | | | | |
| 1. Add \$804,397, all from special revenue funds, and 10.0 FTE positions, to maintain agency staffing for FY 2018. | 0 | 804,397 | 804,397 | 10.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$804,397</i> | <i>\$804,397</i> | <i>10.0</i> |
| <u>Department of Health and Environment - Health</u> | | | | |
| 1. Add \$7.0 million, all from the Children's Initiatives Fund, and delete \$7.0 million, all from the State General Fund, for FY 2018 to restore the previous funding method for Healthy Start, the Infants and Toddlers Program, Smoking Cessation, Newborn Hearing Aid Loaner Program, and the SIDS Network Grant. | (6,975,463) | 6,975,463 | 0 | 0.0 |
| 2. Add \$500,000, all from the State General Fund, for safety net clinics in FY 2018. | 500,000 | 0 | 500,000 | 0.0 |
| 3. Delete \$1.4 billion, including \$618.0 million from the State General Fund, to not combine KanCare expenditures for KDADS and KDHE into the KDHE budget for FY 2018. | (617,936,579) | (753,955,600) | (1,371,892,179) | 0.0 |
| 4. Add language to prohibit integrated Medicaid Home and Community Based Services waivers for FY 2018. | 0 | 0 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>(\$624,412,042)</i> | <i>(\$746,980,137)</i> | <i>(\$1,371,392,179)</i> | <i>0.0</i> |
| <u>Kansas Department for Aging and Disability Services</u> | | | | |
| 1. Add \$1.4 billion, including \$617.9 million from the State General Fund, to not combine KanCare expenditures for KDADS and KDHE into the KDHE budget for FY 2018. | 617,936,579 | 753,955,600 | 1,371,892,179 | 0.0 |
| 2. Add \$3.8 million, all from the Children's Initiative Fund, and delete the same amount from the State General Fund, for FY 2018 to restore the previous funding method as part of an overall recommendation to restore all programs which were funded with Children's Initiative Fund moneys prior to the Governor's recommendation to securitize the proceeds of the tobacco master settlement agreement, which was not recommended. | (3,800,000) | 3,800,000 | 0 | 0.0 |
| 3. Add \$33.8 million, including \$15.2 million from the State General Fund, and add language providing a 5.0 percent rate increase for providers of Home and Community Based Services under each of the waivers for FY 2018. | 15,159,739 | 18,611,121 | 33,770,860 | 0.0 |
| 4. Add \$2.8 million, all from the State General Fund, for Community Crisis Centers for FY 2018. | 2,800,000 | 0 | 2,800,000 | 0.0 |
| 5. Add \$2.1 million, all from the State General Fund, for Senior Care Act expenditures for FY 2018. | 2,100,000 | 0 | 2,100,000 | 0.0 |

| <i>Agency/Item</i> | <i>State General Fund</i> | <i>All Other Funds</i> | <i>All Funds</i> | <i>FTEs</i> |
|---|---------------------------|------------------------|------------------------|-------------|
| 6. Add \$1.3 million, all from the State General Fund, for level of care Medicaid inpatient referrals for FY 2018. | 1,300,000 | 0 | 1,300,000 | 0.0 |
| 7. Add language to require expenditures of \$2.0 million, all within existing resources, to open and operate 20 additional beds at Osawatomie State Hospital above the current level of 146 for FY 2018. If the agency is unable to open and operate the additional beds at the hospital, the funding is to be used to enter into an agreement for additional bed space at a third party facility. | 0 | 0 | 0 | 0.0 |
| 8. Add language for FY 2018 requiring the agency to submit quarterly reports on Medicaid Home and Community Based Services waivers to the Kansas Legislative Research Department and the Kansas Division of the Budget, requiring a separate report for each waiver including actual and projected expenditures, actual and projected number of individuals served, average cost per member served, and summarized encounter data by waiver population or comparable data to allow for review at the program level. | 0 | 0 | 0 | 0.0 |
| 9. Add language to prohibit integrated Medicaid Home and Community Based Services waivers for FY 2018. | 0 | 0 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$635,496,318</i> | <i>\$776,366,721</i> | <i>\$1,411,863,039</i> | <i>0.0</i> |
| <hr/> | | | | |
| <u>Department for Children and Families</u> | | | | |
| 1. Add \$7.1 million, all from the Children's Initiatives Fund, and delete the same amount from the State General Fund, to restore the previous funding method for child care services and family preservation services and not securitize the tobacco settlement proceeds for FY 2018. | (7,107,291) | 7,107,291 | 0 | 0.0 |
| 2. Add \$112,191, including \$70,564 from the State General Fund, to not close field offices in Goodland, Greensburg, and Lola for FY 2018. | 70,564 | 41,627 | 112,191 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>(\$7,036,727)</i> | <i>\$7,148,918</i> | <i>\$112,191</i> | <i>0.0</i> |
| <hr/> | | | | |
| <u>Board of Regents</u> | | | | |
| 1. Add \$800,000, all from the Educational Building Fund, for additional rehabilitation and repair for FY 2018. | 0 | 800,000 | 800,000 | 0.0 |
| 2. Delete \$1.0 million, all from the State General Fund, for the \$15K Degree Program for FY 2018. | (1,000,000) | 0 | (1,000,000) | 0.0 |
| 3. Delete \$50,000, all from the State General Fund, for the Incentive for Technical Education for FY 2018. | (50,000) | 0 | (50,000) | 0.0 |
| 4. Create a no limit Educational Building Fund account for FY 2018. | 0 | 0 | 0 | 0.0 |
| 5. Delete \$2.7 million, all from the State General Fund, from the Teachers' Scholarship fund for FY 2018. | (2,679,196) | 0 | (2,679,196) | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>(\$3,729,196)</i> | <i>\$800,000</i> | <i>(\$2,929,196)</i> | <i>0.0</i> |
| <hr/> | | | | |
| <u>Kansas State University</u> | | | | |
| 1. Add \$1.1 million, all from the State General Fund, to restore funding to a 4.0 percent reduction for FY 2018. | 1,121,539 | 0 | 1,121,539 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$1,121,539</i> | <i>\$0</i> | <i>\$1,121,539</i> | <i>0.0</i> |
| <hr/> | | | | |
| <u>University of Kansas</u> | | | | |
| 1. Add \$1.6 million, all from the State General Fund, to restore funding to a 4.0 percent reduction for FY 2018. | 1,557,657 | 0 | 1,557,657 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$1,557,657</i> | <i>\$0</i> | <i>\$1,557,657</i> | <i>0.0</i> |
| <hr/> | | | | |
| <u>University of Kansas Medical Center</u> | | | | |
| 1. Delete \$800,000, all from the Educational Building Fund, for planning of a dental school for FY 2018. | 0 | (800,000) | (800,000) | 0.0 |
| 2. Add \$1.0 million, all from the State General Fund, for the Psychiatry Medical Loan and Rural Health Bridging Psychiatry Program for FY 2018. | 1,000,000 | 0 | 1,000,000 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$1,000,000</i> | <i>(\$800,000)</i> | <i>\$200,000</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>Department of Education</u> | | | | |
| 1. Add \$50,000, all from the State General Fund, for the Incentive for Technical Education for FY 2018. | 50,000 | 0 | 50,000 | 0.0 |
| 2. Add language to create the Local School District Contribution Program Fund to carry out the requirements of 2015 House Sub. for SB 149 for FY 2018. | 0 | 0 | 0 | 0.0 |
| 3. Add \$47.2 million, all from the State General Fund, for removing savings associated with A&M recommendations for health insurance and procurement for FY 2018. | 47,200,000 | 0 | 47,200,000 | 0.0 |
| 4. Add \$7.2 million, all from the Children's Initiatives Fund, and delete \$7.2 million, all from Temporary Assistance for Needy Families Federal Fund, for FY 2018 to restore the previous funding method for Parents as Teachers without tobacco securitization. | 0 | 0 | 0 | 0.0 |
| 5. Add \$16.6 million, all from the Children's Initiatives Fund, and delete \$16.6 million, all from the State General Fund, for FY 2018 to restore the previous funding method without tobacco securitization. Programs affected include Children's Cabinet Accountability, CIF Block Grants and Child Care Quality Initiative. | (16,630,480) | 16,630,480 | 0 | 0.0 |
| 6. Add \$246,556, all from the Kansas Endowment for Youth Fund, and delete \$246,556, all from the State General Fund, for FY 2018 to restore the previous Children's Cabinet Administration funding method without tobacco securitization. | (246,556) | 246,556 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$30,372,964</i> | <i>\$16,877,036</i> | <i>\$47,250,000</i> | <i>0.0</i> |
| <u>Department of Corrections</u> | | | | |
| 1. Transfer \$6.0 million, all from the State General Fund purchase of services account, to the Juvenile Justice Improvement Fund for FY 2018. | (6,000,000) | 6,000,000 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>(\$6,000,000)</i> | <i>\$6,000,000</i> | <i>\$0</i> | <i>0.0</i> |
| <u>Kansas Bureau of Investigation</u> | | | | |
| 1. Delete \$384,180, all from the Record Check Fee Fund, to support the agency's Recruitment and Retention Plan for FY 2018. | 0 | (384,180) | (384,180) | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>(\$384,180)</i> | <i>(\$384,180)</i> | <i>0.0</i> |
| <u>Kansas State Fair Board</u> | | | | |
| 1. Delete 8.0 FTE positions to return the FTE count to the agency's intended submission for FY 2018. | 0 | 0 | 0 | (8.0) |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>(8.0)</i> |
| <u>Department of Wildlife, Parks and Tourism</u> | | | | |
| 1. Add \$2.8 million, all from special revenue funds, for dam repairs at the Woodson County State Fishing Lake and the Clark State Fishing Lake for FY 2018. | 0 | 2,800,000 | 2,800,000 | 0.0 |
| 2. Delete \$300,000, all from special revenue funds, for OITS expenses and reserve for Omnibus consideration for FY 2018. | 0 | (300,000) | (300,000) | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$2,500,000</i> | <i>\$2,500,000</i> | <i>0.0</i> |
| <u>Children's Initiatives Fund</u> | | | | |
| 1. Do not securitize the proceeds of the tobacco settlement agreement for FY 2018. | 0 | 0 | 0 | 0.0 |
| 2. Transfer \$41.8 million, all from the Kansas Endowment for Youth Fund, to the Children's Initiatives Fund, for FY 2018. | 0 | 0 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |
| <u>State Employee Pay</u> | | | | |
| 1. Add \$57.7 million, including \$22.5 million from the State General Fund, for a 2.0 percent adjustment excluding Highway Patrol law enforcement and state legislators for FY 2018. | 22,418,382 | 35,209,027 | 57,627,409 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$22,418,382</i> | <i>\$35,209,027</i> | <i>\$57,627,409</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>KPERS Policy Change</u> | | | | |
| 1. Add \$141.6 million, including \$135.9 million from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the statutory rate for FY 2018. | 135,881,102 | 5,758,083 | 141,639,185 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$135,881,102</i> | <i>\$5,758,083</i> | <i>\$141,639,185</i> | <i>0.0</i> |
| TOTAL | \$164,050,509 | \$104,222,873 | \$268,273,382 | (10.5) |

FY 2019

Board of Barbering

| | | | | |
|--|------------|------------------|------------------|------------|
| 1. Add \$186,345, all from the Board of Barbering Fee Fund, and 1.0 FTE position, to eliminate the merger of the Board of Barbering with the Board of Cosmetology for FY 2019. | 0 | 186,345 | 186,345 | 1.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$186,345</i> | <i>\$186,345</i> | <i>1.0</i> |

Board of Healing Arts

| | | | | |
|--|------------|-----------------|-----------------|------------|
| 1. Add language to transfer up to \$109,500, all from the Healing Arts Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Prescription Monitoring Program for FY 2019. | 0 | 0 | 0 | 0.0 |
| 2. Add \$40,726, all from special revenue funds, to restore Kansas Public Employment Retirement System employer contributions to the approved level for FY 2019. | 0 | 40,726 | 40,726 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$40,726</i> | <i>\$40,726</i> | <i>0.0</i> |

Board of Cosmetology

| | | | | |
|---|------------|--------------------|--------------------|------------|
| 1. Delete \$114,258, all from the Board of Barbering Fee Fund, for operating expenditures, to eliminate the merger of the Board of Barbering with the Board of Cosmetology for FY 2019. | 0 | (114,258) | (114,258) | 0.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>(\$114,258)</i> | <i>(\$114,258)</i> | <i>0.0</i> |

Kansas Dental Board

| | | | | |
|--|------------|------------|------------|------------|
| 1. Add language to transfer up to \$18,000, all from the Dental Board Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Kansas Prescription Monitoring Program for FY 2019. | 0 | 0 | 0 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |

Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments

| | | | | |
|--|------------|------------|------------|-----------|
| 1. Add 0.5 FTE positions to accurately reflect the Executive Officer's position within the agency for FY 2019. | 0 | 0 | 0 | .5 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>.5</i> |

Board of Nursing

| | | | | |
|---|------------|------------|------------|------------|
| 1. Add language to transfer up to \$37,000, all from the Board of Nursing Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Kansas Prescription Drug Monitoring Program (K-TRACS) for FY 2019. | 0 | 0 | 0 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |

Optometry Board

| | | | | |
|---|------------|------------|------------|------------|
| 1. Add language to transfer up to \$6,500, all from the Optometry Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Prescription Monitoring Program for FY 2019. | 0 | 0 | 0 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |

Securities Commissioner

| | | | | |
|--|------------|--------------------|--------------------|-------------|
| 1. Add \$3.5 million, all from special revenue funds, and 30.0 FTE positions to restore funding and positions to the Office of the Securities Commissioner at the FY 2018 agency request level, excluding KPERS contributions and agency death and disability payment reductions, to eliminate the transfer of the funding and positions to the Insurance Department to not effectuate the merger of the two agencies for FY 2019. | 0 | 3,514,072 | 3,514,072 | 30.0 |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$3,514,072</i> | <i>\$3,514,072</i> | <i>30.0</i> |

| <i>Agency/Item</i> | <i>State General Fund</i> | <i>All Other Funds</i> | <i>All Funds</i> | <i>FTEs</i> |
|---|---------------------------|------------------------|-----------------------|---------------|
| <u>Board of Veterinary Examiners</u> | | | | |
| 1. Add \$34,691, all from the Veterinary Examiners Fee Fund, to increase the director's hours for FY 2019. | 0 | 34,691 | 34,691 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$34,691</i> | <i>\$34,691</i> | <i>0.0</i> |
| <u>Attorney General</u> | | | | |
| 1. Delete \$400,000, all from the Fraud and Abuse Criminal Prosecution Fund, and 4.0 FTE positions to eliminate the merger of the Office of the Securities Commissioner with the Kansas Insurance Department and the Attorney General for FY 2019. The merger would consolidate criminal fraud prosecution resources within the Office of the Attorney General. | 0 | (400,000) | (400,000) | (4.0) |
| 2. Delete \$50,000, all from the Court Cost Fee Fund, to replace State General Fund expenditures in the Consumer Protection Division with Court Cost Fee Fund expenditures for FY 2019. | 0 | (50,000) | (50,000) | 0.0 |
| 3. Add \$50,000, all from the State General Fund, to eliminate the Governor's recommendation to replace State General Fund expenditures in the Consumer Protection Division with Court Cost Fee Fund expenditures for FY 2019. | 50,000 | 0 | 50,000 | 0.0 |
| 4. Delete \$460,593, all from the State General Fund, to continue transfers from the Kansas Endowment for Youth Fund to the Tobacco Master Settlement Agreement Fund for FY 2019. | (460,593) | 460,593 | 0 | 0.0 |
| 5. Delete the transfer of \$1.0 million from the Medicaid Fraud Prosecution Revolving Fund for FY 2019. | 0 | 0 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>(\$410,593)</i> | <i>\$10,593</i> | <i>(\$400,000)</i> | <i>(4.0)</i> |
| <u>Insurance Department</u> | | | | |
| 1. Delete \$2.6 million, all from special revenue funds, and 30.0 FTE positions, to eliminate the merger of the Insurance Department and the Office of Securities Commissioner and to review at Omnibus for FY 2019. | 0 | (2,614,072) | (2,614,072) | (30.0) |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>(\$2,614,072)</i> | <i>(\$2,614,072)</i> | <i>(30.0)</i> |
| <u>Judicial Branch</u> | | | | |
| 1. Delete \$7.4 million, all from the State General Fund, for an enhancement request for judicial salary increases for FY 2019 and review at Omnibus for FY 2019. | (7,417,127) | 0 | (7,417,127) | 0.0 |
| 2. Delete \$13.0 million, including \$12.9 million from the State General Fund, to review an enhancement request for judicial employee salary and benefits increases for FY 2019 and review at Omnibus. | (12,940,233) | (9,767) | (12,950,000) | 0.0 |
| 3. Delete \$908,506, all from the State General Fund, to review an enhancement request for filling 20 vacant positions for workplace projections and the implementation of 2016 SB 367 for FY 2019 and review at Omnibus. | (908,506) | 0 | (908,506) | 0.0 |
| 4. Delete \$721,344, all from the State General Fund, and 10.0 FTE positions to review an enhancement request for creating eight judge positions and two staff positions for FY 2019 and review at Omnibus. | (721,344) | 0 | (721,344) | (10.0) |
| 5. Add \$200,000, all from the Permanent Families Account, to continue transfers from the Kansas Endowment for Youth Fund, supporting Court Appointed Special Advocate programs for FY 2019. | 0 | 200,000 | 200,000 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>(\$21,987,210)</i> | <i>\$190,233</i> | <i>(\$21,796,977)</i> | <i>(10.0)</i> |
| <u>Department of Administration</u> | | | | |
| 1. Add language extending the current proviso restricting the sale or lease of the Docking State Office Building and the construction of an Energy Service Center for FY 2019. | 0 | 0 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |
| <u>Kansas Lottery</u> | | | | |
| 1. Add \$823,367, all from special revenue funds, and 10.0 FTE positions, to maintain agency staffing for FY 2019. | 0 | 823,367 | 823,367 | 10.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$823,367</i> | <i>\$823,367</i> | <i>10.0</i> |

| <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 - Health</u> | | | | |
| 1. Add \$7.0 million, all from the Children's Initiatives Fund, and delete \$7.0 million, all from the State General Fund, for FY 2019 to restore the previous funding method for Healthy Start, the Infants and Toddlers Program, Smoking Cessation, Newborn Hearing Aid Loaner Program, and the SIDS Network Grant. | (6,975,463) | 6,975,463 | 0 | 0.0 |
| 2. Add \$500,000, all from the State General Fund, for safety net clinics in FY 2019. | 500,000 | 0 | 500,000 | 0.0 |
| 3. Delete \$163.5 million, including \$73.5 million from the Health Care Access Improvement Fund, for FY 2019 due to the Hospital Provider Assessment rate not being increased. This included funding for rural hospital initiatives, enhanced funding for hospitals, restoration of the 4.0 percent Medicaid provider reduction for hospitals, and other Medicaid expenditures. | 0 | (163,500,000) | (163,500,000) | 0.0 |
| 4. Add \$65.0 million, including \$29.3 million from the State General Fund, for FY 2019 due to the Hospital Provider Assessment rate not being increased to restore the 4.0 percent Medicaid provider reduction to hospitals and for other Medicaid expenditures. | 29,300,000 | 35,700,000 | 65,000,000 | 0.0 |
| 5. Delete \$1.4 billion, including \$630.1 million from the State General Fund, to not combine KanCare expenditures for KDADS and KDHE into the KDHE budget for FY 2019. | (630,134,341) | (768,879,651) | (1,399,013,992) | 0.0 |
| 6. Add language to prohibit integrated Medicaid Home and Community Based Services waivers for FY 2019. | 0 | 0 | 0 | 0.0 |
| <i>Agency Subtotal</i> | <i>(\$607,309,804)</i> | <i>(\$889,704,188)</i> | <i>(\$1,497,013,992)</i> | <i>0.0</i> |
| <u>Kansas Department for Aging and Disability Services</u> | | | | |
| 1. Add \$1.4 billion, including \$630.1 million from the State General Fund, to not combine KanCare expenditures for KDADS and KDHE into the KDHE budget for FY 2019. | 630,134,341 | 768,879,651 | 1,399,013,992 | 0.0 |
| 2. Add \$3.8 million, all from the Children's Initiative Fund, and delete the same amount from the State General Fund, for FY 2019 to restore the previous funding method as part of an overall recommendation to restore all programs which were funded with Children's Initiative Fund moneys prior to the Governor's recommendation to securitize the proceeds of the tobacco master settlement agreement, which was not recommended. | (3,800,000) | 3,800,000 | 0 | 0.0 |
| 3. Add \$55.0 million, including \$24.7 million from the State General Fund, and add language providing a 3.0 percent rate increase for providers of Home and Community Based Services under each of the waivers for FY 2019 (in addition to the 5.0 percent rate increase applied for FY 2018). | 24,710,375 | 30,336,128 | 55,046,503 | 0.0 |
| 4. Add \$2.8 million, all from the State General Fund, for Community Crisis Centers for FY 2019. | 2,800,000 | 0 | 2,800,000 | 0.0 |
| 5. Add \$2.1 million, all from the State General Fund, for Senior Care Act expenditures for FY 2019. | 2,100,000 | 0 | 2,100,000 | 0.0 |
| 6. Add \$1.3 million, all from the State General Fund, for level of care Medicaid inpatient referrals for FY 2019. | 1,300,000 | 0 | 1,300,000 | 0.0 |
| 7. Add language to require expenditures of \$2.0 million, all within existing resources, to open and operate 20 additional beds above the current level of 146 at Osawatimie State Hospital for FY 2019. If the agency is unable to open and operate the additional beds at the hospital, the funding is to be used to enter into an agreement for additional bed space at a third party facility. | 0 | 0 | 0 | 0.0 |
| 8. Add language for FY 2019 requiring the agency to submit quarterly reports on Medicaid Home and Community Based Services waivers to the Kansas Legislative Research Department and the Kansas Division of the Budget, requiring a separate report for each waiver including actual and projected expenditures, actual and projected number of individuals served, average cost per member served, and summarized encounter data by waiver population or comparable data to allow for review at the program level. | 0 | 0 | 0 | 0.0 |
| 9. Add language to prohibit integrated Medicaid Home and Community Based Services waivers for FY 2019. | 0 | 0 | 0 | 0.0 |

| <i>Agency/Item</i> | <i>State General Fund</i> | <i>All Other Funds</i> | <i>All Funds</i> | <i>FTEs</i> |
|---|---------------------------|------------------------|------------------------|-------------|
| <i>Agency Subtotal</i> | <i>\$657,244,716</i> | <i>\$803,015,779</i> | <i>\$1,460,260,495</i> | <i>0.0</i> |
| <u>Department for Children and Families</u> | | | | |
| 1. Add \$7.1 million, all from the Children's Initiatives Fund, and delete the same amount from the State General Fund, to restore the previous funding method for child care services and family preservation services and not securitize the tobacco settlement proceeds for FY 2019. | (7,107,291) | 7,107,291 | 0 | 0.0 |
| 2. Add \$112,191, including \$70,564 from the State General Fund, to not close field offices in Goodland, Greensburg, and Iola for FY 2019. | 70,564 | 41,627 | 112,191 | 0.0 |
| <i>Agency Subtotal</i> | <i>(\$7,036,727)</i> | <i>\$7,148,918</i> | <i>\$112,191</i> | <i>0.0</i> |
| <u>Board of Regents</u> | | | | |
| 1. Add \$800,000, all from the Educational Building Fund, for additional rehabilitation and repair for FY 2019. | 0 | 800,000 | 800,000 | 0.0 |
| 2. Delete \$1.0 million, all from the State General Fund, for the \$15K Degree Program for FY 2019. | (1,000,000) | 0 | (1,000,000) | 0.0 |
| 3. Delete \$50,000, all from the State General Fund, for the Incentive for Technical Education for FY 2019. | (50,000) | 0 | (50,000) | 0.0 |
| 4. Create a no limit Educational Building Fund account for FY 2019. | 0 | 0 | 0 | 0.0 |
| 5. Delete \$6.2 million, all from the State General Fund, from the Teachers' Scholarship fund for FY 2019. | (6,249,297) | 0 | (6,249,297) | 0.0 |
| 6. Add \$119,000, all from the State General Fund, to the Municipal University Operating Grant to restore the cut to a three percent reduction for FY 2019. | 119,000 | 0 | 119,000 | 0.0 |
| <i>Agency Subtotal</i> | <i>(\$7,180,297)</i> | <i>\$800,000</i> | <i>(\$6,380,297)</i> | <i>0.0</i> |
| <u>Kansas State University</u> | | | | |
| 1. Add \$2.1 million, all from the State General Fund, to restore funding to a 3.0 percent reduction for FY 2019. | 2,146,060 | 0 | 2,146,060 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$2,146,060</i> | <i>\$0</i> | <i>\$2,146,060</i> | <i>0.0</i> |
| <u>KSU - Veterinary Medical Center</u> | | | | |
| 1. Add \$56,205, all from the State General Fund, to restore funding to a 3.0 percent reduction for FY 2019. | 56,205 | 0 | 56,205 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$56,205</i> | <i>\$0</i> | <i>\$56,205</i> | <i>0.0</i> |
| <u>University of Kansas</u> | | | | |
| 1. Add \$2.9 million, all from the State General Fund, to restore funding to a 3.0 percent reduction for FY 2019. | 2,920,558 | 0 | 2,920,558 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$2,920,558</i> | <i>\$0</i> | <i>\$2,920,558</i> | <i>0.0</i> |
| <u>University of Kansas Medical Center</u> | | | | |
| 1. Delete \$800,000, all from the Educational Building Fund, for planning of a dental school for FY 2019. | 0 | (800,000) | (800,000) | 0.0 |
| 2. Add \$1.0 million, all from the State General Fund, for the Psychiatry Medical Loan and Rural Health Bridging Psychiatry Program for FY 2019. | 1,000,000 | 0 | 1,000,000 | 0.0 |
| 3. Add \$354,393, all from the State General Fund, to restore the cut to a 3.0 percent reduction for FY 2019. | 354,393 | 0 | 354,393 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$1,354,393</i> | <i>(\$800,000)</i> | <i>\$554,393</i> | <i>0.0</i> |
| <u>Fort Hays State University</u> | | | | |
| 1. Add \$43,218, all from the State General Fund, to restore funding to a 3.0 percent reduction for FY 2019. | 43,218 | 0 | 43,218 | 0.0 |
| <i>Agency Subtotal</i> | <i>\$43,218</i> | <i>\$0</i> | <i>\$43,218</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>Wichita State University</u> | | | | |
| 1. Add \$609,863, all from the State General Fund, to restore funding to a 3.0 percent reduction for FY 2019. | 609,863 | 0 | 609,863 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$609,863</i> | <i>\$0</i> | <i>\$609,863</i> | <i>0.0</i> |
| <u>Department of Education</u> | | | | |
| 1. Add \$50,000, all from the State General Fund, for the Incentive for Technical Education for FY 2019. | 50,000 | 0 | 50,000 | 0.0 |
| 2. Add \$89.0 million, all from the State General Fund, for removing savings associated with A&M recommendations for health insurance and procurement for FY 2019. | 89,000,000 | 0 | 89,000,000 | 0.0 |
| 3. Add \$7.2 million, all from the Children's Initiatives Fund, and delete \$7.2 million, all from Temporary Assistance for Needy Families Federal Fund, for FY 2019 to restore the previous funding method for Parents as Teachers without tobacco securitization. | 0 | 0 | 0 | 0.0 |
| 4. Add \$16.6 million, all from the Children's Initiatives Fund, and delete \$16.6 million, all from the State General Fund, for FY 2019 to restore the previous funding method without tobacco securitization. Programs affected include Children's Cabinet Accountability, CIF Block Grants and Child Care Quality Initiative. | (16,630,356) | 16,630,356 | 0 | 0.0 |
| 5. Add \$246,249, all from the Kansas Endowment for Youth Fund, and delete \$246,249, all from the State General Fund, for FY 2019 to restore the previous Children's Cabinet Administration funding method without tobacco securitization. | (246,249) | 246,249 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$72,173,395</i> | <i>\$16,876,605</i> | <i>\$89,050,000</i> | <i>0.0</i> |
| <u>Department of Corrections</u> | | | | |
| 1. Transfer \$6.0 million, all from the State General Fund purchase of services account, to the Juvenile Justice Improvement Fund for FY 2019. | (6,000,000) | 6,000,000 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>(\$6,000,000)</i> | <i>\$6,000,000</i> | <i>\$0</i> | <i>0.0</i> |
| <u>Kansas Bureau of Investigation</u> | | | | |
| 1. Delete \$820,000, all from the Record Check Fee Fund, to support the agency's Recruitment and Retention Plan enhancement request for FY 2019. The agency has requested a State General Fund appropriation for this purpose. | 0 | (820,000) | (820,000) | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>(\$820,000)</i> | <i>(\$820,000)</i> | <i>0.0</i> |
| <u>Kansas State Fair Board</u> | | | | |
| 1. Delete 8.0 FTE positions to return the FTE count to the agency's intended submission for FY 2019. | 0 | 0 | 0 | (8.0) |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>(8.0)</i> |
| <u>Department of Wildlife, Parks and Tourism</u> | | | | |
| 1. Delete \$300,000, all from special revenue funds, for OITS expenses, and reserve for Omnibus consideration for FY 2019. | 0 | (300,000) | (300,000) | 0.0 |
| 2. Add \$440,000, all from special revenue funds, for replacement of agency vehicles for FY 2019. | 0 | 440,000 | 440,000 | 0.0 |
| 3. Add \$140,000, all from special revenue funds, for replacement of heavy-duty trucks for fish stocking for FY 2019. | 0 | 140,000 | 140,000 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$280,000</i> | <i>\$280,000</i> | <i>0.0</i> |
| <u>Children's Initiatives Fund</u> | | | | |
| 1. Do not securitize the proceeds of the tobacco settlement agreement for FY 2019. | 0 | 0 | 0 | 0.0 |
| 2. Transfer \$41.8 million, all from the Kansas Endowment for Youth Fund, to the Children's Initiatives Fund, for FY 2019. | 0 | 0 | 0 | 0.0 |
| <hr/> | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</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 Employee Pay</u> | | | | |
| 1. Add \$58.2 million, including \$22.6 million from the State General Fund, for a 2.0 percent adjustment excluding Highway Patrol law enforcement and state legislators for FY 2019. | 22,506,085 | 35,638,513 | 58,144,598 | 0.0 |
| ----- | | | | |
| <i>Agency Subtotal</i> | <i>\$22,506,085</i> | <i>\$35,638,513</i> | <i>\$58,144,598</i> | <i>0.0</i> |
| <u>KPERS Policy Change</u> | | | | |
| 1. Add \$202.3 million, including \$194.0 million from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the statutory rate for FY 2019. | 194,022,683 | 8,259,618 | 202,282,301 | 0.0 |
| ----- | | | | |
| <i>Agency Subtotal</i> | <i>\$194,022,683</i> | <i>\$8,259,618</i> | <i>\$202,282,301</i> | <i>0.0</i> |
| TOTAL | \$303,152,545 | (\$11,233,058) | \$291,919,487 | (10.5) |

FY 2020

| | | | | |
|--|------------|------------|------------|------------|
| <u>Kansas Department for Aging and Disability Services</u> | | | | |
| 1. Add language providing an additional 5.0 percent rate increase for providers of Medicaid Home and Community Based Services under each of the waivers for FY 2020. | 0 | 0 | 0 | 0.0 |
| ----- | | | | |
| <i>Agency Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>0.0</i> |
| TOTAL | \$0 | \$0 | \$0 | 0.0 |

Bill Explanation for 2017 Senate Bill No. 189
Appropriations for FY 2017, FY 2018, FY 2019, FY 2020, and FY 2021
Includes Senate Ways and Means Committee Action

Sec. 2 — Abstracters' Board of Examiners

The **agency** requests FY 2018 operating expenditures of \$25,702, all from the Abstracters' Fee Fund, which is an increase of \$2,354, or 10.1 percent, above the FY 2017 request. The increase is primarily attributable to higher expenditures for building space rental fees and higher travel expenditures. The request includes 0.0 FTE positions, which is the same number included in the agency's FY 2017 request.

The **Governor** concurs with the agency's request and recommends a FY 2018 expenditure limitation of \$25,702, all from the Abstracters' Fee Fund. The agency is not affected by the KPERs policy changes because the Board employees do not receive retirement benefits.

The **agency** requests FY 2019 operating expenditures of \$25,702, all from the Abstracters' Fee Fund, which is the same as the FY 2018 request. The request includes 0.0 FTE positions, which is the same number included in the agency's FY 2018 request.

The **Governor** concurs with the agency's request and recommends a FY 2019 expenditure limitation of \$25,702, all from the Abstracters' Fee Fund. The agency is not affected by the KPERs policy changes because the Board employees do not receive retirement benefits.

| |
|--|
| SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation. |
|--|

Sec. 3 — Board of Accountancy

The **agency** requests FY 2018 operating expenditures of \$383,112, all from the Board of Accountancy Fee Fund. The request is an increase of \$13,813, or 3.7 percent, above the FY 2017 revised agency estimate. This increase is primarily attributable to increases in postage, rent, and attorney fees. The agency requests 3.0 FTE positions, the same as the FY 2017 estimate.

The **Governor** recommends FY 2018 operating expenditures of \$381,112. The recommendation is an all funds decrease of \$2,000 or 0.5 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1,638, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$362. The Governor recommends 3.0 FTE positions, the same as the agency request.

The **agency** requests FY 2019 operating expenditures of \$387,029, all from the Board of Accountancy Fee Fund. This is an increase of \$3,917, or 1.0 percent, above the FY 2018

agency request. This increase is primarily attributable to increases in salaries and wages. The agency requests 3.0 FTE positions, the same as the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$384,696. The recommendation is an all funds decrease of \$2,333 or 0.6 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount. The Governor recommends 3.0 FTE positions, the same as the agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$1,638 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$2,333 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 4 — Office of the State Bank Commissioner

The **agency** requests FY 2018 operating expenditures of \$11.1 million, all from special revenue funds. The request is an increase of \$3,834, or less than 0.1 percent, above the FY 2017 agency request. The decrease is primarily attributable to reduced capital outlay expenditures, specifically computer hardware, and other assistance. This is partially offset by increased contractual service expenditures and salaries and wages. The agency requests 91.0 FTE positions and 15.0 non-FTE unclassified permanent positions, the same as the amount of the FY 2017 agency request.

The **Governor** recommends FY 2018 operating expenditures of \$11.0 million, all from special revenue funds. The recommendation is an all funds decrease of \$93,521, or 0.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$76,595, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$16,926.

The **agency** requests FY 2019 operating expenditures of \$11.7 million, all from special revenue funds. The request is a an increase of \$545,000, or 4.9 percent, above the FY 2018 agency request. The increase is primarily attributable to an increase in salary and wage expenditures for unclassified regular pay offset by a reduction in unclassified temporary and overtime pay. The agency requests 91.0 FTE positions and 15.0 non-FTE unclassified permanent positions, the same as the FY 2018 agency request.

The **Governor** recommends FY 2019 operating expenditures of \$11.6 million, all from special revenue funds. The recommendation is an all funds decrease of \$113,140, or 1.0 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$76,595 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$113,140 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 5 — Board of Barbering

The **agency** requests a FY 2018 budget totaling \$187,070, all from the Board of Barbering Fee Fund, an increase of \$13,491, or 7.8 percent, above the FY 2017 revised estimate. The increase is primarily due to the increased workload for inspector and Board members to handle 14 barber colleges, and for a Board-approved salary increase for the Director of Licensing.

The **Governor** recommends the agency be consolidated with the Board of Cosmetology for FY 2018 and its expenditures and revenues be transferred to that agency.

The **agency** requests a FY 2019 budget totaling \$187,070, all from the Board of Barbering Fee Fund, which is unchanged from the FY 2018 request.

The **Governor** recommends the agency be consolidated with the Board of Cosmetology for FY 2019 and its expenditures and revenues be transferred to that agency.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$186,384, all from the Board of Barbering Fee Fund, and 1.0 FTE position, to eliminate the merger of the Board of Barbering with the Board of Cosmetology for FY 2018.

2. Add \$562 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$186,345, all from the Board of Barbering Fee Fund, and 1.0 FTE position, to eliminate the merger of the Board of Barbering with the Board of Cosmetology for FY 2019.

2. Add \$725 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 6 — Behavioral Sciences Regulatory Board

The **agency** requests FY 2018 operating expenditures totaling \$754,454, all from special revenue funds. The request is an increase of \$19,545, or 2.7 percent, above the FY 2017 revised estimate. The increase is mainly attributable to increases in salaries and wages, contractual services, and capital outlay expenditures.

The **Governor** recommends FY 2018 expenditures totaling \$750,560, all from special revenue funds. The recommendation is a decrease of \$3,894, or 0.5 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$3,189, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$705.

The **agency** requests FY 2019 expenditures totaling \$773,229, all from special revenue funds. The request is an increase of \$18,775, or 2.5 percent, above the FY 2018 request. The agency request includes 8.0 FTE positions and 3.0 non-FTE positions, the same as the FY 2018 request. The increase is mainly attributable to increases in salaries and wages, contractual services, and capital outlay expenditures.

The **Governor** recommends FY 2019 expenditures totaling \$768,748, all from special revenue funds. The recommendation is a decrease of \$4,481, or 0.6 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$3,189, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$4,481, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018

Sec. 7 — Kansas State Board of Healing Arts

The **agency** requests \$5.3 million, all from special revenue funds, for FY 2018. This is an increase of \$382,447, or 7.8 percent, above the revised FY 2017 estimate. This increase is primarily attributable to increased expenditures for computer programming, expert witness fees, other fees, software, and software maintenance costs in contractual services. This request includes 46.0 FTE positions, the same as the revised FY 2017 estimate.

The **Governor** recommends FY 2018 operating expenditures of \$5.3 million, all from special revenue funds. The recommendation is a decrease of \$35,333, or 0.7 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$28,938, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in a reduction of \$6,395. This includes 46.0 FTE positions, the same as the FY 2017 recommendation.

The **agency** requests \$5.4 million, all from special revenue funds, for FY 2019. This is an increase of \$129,084, or 2.4 percent, above the FY 2018 requested amount. This increase is primarily attributable to expert witness fees, other professional fees, and travel expenditures in contractual services. This request includes 46.0 FTE positions, the same as the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$5.4 million, all from special revenue funds. The recommendation is a decrease of \$40,726, or 0.8 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. This includes 46.0 FTE positions, the same as the FY 2018 recommendation.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add language to transfer up to \$107,000, all from the Healing Arts Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy, for operation and maintenance of the Prescription Monitoring Program for FY 2018.
2. Add \$28,938, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add language to transfer up to \$109,500, all from the Healing Arts Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Prescription Monitoring Program for FY 2019.
2. Add \$40,726, all from special revenue funds, to restore Kansas Public Employment Retirement System employer contributions to the approved level for FY 2019.

Sec. 8 — Board of Cosmetology

The **agency** requests FY 2018 operating expenditures of \$1.0 million, all from the Cosmetology Fee Fund. The request is an increase of \$9,327, or 0.9 percent, above the FY 2017 revised estimate. The estimate includes 7.0 FTE positions and 7.0 non-FTE positions, which is unchanged from the FY 2017 revised estimate.

The request includes an enhancement totaling \$156 to increase salaries and wages expenditures to continue to fund the 0.5 non-FTE unclassified permanent position to scan documents. The increase in salaries and wages (\$18,556) is offset by reduced contractual services fees for scanning (\$18,400).

The **Governor** recommends FY 2018 operating expenditures of \$1.1 million. The recommendation is an all funds increase of \$107,337, or 10.7 percent, above the agency's FY 2018 request. The increase is attributable to the Governor's recommendation to merge the Board of Barbering with the Board of Cosmetology in FY 2018, offset by a recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$6,262, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$1,384. The Governor recommends 7.0

FTE positions, which is the same as the agency's FY 2018 request, and 8.5 non-FTE positions, which is 1.5 positions above the agency's FY 2018 request due to the merger with the Board of Barbering.

The **agency** requests FY 2019 operating expenditures of \$1.0 million, all from the Cosmetology Fee Fund. The request is an increase of \$5,000, or 0.5 percent, above the FY 2018 request. The increase can be attributed to expected increases in fuel costs for five inspector vehicles. The estimate includes 7.0 FTE positions and 7.0 non-FTE positions, which is unchanged from the FY 2018 request.

The request includes an enhancement totaling \$156 to increase salaries and wages expenditures to continue to fund the 0.5 non-FTE unclassified permanent position to scan documents. The increase in salaries and wages (\$18,556) is offset by reduced contractual services fees for scanning (\$18,400). The enhancement is the same as the enhancement request in FY 2018.

The **Governor** recommends FY 2019 operating expenditures of \$1.1 million. The recommendation is an all funds increase of \$106,913, or 10.6 percent, above the agency's FY 2019 request. The increase is attributable to the Governor's recommendation to merge the Board of Barbering with the Board of Cosmetology in FY 2018, offset by a recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$8,070. The Governor recommends 7.0 FTE positions, which is the same as the agency's FY 2019 request, and 8.5 non-FTE positions, which is 1.5 non-FTE positions above the agency's FY 2019 request due to the merger with the Board of Barbering.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Delete \$114,297, all from the Board of Barbering Fee Fund, for operating expenditures, to eliminate the merger of the Board of Barbering with the Board of Cosmetology for FY 2018.
2. Add \$5,700 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Delete \$114,258, all from the Board of Barbering Fee Fund, for operating expenditures, to eliminate the merger of the Board of Barbering with the Board of Cosmetology for FY 2019.
2. Add \$7,345 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 9 — Department of Credit Unions

The **agency** requests FY 2018 operating expenditures of \$1.2 million, all from special revenue funds. The request is a decrease of \$1,764, or 0.1 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to a reduction in salaries and wages partially

offset by an increase in contractual services. The agency requests 12.0 FTE positions, the same amount as the agency's revised FY 2017 estimate.

The **Governor** recommends FY 2018 operating expenditures of \$1.2 million, all from special revenue funds. The recommendation is an all funds decrease of \$9,294, or 0.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$7,612, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$1,682.

The **agency** requests FY 2019 operating expenditures of \$1.2 million, all from special revenue funds. The request is an increase of \$25,469, or 2.1 percent, above the agency's FY 2018 request. The increase is attributable to increases in salaries and wages and contractual services. The agency requests 12.0 FTE positions, the same amount as the agency's revised FY 2018 estimate.

The **Governor** recommends FY 2019 operating expenditures of \$1.2 million, all from special revenue funds. The recommendation is an all funds decrease of \$10,713, or 0.9 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$7,612 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$10,713 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 10 — Kansas Dental Board

The **agency** requests \$415,000, all from special revenue funds, for FY 2018. This is an increase of \$3,914, or 1.0 percent, above the FY 2017 amount. The increase is in the salaries and wages category due to increases in retirement benefits, group health payments, and other agency-paid mandatory employee benefits, which is partially offset by a decrease in contractual services.

The **Governor** recommends FY 2018 operating expenditures of \$413,227, all from special revenue funds. The recommendation is a decrease of \$1,773, or 0.4 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1,452, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$321.

The **agency** requests \$420,000, all from special revenue funds for FY 2019. This is an increase of \$5,000, or 1.2 percent, above the FY 2018 request. The change includes increases in salaries and wages due to further rises in retirement benefits, group health payments, and

other agency-paid mandatory employee benefits and increases in contractual services due to raises in square footage rates and Office of Information Technology (OITS) rates for information technology security enhancements and upgrades.

The **Governor** recommends FY 2019 operating expenditures of \$417,965, all from special revenue funds. The recommendation is a decrease of \$2,035, or 0.5 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$1,452, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

2. Add language to transfer up to \$18,000, all from the Dental Board Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Kansas Prescription Monitoring Program for FY 2018.

FY 2019

1. Add \$2,035, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

2. Add language to transfer up to \$18,000, all from the Dental Board Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Kansas Prescription Monitoring Program for FY 2019.

Sec. 11 — Board of Mortuary Arts

The **agency** requests \$292,617, all from the Board of Mortuary Arts Fee Fund, for FY 2018. This is a decrease of \$24,886, or 7.8 percent, below the agency's FY 2017 revised estimate. This decrease is due to lower expenditures on salaries and wages, contractual services, and commodities. The FY 2017 Voluntary Retirement Incentive Program grant will be discontinued in FY 2018. The request includes 3.0 FTE positions.

The **Governor** recommends FY 2018 operating expenditures of \$290,562. The recommendation is an all funds decrease of \$2,055, or 0.7 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1,683, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$372. The Governor recommends 3.0 FTE positions, which is the same as the agency's 2018 request.

The **agency** requests \$321,958, all from the Board of Mortuary Arts Fee Fund, for FY 2019. This is an increase of \$29,341, or 10.0 percent, above the agency's FY 2018 request. The increase is primarily attributable to higher expenditures on capital outlay due to replacement of an agency automobile. Additional increases are included in salaries and wages, contractual services, and commodities. The request includes 3.0 FTE positions.

The **Governor** recommends FY 2019 operating expenditures of \$319,588. The recommendation is an all funds decrease of \$2,370, or 0.7 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount. The Governor recommends 3.0 FTE positions, which is the same as the agency's FY 2019 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$1,683 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$2,370 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 12 — Kansas Board of Examiners in Fitting and Dispensing of Hearing Instruments

The **agency** requests \$26,442, all from special revenue funds, for FY 2018. The request is a decrease of \$5,491, or 17.2 percent, below the FY 2017 revised estimate. The decrease is seen primarily in contractual services due to the agency's supplemental request for one-time, initial costs of constructing and maintaining a new agency website in FY 2017.

The **Governor** concurs with the agency's FY 2018 request. The agency is not affected by the KPERs policy changes because the Board employees do not receive retirement benefits.

The **agency** requests \$26,290, all from special revenue funds, for FY 2019. The request is a decrease of \$152, or 0.6 percent, below the FY 2018 request. The decrease is due to lower computer programming costs in contractual services costs, partially offset by an increase in salaries and wages.

The **Governor** concurs with the agency's FY 2019 request. The agency is not affected by the KPERs policy changes because the Board employees do not receive retirement benefits.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add 0.5 FTE positions to accurately reflect the Executive Officer's position within the agency for FY 2018.

FY 2019

1. Add 0.5 FTE positions to accurately reflect the Executive Officer's position within the agency for FY 2019.

Sec. 13 — Board of Nursing

The **agency** requests FY 2018 expenditures of \$2.9 million, all from special revenue funds. The request is an increase of \$119,011, or 4.3 percent, above the revised FY 2017 estimate. The increase is primarily attributable to an increase in professional fees associated with the peer assistance program and computer and software services and equipment, partially offset by a decrease in salaries and wages expenditures due to salaries returning to a normal level absent the one-time 27th payroll period in FY 2017. The request includes 25.0 FTE positions and 1.0 non-FTE position, which are the same numbers as the revised 2017 estimate.

The **Governor** recommends FY 2018 operating expenditures of \$2.9 million, all from special revenue funds. The recommendation is a decrease of \$17,283, or 0.6 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$14,155, and to provide a moratorium on agency death and disability payments for one quarter, which results in a reduction of \$3,128.

The **agency** requests FY 2019 expenditures of \$3.0 million, all from special revenue funds. This is an increase of \$55,123, or 1.9 percent, above the FY 2018 request. The increase is primarily attributable to an increase in employer fringe benefit costs, postage, and printing equipment rental expenditures. The estimate includes 25.0 FTE positions and 1.0 non-FTE position, which are the same numbers as the FY 2018 request.

The **Governor** recommends expenditures of \$2.9 million, all from special revenue funds, for FY 2019. This is a decrease of \$21,446, or 0.7 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add language to transfer up to \$36,000, all from the Board of Nursing Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Kansas Prescription Drug Monitoring Program (K-TRACS) for FY 2018.

2. Add \$14,155, all from the Board of Nursing Fee Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$21,446, all from the Board of Nursing Fee Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

2. Add language to transfer up to \$37,000, all from the Board of Nursing Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Kansas Prescription Drug Monitoring Program (K-TRACS) for FY 2019.

Sec. 14 — Board of Examiners in Optometry

The **agency** requests \$163,561, all from special revenue funds, for FY 2018. This is a decrease of \$13,152, or 7.4 percent, below the FY 2017 revised estimate. This decrease is primarily attributable to decreased travel expenditures. This request includes 1.0 FTE position, the same as the FY 2017 revised estimate.

The **Governor** recommends FY 2018 operating expenditures of \$162,996, all from special revenue funds. The recommendation is a reduction of \$565 below the agency's revised FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$463, and to provide a moratorium on employer contributions for death and disability payments for one quarter, which results in a reduction of \$102. This recommendation includes 1.0 FTE position, the same as the FY 2017 recommendation.

The **agency** requests \$164,869, all from special revenue funds, for FY 2019. This is an increase of \$1,308, or 0.8 percent, above the FY 2018 request. This increase is primarily attributable to increased database access fees. The request includes 1.0 FTE position, the same as the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$164,218, all from special revenue funds. The recommendation is a reduction of \$651 below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. This recommendation includes 1.0 FTE position, the same as the FY 2018 recommendation.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add language to transfer up to \$6,500, all from the Optometry Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Prescription Monitoring Program for FY 2018.
2. Add \$463, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add language to transfer up to \$6,500, all from the Optometry Fee Fund, to the Pharmacy Fee Fund in the Board of Pharmacy for the operation and maintenance of the Prescription Monitoring Program for FY 2019.
2. Add \$651, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 15 — Board of Pharmacy

The **agency** requests \$1.4 million, all from special revenue funds, for FY 2018. This is an increase of \$31,318, or 2.2 percent, above the revised FY 2017 estimate. This increase is attributable to increased expenditures on PMP software.

The **Governor** recommends FY 2018 operating expenditures of \$1.4 million, all from special revenue funds. The recommendation is a decrease of \$6,940, or 0.5 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in a reduction of \$5,684, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in a reduction of \$1,256. This recommendation includes 9.0 FTE positions, the same as the FY 2017 recommendation.

The **agency** requests \$1.5 million, all from special revenue funds, for FY 2019. This is an increase of \$34,151, or 2.4 percent, above the agency's FY 2018 request. This increase is attributable to increased expenditures on PMP data storage and maintenance fees.

The **Governor** recommends FY 2019 operating expenditures of \$1.5 million, all from special revenue funds. The recommendation is a reduction of \$9,200, or 0.6 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount. This recommendation includes 9.0 FTE positions, the same as the FY 2018 recommendation.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$5,684, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$9,200, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 16 — Real Estate Appraisal Board

The **agency** requests FY 2018 operating expenditures of \$317,312, all from special revenue funds, which is a decrease of \$5,714, or 1.8 percent, below the FY 2017 request. The decrease is primarily attributable to a decrease in expenditures for regular unclassified employees as a result of the 27th pay period that occurs in FY 2017, a reduction in reviewer and court reporter fees, and a reduction of data processing supplies and the number of regulatory books purchased. The request includes funding for 2.0 FTE positions, which is the same number included in the agency's FY 2017 request.

The **Governor** recommends FY 2018 operating expenditures of \$315,739, all from special revenue funds. This is an all funds reduction of \$1,573, or 0.5 percent, below the agency's revised FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1,288, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$285.

The **agency** requests FY 2019 operating expenditures of \$320,934, all from special revenue funds, which is an increase of \$3,622, or 1.1 percent, above the FY 2018 request. The increase is primarily attributable to an increase in costs related to small agency services provided by the Office of Information Technology Services (OITS), as well as an increase in

reviewer and court reporter fees. The request includes funding for 2.0 FTE positions, which is the same number included in the agency's FY 2018 request.

The **Governor** recommends FY 2019 expenditures of \$319,122, all from special revenue funds. This is an all funds reduction of \$1,812, or 0.6 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$1,288, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$1,812, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 17 — Real Estate Commission

The **agency** requests FY 2018 operating expenditures of \$1.2 million, all from special revenue funds, which is a decrease of \$4,955, or 0.4 percent, below the FY 2017 request. The decrease is primarily attributable to projected rent savings and conversion to a new online licensing system, which will produce an annual savings in system maintenance. The request includes funding for 8.0 FTE positions, which is the same number included in the agency's FY 2017 request.

The **Governor** recommends FY 2018 operating expenditures of \$1.1 million, all from special revenue funds. This is an all funds decrease of \$6,588, or 0.6 percent, below the agency's FY 2018 request. The reduction is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds decrease of \$5,396, and to provide a moratorium on death and disability payments for one quarter, which results in an all funds decrease of \$1,192.

The **agency** requests FY 2019 operating expenditures of \$1.1 million, all from special revenue funds, which is a decrease of \$5,227, or 0.5 percent, below the FY 2018 request. The decrease is primarily attributable to a decrease in capital outlay expenditures for FY 2019, decreasing as a result of one-time purchases being made on office furniture in FY 2017 and FY 2018. The request includes funding for 8.0 FTE positions, which is the same number included in the agency's FY 2017 and FY 2018 requests.

The **Governor** recommends FY 2019 operating expenditures of \$1.1 million, all from special revenue funds. The recommendation is an all funds decrease of \$7,644, or 0.7 percent, below the agency's FY 2019 request. The reduction is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$5,396, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$7,644, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 18 — Office of the Securities Commissioner

The **agency** requests for FY 2018 operating expenditures of \$3.6 million, all from special revenue funds. The request is an increase of \$284,293, or 8.7 percent, above the FY 2017 agency request. The increase is largely attributable to increased salaries and wages for KPERS payments and unclassified regular pay and contractual services expenditures, specifically witness fees and other fees and services. The budget includes 30.0 FTE positions, the same as the approved FY 2017 agency request.

The **Governor** recommends FY 2018 operating expenditures of \$0. The recommendation is an all funds decrease of \$3.6 million, or 100.0 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to transfer all expenditures to the Insurance Department and make the regulation of securities offering and the enforcement of securities law managed as a program within the Insurance Department.

The **agency** requests for FY 2019 operating expenditures of \$3.5 million, all from special revenue funds. The request is a decrease of \$15,779, or 0.4 percent, below the FY 2018 agency request. The decrease is attributable to increased contractual services expenditures, specifically witness fees and other fees and services, which will be partially offset by increases in salary and wage expenditures. The budget includes 30.0 FTE positions, the same as the approved FY 2018 agency request.

The **Governor** recommends FY 2019 operating expenditures of \$0. The recommendation is an all funds decrease of \$3.5 million, or 100.0 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to transfer all expenditures to the Insurance Department and make the regulation of securities offering and the enforcement of securities law managed as a program within the Insurance Department.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$3.5 million, all from special revenue funds, and 30.0 FTE positions to restore funding and positions to the Office of the Securities Commissioner at the FY 2018 agency request level, excluding KPERS contributions and agency death and disability payment reductions to eliminate the transfer of the funding and positions to the Insurance Department to not effectuate the merger of the two agencies for FY 2018.

2. Add \$20,850 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$3.5 million, all from special revenue funds, and 30.0 FTE positions to restore funding and positions to the Office of the Securities Commissioner at the FY 2018 agency request level, excluding KPERS contributions and agency death and disability payment reductions to eliminate the transfer of the funding and positions to the Insurance Department to not effectuate the merger of the two agencies for FY 2019.

2. Add \$31,790 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 19 — Board of Technical Professions

The **agency** requests FY 2018 operating expenditures of \$714,381, all from special revenue funds, which is an increase of \$2,248, or 0.3 percent, above the FY 2017 request. The increase is primarily attributable to an increase in contractual services pertaining to higher expenditures in state buildings operating charge, including rent, and the monumental surcharge fee. The request includes funding for 2.0 FTE positions, which is the same as the FY 2017 request.

The **Governor** recommends FY 2018 operating expenditures of \$711,520, all from special revenue funds. The recommendation is an all funds decrease of \$2,861, or 0.4 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$2,343, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$518.

The **agency** requests FY 2019 operating expenditures of \$754,388, all from special revenue funds, which is an increase of \$40,007, or 5.6 percent, above the FY 2018 request. The increase is primarily attributable to higher expenditures in salaries and wages pertaining to unclassified temporary and unclassified regular positions. The request includes funding for 2.0 FTE positions, which is the same as the agency's FY 2017 and FY 2018 requests.

The **Governor** recommends FY 2019 operating expenditures of \$750,945, all from special revenue funds. The recommendation is an all funds decrease of \$3,443, or 0.5 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$2,343, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$3,433, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 20 — Board of Veterinary Examiners

The **agency** requests FY 2018 expenditures of \$348,074, all from special revenue funds. This request is an increase of \$14,289, or 4.3 percent, above the FY 2017 revised estimate. The increase is attributable to increasing the agency director's hours.

The **Governor** recommends FY 2018 expenditures of \$345,891, all from special revenue funds. The recommendation is a decrease of \$2,183, or 0.6 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$1,788, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in a reduction of \$395.

The **agency** requests FY 2019 expenditures of \$356,987, all from special revenue funds. This request is an increase of \$8,913, or 2.6 percent, above the FY 2018 request. The increase is largely attributable to employer contributions for fringe benefits.

The **Governor** recommends FY 2019 operating expenditures of \$353,808, all from special revenue funds. The recommendation is a decrease of \$3,179, or 0.9 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$1,788, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$34,691, all from the Veterinary Examiners Fee Fund, to increase the director's hours for FY 2019.

2. Add \$3,179, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 21 — Governmental Ethics Commission

The **agency** estimates revised FY 2017 operating expenditures of \$643,467, including \$381,005 from the State General Fund. This is a reduction of \$140, all from the State General Fund, from the FY 2017 approved. The agency lapsed the reappropriation as part of the revised request.

The agency requests funding for 7.5 FTE positions, which is the same number of FTE positions as approved by the FY 2016 Legislature.

The **Governor** recommends FY 2018 expenditures of \$617,382, including \$367,040 from the State General Fund. The recommendation is an all funds decrease of \$4,635, or 0.7 percent, and a State General Fund decrease of \$2,625, or 0.7 percent, below the the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold

KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$3,796, including \$2,150 from the State General Fund, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$839, including \$475 from the State General Fund.

The **agency** requests FY 2019 operating expenditures of \$636,127, including \$372,176 from the State General Fund, which is an all funds increase of \$14,110, or 2.3 percent, and a State General Fund increase of \$2,511, or 0.7 percent, above the FY 2018 request. The increase is primarily attributable to a higher number of candidates running for office. The request includes funding for 7.5 FTE positions, which is the same number included in the agency's FY 2017 and FY 2018 requests.

The **Governor** recommends FY 2019 operating expenditures of \$630,786, including \$369,177 from the State General Fund. The recommendation is an all funds decrease of \$5,341, or 0.8 percent, and a State General Fund decrease of \$2,999, or 0.8 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$3,796, including \$2,150 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

FY 2019

1. Add \$5,341, including \$2,999 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 22 — Legislative Coordinating Council

The **agency** requests an operating budget of \$538,739, all from the State General Fund, for FY 2018. This is a decrease of \$22,186, or 4.0 percent, below the revised estimate for FY 2017. Included is a decrease in salaries and wages of \$5,784, or 1.1 percent, and a decrease in contractual services of \$16,402, or 48.2 percent. The decrease in contractual services reflects funding for fewer Council meetings for FY 2018.

The **Governor** recommends FY 2018 operating expenditures of \$533,617, all from the State General Fund. The recommendation is an all funds decrease of \$5,122, or 1.0 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$4,195, all from the State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in a reduction of \$927 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$4,195, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 22 — Kansas Legislative Research Department

The **agency** requests an operating budget of \$3.5 million, all from the State General Fund, for FY 2018. This is a decrease of \$93,036, or 2.6 percent, below the agency's revised FY 2017 estimate. The request includes a decrease in salaries and wages of \$69,240 mainly due to the lack of a 27th payroll period in FY 2018 that was included in FY 2017. There also is a reduction of \$23,992 in contractual services. The primary decrease is in staff training and professional development that was budgeted in FY 2017 and reduced in the submitted request for FY 2018.

The **Governor** recommends FY 2018 operating expenditures of \$3.4 million, all from the State General Fund. The recommendation is an all funds decrease of \$33,892, or 1.0 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$27,758, all from the State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in a reduction of \$6,134 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$27,758, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 22 — Revisor of Statutes

The **agency** requests an operating budget of \$3.1 million, all from the State General Fund, for FY 2018. This is a decrease of \$152,440, or 4.7 percent, from the State General Fund below the agency's revised estimate. The request includes a decrease in salaries and wages of \$54,104 mainly due to the lack of a 27th payroll period in FY 2018 that was included in FY 2017. A reduction of \$98,336 in contractual services was primarily due to printing statute books that was budgeted in FY 2017 and reduced in the submitted request for FY 2018.

he **Governor** recommends FY 2018 operating expenditures of \$3.0 million, all from the State General Fund. The recommendation is an all funds decrease of \$24,733, or 0.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$20,114, all from the State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in a reduction of \$4,619 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$20,114, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 23 — Legislative Coordinating Council

The **agency** requests an operating budget of \$551,703, all from the State General Fund, for FY 2019. This is an increase of \$12,964, or 2.4 percent, above the requested amount for FY 2018. Included is a decrease in salaries and wages of \$2,725, or 0.5 percent, and an increase in contractual services of \$15,689, or 89.0 percent. The increase in contractual services reflects funding for 12 Council meetings for FY 2019.

The **Governor** recommends FY 2019 operating expenditures of \$545,799, all from the State General Fund. The recommendation is a State General Fund decrease of \$5,904, or 1.1 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$5,904, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 23 — Kansas Legislative Research Department

The **agency** requests an operating budget of \$3.6 million, all from the State General Fund, for FY 2019. This is a State General Fund increase of \$63,289, or 2.0 percent, above the amount included in the agency's FY 2018 request. The increase is to fund the employer contributions for KPERS and group health insurance for FY 2019.

The **Governor** recommends FY 2019 operating expenditures of \$3.5 million, all from the State General Fund. The recommendation is a State General Fund decrease of \$40,195, or 1.1 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$40,195, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 23 — Revisor of Statutes

The **agency** requests an operating budget of \$3.1 million, all from the State General Fund for FY 2019. This is an all funds and State General Fund increase of \$46,823, or 1.5 percent, above the amount included in the agency's FY 2018 request. The increase primarily

funds the employer contributions for fringe benefit costs in salaries and wages necessary for FY 2019.

The **Governor** recommends FY 2019 operating expenditures of \$3.1 million, all from the State General Fund. The recommendation is a State General Fund decrease of \$29,432, or 0.9 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$29,432, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 24 — Legislature

The **agency** requests a FY 2018 budget of \$18.9 million, all from the State General Fund. This is a decrease of \$143,346, or 0.8 percent, below the amount included in the agency's FY 2017 revised estimate. The decrease is mainly reflected in salaries and wages, legislative subsistence, and private vehicle mileage. Legislative salaries are budgeted at \$88.66 per day and subsistence is budgeted at \$143.00 per day, based on the latest federal reimbursement rates available at the time of the budget submission. The agency requests 48.0 FTE positions, which is the same as the approved number.

The **Governor** recommends FY 2018 operating expenditures of \$18.7 million, all from the State General Fund. The recommendation is an all funds decrease of \$209,234, or 1.1 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$168,557, all from the State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in a reduction of \$40,677 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$168,557, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 25 — Legislature

The **agency** requests a FY 2019 budget of \$19.0 million, all from the State General Fund. This is an increase of \$230,398, or 1.2 percent, above the amount requested for FY 2018. The increase is mainly reflected in employer contributions for salaries and wages fringe benefits and anticipated increases in travel and subsistence based on information provided by the Division of the Budget. Legislative salaries are budgeted at \$88.66 per day and subsistence is budgeted at \$151.00 per day. The agency requests 48.0 FTE positions, which is the same as the approved number.

The **Governor** recommends FY 2019 operating expenditures of \$18.9 million, all from the State General Fund. The recommendation is a State General Fund decrease of \$219,833, or 1.1 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$219,833, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 26 — Legislative Division of Post Audit

The **agency** requests an operating budget of \$2.5 million, all from the State General Fund, for FY 2018. This is a decrease of \$219,201, or 5.0 percent, all from the State General Fund, below the agency's revised estimate. The request includes a decrease in salaries and wages of \$30,201 mainly due to the lack of a 27th payroll period in FY 2018 that was included in FY 2017. A reduction of \$99,000 in contractual services was primarily in fees for professional services for contracted audits that was budgeted in FY 2017 and reduced in the submitted request for FY 2018.

The **Governor** recommends FY 2018 operating expenditures of \$2.4 million, all from the State General Fund. The recommendation is an all funds decrease of \$23,528, or 1.0 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$19,270, all from the State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in a reduction of \$4,258 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$19,270, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 27 — Legislative Division of Post Audit

The **agency** requests an operating budget of \$2.5 million, all from the State General Fund for FY 2019. This is an all funds and State General Fund increase of \$28,298, or 1.1 percent, above the amount included in the agency's FY 2018 request. The increase primarily funds the employer contribution for fringe benefit costs in salaries and wages necessary for FY 2019.

The **Governor** recommends FY 2019 operating expenditures of \$2.5 million, all from the State General Fund. The recommendation is a State General Fund decrease of \$27,124, or 1.1 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$27,124, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 28 — Office of the Governor

The **agency** requests FY 2018 operating expenditures of \$26.4 million, including \$6.6 million from the State General Fund. The request is an all funds increase of \$931,413, or 3.7 percent, above the revised FY 2017 estimate. The request is a State General Fund decrease of \$848,638, or 11.4 percent, below the revised FY 2017 State General Fund request. The all funds increase is attributable to an anticipated increase in the distribution of Federal Victim's of Crime Act (VOCA) funds; approximately 95.0 percent of the funds are granted to victims' services agencies in the State. The State General Fund decrease is attributable to the mechanism by which reappropriations from previous fiscal years are accounted for. The FY 2018 State General Fund request is nearly identical to the FY 2016 actual amount expended. As the Office is able to revise their estimate of grant moneys that will actually be received, in combination with the carry-over of unused State General Fund moneys from the previous year, the current year revision to the State General Fund request is usually significantly different from the initial request.

The **Governor** recommends FY 2018 operating expenditures of \$26.4 million, including \$6.6 million from the State General Fund. The recommendation is an all funds decrease of \$10,081, or less than 0.1 percent, and a State General Fund decrease of \$7,902, or less than 0.1 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$6,126, including \$4,817 from the State General Fund, and to provide a moratorium on agency death and disability employer contribution payments for one quarter, which results in an all funds reduction of \$3,955, including \$3,085 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$6,126, including \$4,817 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 29 — Office of the Governor

The **agency** requests FY 2019 operating expenditures of \$29.4 million, including \$6.6 million from the State General Fund. The request is an all funds increase of \$2.9 million, or 11.2 percent, and a State General Fund increase of \$4,924, or 0.1 percent, above the FY 2018 request. The all funds increase is attributable to an anticipated increase in the distribution of federal Victim's of Crime Act (VOCA) funds; approximately 95.0 percent of the funds are granted to victims' services agencies in the State. The State General Fund increase is primarily

attributable to increased salary and wage expenditures, namely employer contributions to group health insurance and KPERS.

The **Governor** recommends FY 2019 operating expenditures of \$29.4 million, including \$6.6 million from the State General Fund. The recommendation is an all funds decrease of \$5,351, or less than 0.1 percent, and a State General Fund decrease of \$4,196, or 0.1 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$5,351, including \$4,196 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 30 — Attorney General

The **agency** requests \$23.0 million, including \$5.6 million from the State General Fund, for FY 2018. This is an all funds decrease of \$362,023, or 1.5 percent, and a State General Fund decrease of \$150,505, or 2.6 percent, above the FY 2017 agency estimate. The all funds decrease is largely due to lower expenditures on pay to unclassified employees. The revised estimate includes 119.4 FTE positions, which is the same as the FY 2017 agency request.

The **Governor** recommends FY 2018 operating expenditures of \$23.3 million, including \$6.0 million from the State General Fund. The recommendation is an all funds increase of \$285,717, or 1.2 percent, and a State General Fund increase of \$416,815, or 7.4 percent, above the agency's FY 2018 request. The recommendation is also a 4.0 FTE increase from the agency's FY 2018 request. The increase is attributable to the Governor's recommendation to:

- Hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$93,599, including \$35,853 from the State General Fund;
- Provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$20,684, including \$7,925 from the State General Fund;
- Change the way proceeds from the Tobacco Master Settlement Agreement are received by eliminating the FY 2018 transfer of \$460,593 from the Kansas Endowment for Youth Fund to the Tobacco Master Settlement Agreement Fund and finance agency expenditures related to the settlement by an appropriation of \$460,593 from the State General Fund;
- Consolidate criminal fraud prosecution resources in Kansas by transferring \$400,000 (\$200,000 from the Securities Commissioner and \$200,000 from the Kansas Insurance Department) to a newly appropriated Fraud and Abuse Criminal

Prosecution Fund. Additionally, 4.0 FTE positions will be created in the Fraud and Abuse Litigation Division as part of the transfer; and

- Continue the transfer of \$1.0 million from the Medicaid Fraud Prosecution Revolving Fund to the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Delete \$50,000, all from the Court Cost Fee Fund, to replace the State General Fund expenditures in the Consumer Protection Division with Court Cost Fee Fund expenditures for FY 2018.

2. Add \$50,000, all from the State General Fund, to replace State General Fund expenditures in the Consumer Protection Division with Court Cost Fee Fund expenditures for FY 2018.

3. Delete \$460,593, all from the State General Fund, to continue transfers from the Kansas Endowment for Youth Fund to the Tobacco Master Settlement Agreement Fund for FY 2018.

4. Delete \$400,000, all from the Fraud and Abuse Criminal Prosecution Fund, and 4.0 FTE positions to eliminate the merger of the Office of the Securities Commissioner with the Kansas Insurance Department and the Attorney General for FY 2018. The merger would consolidate criminal fraud prosecution resources within the Office of the Attorney General.

5. Delete the transfer of \$1.0 million from the Medicaid Fraud Prosecution Revolving Fund to the State General Fund for FY 2018.

6. Add \$93,599, including \$35,853 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 31 — Attorney General

The **agency** requests \$23.2 million, including \$5.7 million from the State General Fund, for FY 2019. This is an all funds increase of \$147,444, or 0.6 percent, and a State General Fund increase of \$38,979, or 0.7 percent, above the FY 2018 agency request. The all funds increase is largely due to an increase in salaries and wages expenditures (\$147,298). The revised estimate includes 119.4 FTE positions, which is the same as the FY 2018 agency request.

The **Governor** recommends FY 2019 operating expenditures of \$23.4 million, including \$6.1 million from the State General Fund. The recommendation is an all funds increase of \$266,045, or 1.1 percent, and a State General Fund increase of \$409,330, or 7.2 percent, above the agency's FY 2019 request. The increase is attributable to the Governor's recommendation to:

- Hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$133,955, including \$51,263 from the State General Fund;
- Change the way proceeds from the Tobacco Master Settlement Agreement are received by eliminating the FY 2019 transfer of \$460,593 from the Kansas Endowment for Youth Fund to the Tobacco Master Settlement Agreement Fund and finance agency expenditures related to the settlement by an appropriation of \$460,593 from the State General Fund;
- Transfer \$400,000 total (\$200,000 from the Securities Commissioner and \$200,000 from the Kansas Insurance Department) to the Fraud and Abuse Criminal Prosecution Fund for FY 2019; and
- Continue the transfer of \$1.0 million from the Medicaid Fraud Prosecution Revolving Fund to the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Delete \$50,000, all from the Court Cost Fee Fund, to replace State General Fund expenditures in the Consumer Protection Division with Court Cost Fee Fund expenditures for FY 2019.
2. Delete \$460,593, all from the State General Fund, to continue transfers from the Kansas Endowment for Youth Fund to the Tobacco Master Settlement Agreement Fund for FY 2019.
3. Delete \$400,000, all from the Fraud and Abuse Criminal Prosecution Fund, and 4.0 FTE positions to eliminate the merger of the Office of the Securities Commissioner with the Kansas Insurance Department and the Attorney General for FY 2019. The merger would consolidate criminal fraud prosecution resources within the Office of the Attorney General.
4. Delete the transfer of \$1.0 million from the Medicaid Fraud Prosecution Revolving Fund for FY 2019.
5. Add \$50,000, all from the State General Fund, to eliminate the Governor's recommendation to replace State General Fund expenditures in the Consumer Protection Division with Court Cost Fee Fund expenditures for FY 2019.
6. Add \$133,955, including \$51,263 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 32 — Secretary of State

The **agency** requests FY 2018 operating expenditures of \$5.6 million, all from special revenue funds. The request is a decrease of \$37,140, or 0.7 percent, below the agency's

revised FY 2017 estimate. The decrease is attributable to decreased contractual services expenditures for printing, attorneys' fees, and information systems consulting services. There are no State General Fund expenditures in this request.

The agency requests 46.0 FTE positions, the same number as the agency's revised FY 2017 estimate.

The **Governor** recommends FY 2018 operating expenditures of \$5.5 million, all from special revenue funds. The recommendation is an all funds decrease of \$28,395, or 0.5 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$23,256, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$5,139.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$23,256 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 33 — Secretary of State

The **agency** requests FY 2019 operating expenditures of \$5.6 million, all from special revenue funds. The request is an increase of \$718, or less than 0.1 percent, above the agency's FY 2018 request. The increase is attributable to an increase in anticipated salaries and wages expenditures. There are no State General Fund expenditures in this request. The agency requests 46.0 FTE positions, the same number requested in FY 2018.

The **Governor** recommends FY 2019 operating expenditures of \$5.5 million, all from special revenue funds. The recommendation is an all funds decrease of \$32,728, or 0.6 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$32,728 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 34 — Office of the State Treasurer

The **agency** requests \$25.6 million in FY 2018, all from special revenue funds, an increase of \$128,388 or 0.5 percent, above the FY 2017 agency request. The majority of the increase is in salary and wage expenditures (\$42,346) due to employer contributions for group health insurance and public employee retirement and contractual services (\$47,042) due to software contract fees, Office of Information Technology Services (OITS) fees, and centralized cash management services.

The **Governor** recommends FY 2018 operating expenditures of \$25.6 million, all from special revenue funds. The recommendation is an all funds decrease of \$23,810, or 0.1 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$19,501, and to provide a moratorium on agency death and disability employer contribution payments for one quarter, which results in an all funds reduction of \$4,309.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$19,501, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 35 — Office of the State Treasurer

The **agency** requests expenditures of \$152.3 million, all from special revenue funds, in FY 2019. The aid to local units of government increase is \$126.6 million as the City County Revenue Sharing Fund and Local Ad Valorem Tax Reduction Fund are not suspended for FY 2019. The remaining increase is \$76,200, or 0.3 percent, above the FY 2018 agency request. The majority of the increase is in salary and wage costs (\$35,594) due to employer contributions for group health insurance, and public employee retirement and contractual services (\$30,606) due to new electronic banking services and a software licensing fee (\$22,016) for the bond accounting system that occurs every five years.

The **Governor** recommends FY 2019 operating expenditures of \$25.6 million, all from special revenue funds. The recommendation is an all funds decrease of \$126.6 million, or 83.2 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$27,443, and to suspend the Local Ad Valorem Tax Reduction Fund and City County Revenue Sharing fund transfers for FY 2019 reducing agency expenditures by \$126.6 million.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$27,443, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 36 — Kansas Insurance Department

The **agency** requests FY 2018 total expenditures of \$27.8 million, all from special revenue funds. The agency requests \$27.7 million for operational expenditures, all from special revenue funds, for FY 2018. This is an increase of \$650,366, or 2.4 percent, above the agency's 2017 revised estimate. The increase is primarily attributable to an increase in expenditures to pay claims from the Workers' Compensation Fund, based on recent actual expenditures and findings from the actuary for the Insurance Department; payments to physicians, hospitals, and

nursing homes providing services to claimants; expenditures to defend claims against the Workers' Compensation Fund; professional and scientific supplies expenditures; Office of Information Technology (OITS) communications operations services expenditures; payments for accounting, auditing, and actuarial services; computer software rentals expenditures; and employer contributions to KPERS and employee group health insurance. An increase in expenditures is to be distributed to firefighter relief associations, based on recent actual amounts received and passed through, in accordance with the Firefighters Relief Act. This increase is partially offset by a decrease in unclassified salaries and wages, microcomputer and information processing equipment, and computer software maintenance expenditures.

The agency requests \$135,000 for capital improvements, all from special revenue funds, for FY 2018, which is \$10,000, or 6.9 percent, below the agency's 2017 revised estimate.

The budget includes 109.0 FTE positions, which is unchanged from the agency's FY 2017 revised estimate.

The **Governor** recommends FY 2018 operating expenditures of \$30.5 million. The recommendation is an all funds increase of \$2.8 million, or 10.1 percent, above the agency's FY 2018 request. The increase is attributable to the Governor's recommendations to:

- Merge the Office of the Securities Commissioner with the Insurance Department. The Office of Securities Commissioner base FY 2018 budget of \$3.6 million is partially offset by expected savings of \$300,000 within the Office of the Securities Commissioner and \$350,000 in savings within the Insurance Department due to the merger of the agencies. From the anticipated savings of \$650,000, \$400,000 (\$200,000 from each department) will be transferred to the Office of the Attorney General to enhance financial fraud investigations, and \$250,000 will be transferred to the State General Fund. The 30.0 FTE positions from Office of Securities Commissioner will be transferred to the Insurance Department but will remain under the newly created Office of Securities Department program;
- Hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$83,834; and
- Provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$18,526.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$62,984 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.
2. Delete \$2.9 million, all from special revenue funds, and 30.0 FTE positions, to eliminate the merger of the Insurance Department and the Office of Securities Commissioner and to review at Omnibus for FY 2018.

Sec. 37 — Kansas Insurance Department

The **agency** requests FY 2019 total expenditures of \$28.6 million, all from special revenue funds. The agency requests \$28.5 million for operational expenditures, all from special revenue funds, for FY 2019. This is an increase of \$823,060, or 3.0 percent, above the agency's 2018 request. The increase is primarily attributable to an increase in expenditures to pay claims from the Workers' Compensation Fund, based on recent actual expenditures and findings from the actuary for the Insurance Department; expenditures to defend claims against the Workers' Compensation Fund; payments to physicians, hospitals, and nursing homes providing services to claimants; professional and scientific supplies expenditures; OITS communications operations services expenditures; employer contributions to KPERs; employee group health insurance; and other fringe benefits. The increase is partially offset by a decrease in unclassified salaries and wages and information processing equipment expenditures. The budget includes 109.0 FTE positions, which is unchanged from the agency's FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$31.0 million. The recommendation is an all funds increase of \$2.5 million, or 8.8 percent, above the agency's FY 2019 request.

The increase is attributable to the Governor's recommendations to:

- Merge the Office of the Securities Commissioner with the Insurance Department. The Office of Securities Commissioner base FY 2019 budget of \$3.5 million is partially offset by expected savings of \$400,000 within the Office of the Securities Commissioner and \$500,000 of savings within the Insurance Department due to the merger of the agencies. From the anticipated savings of \$900,000, \$400,000 (\$200,000 from each department) will be transferred to the Office of the Attorney General to enhance financial fraud investigations, and \$500,000 will be transferred to the State General Fund. The 30.0 FTE positions from Office of Securities Commissioner will be transferred to the Insurance Department but will remain under the newly created Office of Securities Department program; and
- Hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$144,020.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Delete \$2.6 million, all from special revenue funds, and 30.0 FTE positions, to eliminate the merger of the Insurance Department and the Office of Securities Commissioner and to review at Omnibus for FY 2019.
2. Add \$112,230 to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 38 — Health Care Stabilization Fund Board of Governors

The **agency** requests \$39.7 million, all from special revenue funds, for FY 2018. This is an increase of \$2.4 million, or 6.4 percent, above the FY 2017 estimate. The change from the

FY 2017 revised estimate is primarily due to the agency estimating settlements and jury awards increase based on the recent 8.1 percent five-year average. The request includes 20.0 FTE positions, which is the same number as the FY 2017 revised estimate.

The **Governor** recommends FY 2018 operating expenditures of \$39.7 million, all from special revenue funds. The recommendation is a decrease of \$16,287, or less than 0.1 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$13,339, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$2,948.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$13,339, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 39 — Health Care Stabilization Fund Board of Governors

The **agency** requests \$42.8 million, all from special revenue funds, for FY 2019. This is an increase of \$3.1 million, or 7.7 percent, above the FY 2018 request. The change from the FY 2018 request is primarily due to the agency estimating settlements and jury awards increase based on the recent 8.1 percent five-year average. The request includes 20.0 FTE positions, which is the same number as the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$42.7 million, all from special revenue funds. The recommendation is a decrease of \$19,004, or less than 0.1 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$19,004, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 40 — Pooled Money Investment Board

The **agency** requests \$675,743, all from special revenue funds, for FY 2018, an increase of \$3,456, or 0.5 percent, above the FY 2017 agency estimate. The increase is attributable to a reduction in salaries and wages of \$4,998, or 1.1 percent, from one fewer payroll period in FY 2018. The reduction is offset by an increase in contractual services of \$4,589, or 2.3 percent, due to increased estimated bank fees and travel, offset by the lack of an annual audit in FY 2018. Capital outlay increased by \$3,045, or 41.0 percent, for the replacement of office chairs and software licensing fees.

The **Governor** recommends FY 2018 operating expenditures of \$671,069, all from special revenue funds. The recommendation is an all funds decrease of \$4,674, or 0.7 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$3,828, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$846.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$3,828, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 41 — Pooled Money Investment Board

The **agency** requests \$691,873, all from special revenue funds, for FY 2019. The request is an increase of \$16,130, or 2.4 percent, above the FY 2018 agency request. The increase is attributable to employer contributions for group health insurance (\$1,500) and retirement (\$4,064) costs and the FY 2019 annual audit (\$11,750). The increases are partially offset by the elimination of the proposed capital purchased from FY 2018.

The **Governor** recommends FY 2019 operating expenditures of \$686,485, all from special revenue funds. The recommendation is an all funds decrease of \$5,388, or 0.8 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$5,388, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 42 — Judicial Council

The **agency** requests \$573,233, all from special revenue funds, a decrease of \$4,417, or 0.8 percent, below the FY 2017 agency request. The agency reduced estimated contractual services expenditures by \$13,365, or 11.6 percent, predominantly in publication printing and binding costs. The reduction was offset by an increase of \$8,000 in capital outlay in anticipated computer replacement costs for five computers, pursuant to Office of Information and Technology Services (OITS) guidelines to replace outdated technology every three to five years. The agency last replaced computer central processing units in FY 2013.

The **Governor** recommends FY 2018 operating expenditures of \$568,665, all from special revenue funds. The recommendation is an all funds decrease of \$4,568, or 0.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$3,741, all from special revenue funds, and to provide a moratorium

on agency death and disability payments for one quarter, which results in an all funds reduction of \$827, all from special revenue funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$3,741, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 43 — Judicial Council

The **agency** requests \$589,216, all from special revenue funds, an increase of \$15,983, or 2.8 percent, above the FY 2018 agency request. The agency increased estimated contractual services expenditures by \$15,444, or 15.2 percent, predominantly due to a revised estimate in the printing costs for the PIK Criminal from the Kansas Printing Plant.

The **Governor** recommends FY 2019 operating expenditures of \$583,915, all from special revenue funds. The recommendation is an all funds decrease of \$5,301, or 0.9 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$5,301, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 44 — Board of Indigents' Defense Services

The **agency** requests operating expenditures for FY 2018 of \$28.3 million, including \$27.7 million from the State General Fund. The request is an all funds increase of \$73,090, or 0.3 percent, and a State General Fund increase of \$75,783, or 0.3 percent, above the FY 2017 agency's revised estimate. The increase is largely due to two supplemental requests totaling \$1.5 million for capital state habeas proceedings counsel and additional Investigator Staff II positions.

The **Governor** recommends FY 2018 operating expenditures of \$27.2 million, including \$26.5 million from the State General Fund. The recommendation is an all funds decrease of \$1.2 million, or 4.2 percent, and a State General Fund decrease of \$1.2 million, or 4.3 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to not adopt \$1.5 million in enhancement requests; appropriate \$458,796 in assigned counsel expenditures to reflect Fall 2016 caseloads projections; hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$102,579, all from the State General Fund; and provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$22,668, all from the State General Fund. The Governor also recommends maintaining the agency's transfer

authority through FY 2018 for State General Fund accounts to give the agency flexibility to meet ongoing obligations.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$102,579, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 45 — Board of Indigents' Defense Services

The **agency** requests operating expenditures for FY 2019 of \$28.8 million, including \$28.2 million from the State General Fund. The request is an increase of \$413,826, or 1.5 percent, all from the State General Fund, above the FY 2018 agency request. The increase is largely due to two supplemental requests totaling \$1.9 million for capital state habeas proceedings counsel and additional Investigator Staff II positions.

The **Governor** recommends FY 2019 operating expenditures of \$28.1 million, including \$27.5 million from the State General Fund. The recommendation is an all funds and State General Fund decrease of \$661,246, or 2.3 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to not adopt \$1.8 million in enhancement requests; appropriate \$1.3 million in assigned counsel expenditures to reflect Fall 2016 caseloads projections; and hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$144,456, all from the State General Fund. The Governor also recommends maintaining the agency's transfer authority through FY 2019 for State General Fund accounts to give the agency flexibility to meet ongoing obligations.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$144,456, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 46 — Judicial Branch

The **agency** requests \$157.1 million, including \$122.5 million from the State General Fund, for FY 2018. This is an all funds increase of \$21.3 million, or 15.7 percent, and a State General Fund increase of \$17.2 million, or 16.3 percent, above the revised FY 2017 estimate. The all funds increase is attributable to enhancement requests (\$22.2 million), including \$402,788 for capital improvements.

The **Governor** recommends FY 2018 operating expenditures of \$156.0 million, including \$121.6 million from the State General Fund. The recommendation is an all funds decrease of \$1.1 million, or 0.7 percent, and a State General Fund decrease of \$884,686, or 0.7 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$841,034, including \$701,388 from the State General Fund, and to

provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$219,676, including \$183,298 from the State General Fund. The Governor also concurs with the agency's capital improvements request of \$402,778.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Delete \$7.4 million, all from the State General Fund, for an enhancement request for judicial salary increases for FY 2018 and review at Omnibus.
2. Delete \$12.9 million, including \$12.8 million from the State General Fund, for an enhancement request for judicial employee salary and benefits increases for FY 2018 and review at Omnibus.
3. Delete \$840,558, all from the State General Fund, for an enhancement request for filling 20 vacant positions for workplace projections and the implementation of 2016 SB 367 for FY 2018, and review at Omnibus.
4. Delete \$711,536, all from the State General Fund, and 10.0 FTE positions for an enhancement request for creating eight judge positions and two staff positions for FY 2018, and review at Omnibus.
5. Delete \$402,778, all from the State General Fund, for an enhancement request for the construction of two Court of Appeals judicial suites for FY 2018 and review at Omnibus.
6. Add \$200,000, all from the Permanent Families Account, to continue transfers from the Kansas Endowment for Youth Fund, supporting Court Appointed Special Advocate programs for FY 2018.
7. Add \$841,034, including \$701,388 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 47 — Judicial Branch

The **agency** requests \$156.9 million, including \$123.3 million from the State General Fund, for FY 2019. This is an all funds decrease of \$187,742, or 0.1 percent, but a State General Fund increase of \$731,053, or 0.6 percent, above the FY 2018 agency request. The all funds decrease is attributable to a \$2.5 million decrease in expenditures for furniture, fixtures, and equipment and is offset by an increase in expenditures on pay for unclassified regular employees (\$1.3 million). The agency also requests enhancement requests (\$22.0 million).

The **Governor** recommends FY 2019 operating expenditures of \$155.8 million, including \$122.3 million from the State General Fund. The recommendation is an all funds decrease of \$1.1 million, or 0.7 percent, and a State General Fund decrease of \$921,382, or 0.7 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$200,000, all from the Permanent Families Account, to continue transfers from the Kansas Endowment for Youth Fund, supporting Court Appointed Special Advocate programs for FY 2019.
2. Delete \$7.4 million, all from the State General Fund, for an enhancement request for judicial salary increases for FY 2019 and review at Omnibus for FY 2019.
3. Delete \$13.0 million, including \$12.9 million from the State General Fund, to review an enhancement request for judicial employee salary and benefits increases for FY 2019 and review at Omnibus.
4. Delete \$908,506, all from the State General Fund, to review an enhancement request for filling 20 vacant positions for workplace projections and the implementation of 2016 SB 367 for FY 2019 and review at Omnibus.
5. Delete \$721,344, all from the State General Fund, and 10.0 FTE positions to review an enhancement request for creating eight judge positions and two staff positions for FY 2019 and review at Omnibus.
6. Add \$1.1 million, including \$921,382 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 48 — Kansas Public Employees Retirement System

The **agency** requests FY 2018 operating expenditures of \$46.6 million, all from special revenue funds. The request is an increase of \$1.5 million, or 3.4 percent, above the FY 2017 revised estimate. The increase is attributable to increased salary and wage expenditures as a result of the 27th pay period in FY 2017 and increased contractual service expenditures, specifically investment management fees.

The **Governor** recommends FY 2018 operating expenditures of \$46.5 million, all from special revenue funds. The recommendation is a decrease of \$102,423, or 0.2 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in a reduction of \$83,886, all from special revenue funds, and to provide a moratorium on agency death and disability employer contributions payments for one quarter, which results in an all funds reduction of \$18,537, all from special revenue funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$83,886, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 49 — Kansas Public Employees Retirement System

The **agency** requests FY 2019 operating expenditures of \$48.2 million, all from special revenue funds. The request is an increase of \$1.5 million, or 3.3 percent, above FY 2018 agency request. The increase is primarily attributable to increased salary and wage expenditures, specifically employer KPERS contributions, and increased contractual service expenditures, specifically investment manager fees.

The **Governor** recommends FY 2019 operating expenditures of \$48.0 million, all from special revenue funds. The recommendation is a decrease of \$154,265, or 0.3 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$154,265, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 50 — Kansas Human Rights Commission

The **agency** requests \$1.5 million for FY 2018 expenditures, including \$1.1 million from the State General Fund. This is an all funds increase of \$68,821, or 4.9 percent, including a State General Fund decrease of \$7,496, or 0.7 percent, from the FY 2017 revised estimate. The all funds increase is primarily attributable to the agency's enhancement request, the reduction in shrinkage that corresponds with it, increased employer contributions to KPERS, and increased expenditures for computer equipment. The agency included one enhancement request totaling \$20,819, all from the State General Fund, to partially fund a Special Investigator II position (\$53,687). The agency requests 23.0 FTE positions, which is the same as the FY 2017 revised estimate.

The **Governor** recommends FY 2018 operating expenditures of \$1.4 million, including \$1.0 million from the State General Fund. The recommendation is an all funds decrease of \$30,422, or 2.1 percent, including a State General Fund decrease of \$26,635, or 2.5 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$7,865, including \$4,763 from the State General Fund; provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$1,738, including \$1,053 from the State General Fund; and not adopt the agency's enhancement request of \$20,819, all from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$7,865, including \$4,763 from State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 51 — Kansas Human Rights Commission

The **agency** requests \$1.5 million for FY 2019 expenditures, including \$1.1 million from the State General Fund. This is an all funds increase of \$25,523, or 1.7 percent, including a State General Fund increase of \$7,635, or 0.7 percent, above the FY 2018 request. The all funds increase is primarily attributable to increased employer contributions to KPERS and employee health insurance and increased expenditures for contractual services, offset by reduced expenditures for capital outlay. The agency's request includes one enhancement request totaling \$20,940, all from the State General Fund, to partially fund a Special Investigator II position (\$54,496). The agency requests 23.0 FTE positions, which is the same as the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$1.5 million, including \$1.0 million from the State General Fund. The recommendation is an all funds decrease of \$32,078, or 2.1 percent, including a State General Fund decrease of \$27,580, or 2.6 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$11,138, including \$6,640 from the State General Fund, and to not adopt the agency's enhancement request of \$20,940, all from the State General Fund

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$11,138, including \$6,640 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 52 — Kansas Corporation Commission

The **agency** requests FY 2018 expenditures of \$22.6 million, all from special revenue funds. This request is a decrease of \$127,042, or 0.6 percent, below the FY 2017 estimate. The decrease is largely attributable to decreases in federal funds due to not knowing which grants will be awarded, offset in part by capital outlay increases for information technology replacements in accordance with the agency's information technology plan.

The **Governor** recommends FY 2018 operating expenditures of \$22.4 million, all from special revenue funds. The recommendation is a decrease of \$152,641, or 0.7 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$125,015, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in a reduction of \$27,626.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$125,015, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 53 — Kansas Corporation Commission

The **agency** requests FY 2019 expenditures of \$22.9 million, all from special revenue funds. This request is an increase of \$294,307, or 1.3 percent, above the FY 2018 request. The increase is attributable to employer contributions to fringe benefits and supporting and integrating the Risk-Based Database Management System into the Kansas Online Automated Reporting System, offset in part by decreases in information technology equipment replacements and software.

The **Governor** recommends FY 2019 operating expenditures of \$22.7 million, all from special revenue funds. The recommendation is a decrease of \$177,733, or 0.8 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$177,733, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 54 — Citizens' Utility Ratepayer Board

The **agency** requests FY 2018 expenditures of \$960,147, all from special revenue funds. This request is a decrease of \$15,066, or 1.5 percent, below the FY 2017 estimate. This decrease is largely attributable to the fact that carry-forward expenditures for consulting fees exist in the FY 2017 budget but the carry-forward amount, if any, is unknown at this time for the FY 2018 budget.

The **Governor** recommends FY 2018 expenditures of \$954,806, all from special revenue funds. This recommendation is a decrease of \$5,341, or 0.6 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in a reduction of \$4,374, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in a reduction of \$967.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$4,374, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 55 — Citizens' Utility Ratepayer Board

The **agency** requests FY 2019 expenditures of \$977,671, all from special revenue funds. This request is an increase of \$17,524, or 1.8 percent, above the FY 2018 request. The increase is primarily attributable to software licensing.

The **Governor** recommends FY 2019 expenditures of \$971,515, all from special revenue funds. This recommendation is a decrease of \$6,156, or 0.6 percent, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$6,156, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 56 — Department of Administration

The **agency** requests \$210.1 million, including \$154.4 million from the State General Fund, which is an all funds increase of \$31.8 million, or 17.9 percent, and a State General Fund increase of \$30.9 million, or 25.1 percent, above the FY 2017 agency request for operating and capital improvements. The increase is attributable to:

- \$19.4 million in an enhancement request to demolish the Docking State Office Building and replace with a new Energy Service Center; and
- \$11.7 million in increased debt service expenditures, the majority of which is attributable to the National Bio and Agro-Defense Facility (NBAF) (\$7.2 million), KPERS Bonds Debt Service (\$1.8 million), and the University of Kansas Medical Education Building (\$775,000).

The agency requests 308.8 positions, including both FTE and non-FTE positions, the same as the FY 2017 agency request.

The agency operating budget request is \$146.6 million, including \$103.0 million from the State General Fund, which is an all funds increase of \$1.2 million, or 0.8 percent, and a State General Fund increase of \$1.8 million, or 1.8 percent, above the FY 2017 agency request.

The **Governor** recommends FY 2018 expenditures of \$188.7 million, including \$130.1 million from the State General Fund, for operating and capital improvements. The recommendation is an all funds decrease of \$21.5 million, or 10.2 percent, and a State General Fund decrease of \$24.3 million, or 15.8 percent, below the agency's FY 2018 request.

The decrease is mainly attributable to the Governor's recommendation to:

- Hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$56,104, including \$39,827 from the State General Fund;
- Provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$12,623, including \$9,025 from the State General Fund;

- Delete \$1.0 million, all from the State General Fund, in additional contractual services for the SHARP systems upgrade and fund the expenditures from the off-budget Accounting Services Recovery Fund;
- Delete \$2.6 million, all from the State General Fund, for KPERS Bonds Debt Service and add the same amount from the Expanded Lottery Act Revenues Fund;
- Delete \$19.4 million, all from the State General Fund, for demolition of the Docking State Office Building and construction of the new Energy Service Center;
- Delete \$1.3 million, all from the State General Fund, for enhancement requests for rehabilitation and repair; and
- Add \$274,011, all from federal funds, for a technical adjustment for federal flood control funding.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$55,821, including \$39,827 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 57 — Department of Administration

The **agency** requests \$191.4 million, including \$135.7 million from the State General Fund, which is an all funds reduction of \$18.7 million, or 8.9 percent, and a State General Fund reduction of \$18.8 million, or 12.1 percent, below the FY 2018 agency request for operating and capital improvements. The reduction is attributable to:

- Expenditures to demolish the Docking State Office Building and construct the Energy Service Center are \$5.3 million in FY 2018, a reduction of \$14.1 million; and
- KDOT Comprehensive Transportation Plan Debt Service is complete in FY 2017, reducing debt service payments from the State General Fund by \$10.4 million.

The reductions are partially offset by \$5.7 million in increased non-KDOT debt service expenditures, the majority of which is attributable to Debt Service Refunding (\$5.6 million). Included in these debt service refundings are the Statehouse, Adjutant General, and Regents projects.

The agency requests 308.8 positions, including both FTE and non-FTE positions, the same as the FY 2018 agency request.

The agency operating budget request is \$146.6 million, including \$103.0 million from the State General Fund, which is an all funds increase of \$1.2 million, or 0.8 percent, and a State General Fund increase of \$1.8 million, or 1.8 percent, above the FY 2018 agency request.

The **Governor** recommends FY 2019 expenditures of \$184.0 million, including \$125.4 million from the State General Fund, for operating and capital improvements. The recommendation is an all funds decrease of \$7.4 million, or 3.9 percent, and a State General Fund decrease of \$10.3 million, or 7.6 percent, below the agency's FY 2019 request.

The decrease is mainly attributable to the Governor's recommendation to:

- Hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$79,592, including \$56,982 from the State General Fund;
- Delete \$1.0 million, all from the State General Fund, in additional contractual services for the SHARP systems upgrade and fund the expenditures from the off-budget Accounting Services Recovery Fund;
- Delete \$2.6 million, all from the State General Fund, for KPERS Bonds Debt Service and add the same amount from the Expanded Lottery Act Revenues Fund;
- Delete \$5.3 million, all from the State General Fund, for demolition of the Docking State Office Building and construction of the new Energy Service Center;
- Delete \$1.3 million, all from the State General Fund, for enhancement requests for rehabilitation and repair; and
- Add \$274,011, all from federal funds, for a technical adjustment for federal flood control funding.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$79,592, including \$56,982 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 58 — Office of Information and Technology Services

The **agency** requests \$44.5 million, including \$280,000 from the State General Fund, for FY 2018. This is an increase of \$4.6 million, or 11.4 percent, above the FY 2017 revised estimate. The increase is attributable to a \$5.0 million enhancement request for cybersecurity. The increase is partially offset by a reduction of \$264,229 in salaries and wages due to only 27 payroll periods and the elimination of 4.0 FTE positions in Administration and Cloud Computing. The increase also is offset by a reduction of \$93,179 for networking equipment in the Networking and Telecommunications program.

The **Governor** recommends FY 2018 operating expenditures of \$39.1 million, all from special revenue funds. The recommendation is an all funds decrease of \$5.4 million, or 12.0 percent, and a State General Fund decrease of \$280,000, or 100.0 percent, below the agency's FY 2018 request.

The decrease is attributable to the Governor's recommendation to:

- Hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$78,968, all from special revenue funds;
- Provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$63.
- A reduction of \$280,000, all from the State General Fund, to not fund the enhancement request for the GIS program; and
- A reduction of \$5.0 million, all from special revenue funds, to not implement the enhancement request for a new Cybersecurity program for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$283, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 59 — Office of Information and Technology Services

The **agency** requests \$44.5 million, including \$280,000 from the State General Fund, for FY 2019. This is a reduction of \$25,462, or 0.1 percent, below the FY 2018 agency request. The change is attributable to a reduction of \$62,280 in consulting service costs and \$15,000 in capital outlay for a vehicle replacement in the professional services program. The reductions are offset by an increase of \$52,998 in salaries and wages, predominantly for employer contributions for retirement.

The **Governor** recommends FY 2019 operating expenditures of \$39.1 million, all from special revenue funds. The recommendation is an all funds decrease of \$5.4 million, or 12.1 percent, and a State General Fund decrease of \$280,000, or 100.0 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to:

- Hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$89,950, all from special revenue funds;
- A reduction of \$280,000, all from the State General Fund, to not fund the enhancement request for the GIS program; and

- A reduction of \$5.0 million, all from special revenue funds, to not fund the enhancement request for a new Cybersecurity program for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 60 — Office of Administrative Hearings

The **agency** requests FY 2018 operating expenditures of \$980,758, all from the Administrative Hearings Office Fund. The request is a decrease of \$101,050, or 9.3 percent, below the revised FY 2017 estimate. The decrease is primarily attributable to a one-time supplemental increase in FY 2017 resulting from the development of computer database improvements and an online public web portal to facilitate the electronic filing of hearing documents, per legislation enacted by an amendment to KSA 77-531.

The **Governor** recommends FY 2018 operating expenditures of \$972,953. The recommendation is an all funds decrease of \$7,805, or 0.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$6,392, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$1,413.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 61 — Office of Administrative Hearings

The **agency** requests FY 2019 operating expenditures of \$980,758, all from the Administrative Hearings Office Fund. The request is unchanged from the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$972,521. The recommendation is an all funds decrease of \$8,237, or 0.8 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 62 — State Board of Tax Appeals

The **agency** requests FY 2018 operating expenditures of \$1.8 million, including \$774,399 from the State General Fund. The request is an all funds decrease of \$28,142, or 1.5 percent, below the FY 2017 revised estimate. The all funds decrease is primarily attributable to reduced salary and wage expenditures, namely as a result of the 27th pay period that occurs in FY 2017. The request is a State General Fund increase of \$11,613, or 1.5 percent, above the FY 2017 revised estimate. The State General Fund increase occurs as a result of the agency reducing special revenue fund expenditures.

The **Governor** recommends FY 2018 operating expenditures of \$1.8 million, including \$767,715 from the State General Fund. The recommendation is an all funds decrease of \$14,843, or 0.8 percent, and a State General Fund decrease of \$6,684, or 0.9 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$12,157, including \$5,474 from the State General Fund, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$2,686, including \$1,210 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$12,157, including \$5,474 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 63 — State Board of Tax Appeals

The **agency** requests FY 2019 operating expenditures of \$1.8 million, including \$780,425 from the State General Fund. The request is an all funds increase of \$22,678, or 1.2 percent, and a State General Fund increase of \$6,026, or 0.8 percent, above FY 2018 agency request. The increase is primarily attributable to increased salary and wage expenditures, specifically employer group health insurance and KPERs contributions.

The **Governor** recommends FY 2019 operating expenditures of \$1.8 million, including \$772,724 from the State General Fund. The recommendation is an all funds decrease of \$17,113, or 0.9 percent, and a State General Fund decrease of \$7,701, or 1.0 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$17,113, including \$7,701 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 64 — Kansas Department of Revenue

The **agency** requests FY 2018 operating expenditures of \$91.7 million, including \$15.3 million from the State General Fund. The request is an all funds decrease of \$4.0 million, or 4.2 percent, and a State General Fund decrease of \$1.6 million, or 9.5 percent, below the FY 2017 revised estimate. The all funds and State General Fund decreases are primarily attributable to reduced contractual service expenditures, specifically in the Division of Motor Vehicles, in addition to reduced salary and wage expenditures.

The **Governor** recommends FY 2018 operating expenditures of \$89.0 million, including \$15.2 million from the State General Fund. The recommendation is an all funds decrease of \$2.7 million, or 2.9 percent, and a State General Fund decrease of \$104,169, or 0.7 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$415,659, including \$85,310 from the State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in an all funds reduction of \$91,856, including \$18,859 from the State General Fund. Additionally, the Governor recommends transferring roughly \$2.2 million, all from the Division of Vehicles Operating Fund, to the State General Fund and reducing expenditures accordingly. The Governor also recommends the reduction of 142.0 FTE positions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$415,659, including \$85,310 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 65 — Kansas Department of Revenue

The **agency** requests FY 2019 operating expenditures of \$92.0 million, including \$15.5 million from the State General Fund. The request is an all funds increase of \$407,359, or 0.4 percent, and a State General Fund increase of \$138,135, or 0.9 percent, above FY 2018 agency request. The increases are primarily attributable to increased salary and wage expenditures, specifically employer KPERS contributions, partially offset by reduced contractual service expenditures.

The **Governor** recommends FY 2019 operating expenditures of \$89.3 million, including \$15.3 million from the State General Fund. The recommendation is an all funds decrease of \$2.8 million, or 3.0 percent, and a State General Fund decrease of \$127,580, or 0.8 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$606,475, including \$127,580 from the State General Fund. Additionally, the Governor recommends transferring roughly \$2.2 million, all from the Division of Vehicles Operating Fund, to the State General Fund and reducing expenditures accordingly. The Governor also recommends the reduction of 142.0 FTE positions.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$606,475, including \$127,580 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 66 — Kansas Lottery

The **agency** requests FY 2018 expenditures of \$395.0 million, all from special revenue funds. The request is an increase of \$30.8 million, or 8.5 percent, above the revised FY 2017 estimate. The request includes increased salaries and wages expenditures for employer contributions to KPERS and group health insurance, aid to local units of government, and other assistance, specifically distributions from the Lottery Prize Fund. The increase is overwhelming driven by increased contractual services expenditures, namely casino management fees.

The **Governor** recommends FY 2018 operating expenditures of \$383.5 million, all from special revenue funds. The recommendation is an all funds decrease of \$11.5 million, or 2.9 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$54,857; provide a moratorium on agency death and disability payments for one quarter, which results in a reduction of \$12,342; a decrease of \$10.6 million in payments to lottery gaming facility managers and local units of government as a result of revised gaming revenue consensus estimates that were agreed to after the agency had submitted its budget; and a decrease of \$804,397 and 10.0 FTE positions to reduce agency shrinkage and the number of vacant positions. Additionally, the Governor recommends increasing the transfer from this agency to the State Gaming Revenues Fund by \$1.0 million to \$79.2 million for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$804,397, all from special revenue funds, and 10.0 FTE positions, to maintain agency staffing for FY 2018.
2. Add \$54,857, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 67 — Kansas Lottery

The **agency** requests FY 2019 expenditures of \$400.6 million, all from special revenue funds. The request is an increase of \$5.5 million, or 1.4 percent, above the FY 2018 request. The request includes increased salaries and wages expenditures for increased employer contributions to KPERS, aid to local units of government, and other assistance, specifically distributions from the Lottery Prize Fund. The increase is overwhelming driven by increased contractual services expenditures, namely casino management fees.

The **Governor** recommends FY 2019 operating expenditures of \$387.3 million, all from special revenue funds. The recommendation is a decrease of \$13.3 million, or 3.3 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$89,529; a decrease of \$12.4 million in payments to lottery gaming facility managers and local units of government as a result of revised gaming revenue consensus estimates that were agreed to after the agency had submitted its budget; and a decrease of \$823,367 and 10.0 FTE positions to reduce agency shrinkage and the number of vacant positions. Additionally, the Governor recommends increasing the transfer from this agency to the State Gaming Revenues Fund by \$1.0 million to \$79.7 million for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$823,367, all from special revenue funds, and 10.0 FTE positions, to maintain agency staffing for FY 2019.

2. Add \$89,529, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 68 — Kansas Racing and Gaming Commission

The **agency** requests FY 2018 operating expenditures of \$9.0 million, all from special revenue funds. The request is an increase of \$73,537, or 0.8 percent, above the agency's revised FY 2017 request. The increase is attributable to increased salary and wage expenditures, partially offset by reduced capital outlay expenditures.

The **Governor** recommends FY 2018 operating expenditures of \$8.9 million, all from special revenue funds. The recommendation is a decrease of \$72,725, or 0.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$59,561, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$13,164.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$59,561, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 69 — Kansas Racing and Gaming Commission

The **agency** requests FY 2019 operating expenditures of \$9.1 million, all from special revenue funds. The request is an increase of \$103,592, or 1.2 percent, above the FY 2018 request. The increase is primarily attributable to increased salary and wage expenditures, specifically employer KPERs contributions.

The **Governor** recommends FY 2019 operating expenditures of \$9.0 million, all from special revenue funds. The recommendation is a decrease of \$83,986, or 0.9 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$83,986, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 70 — Kansas Department of Commerce

The **agency** requests FY 2018 operating expenditures of \$97.6 million, including \$2.8 million from the State General Fund and \$11.3 million from the Economic Development Initiatives Fund. The estimate is an all funds reduction of \$383,354, or 0.4 percent, below the FY 2017 revised estimate. The State General Fund estimate is a reduction of \$3.8 million, or 57.4 percent, below the FY 2017 revised estimate, largely due to a decrease in the funding needed for the Kansas Bioscience Authority commitments that transferred to the Department of Commerce in FY 2017. The EDIF estimate decreases by \$2.0 million, or 15.1 percent, from the FY 2017 revised estimate, mostly attributable to a reduced request for the agency operating grant, offset partially by a request for increased funding for the Rural Opportunity Zone (ROZ) program.

The agency requests capital improvement expenditures of \$210,000, all from special revenue funds, an increase of \$10,000 above the FY 2017 agency request.

The budget includes 117.1 FTE positions and 160.1 non-FTE unclassified positions, the same as the FY 2017 revised estimate.

The **Governor** recommends FY 2018 operating expenditures of \$97.0 million, including \$2.8 million from the State General Fund and \$10.9 million from the Economic Development Initiatives Fund. The recommendation is an all funds decrease of \$547,298, or 0.6 percent, including an EDIF decrease of \$417,025, or 3.7 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to:

- Reduce the EDIF agency operating grant by \$375,000 to partially fund the agency's enhancement request to increase the ROZ funding for FY 2018;
- Hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$140,877, including \$34,306 from the EDIF; and
- Provide a moratorium on employer contributions for death and disability for one quarter, which results in a reduction of \$31,421, including \$7,719 from the EDIF.

The recommendation includes funding for the agency's enhancement request to provide an additional \$750,000 for the ROZ program, including \$375,000 from the EDIF for the state share and \$375,000 from the Reimbursement and Recovery Fund for the county share for additional student loan forgiveness payments within the ROZ program.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$140,877, including \$34,306 from the Economic Development Initiatives Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018

Sec. 71 — Kansas Department of Commerce

The **agency** requests FY 2019 operating expenditures of \$95.6 million, including \$557,000 from the State General Fund and \$11.7 million from the Economic Development Initiatives Fund. The estimate is an all funds reduction of \$2.0 million, or 2.0 percent, below the FY 2018 request. The State General Fund estimate is a reduction of \$2.2 million, or 80.1 percent, below the FY 2018 request, largely due to a continued decrease in the funding needed for the Kansas Bioscience Authority commitments that transferred to the Department of Commerce in FY 2017. The EDIF estimate increases by \$430,000, or 3.3 percent, above the FY 2018 request, mostly attributable to an increased request for the ROZ program. The budget includes 117.1 FTE positions and 160.1 non-FTE unclassified positions, the same as the FY 2017 revised estimate.

The **Governor** recommends FY 2019 operating expenditures of \$94.8 million, including \$557,000 from the State General Fund and \$10.9 million from the Economic Development Initiatives Fund. The recommendation is an all funds decrease of \$1.0 million, or 1.1 percent, including an EDIF decrease of \$855,581, or 7.3 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to:

- Reduce by \$18.7 million to \$3.5 million the planned transfer of approximately \$22.2 million from income tax withholdings to the Job Creation Program Fund (JCPF) for FY 2019;
- Reduce the EDIF agency operating grant by \$805,000 to partially fund the agency's enhancement request to increase the ROZ funding; and
- Hold KPERS contributions at the FY 2016 level, which results in a reduction of \$203,206, including \$50,581 from the EDIF, for FY 2019.

The recommendation includes funding for the agency's enhancement request to provide an additional \$1.6 million for the ROZ program, including \$805,000 from the EDIF for the state share and \$805,000 from the Reimbursement and Recovery Fund for the county share for additional student loan forgiveness payments within the ROZ program.

The reduction in the planned transfer to the Job Creation Program Fund results in the estimated balance in the fund of \$2.6 million at the end of FY 2019. The planned transfer amount of \$22.2 million is due to the statute reverting back to the original language in KSA 74-50,107 that requires the JCPF to receive 2.0 percent of withholding after IMPACT debt service payments are made and a process that requires the Secretary of Revenue to certify an amount to the JCPF based on the net savings from certain eliminated tax credits compared to the expense deduction.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$203,206, including \$50,581 from the Economic Development Initiatives Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 72 — Kansas Housing Resources Corporation

The **Governor** recommends appropriating the State Housing Trust Fund for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 73 — Kansas Housing Resources Corporation

The **Governor** recommends appropriating the State Housing Trust Fund for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 74 — Kansas Department of Labor

The **agency** requests FY 2018 operating expenditures totaling \$246.5 million, including \$302,592 from the State General Fund. The request is an all funds decrease of \$13.2 million, or 5.1 percent, below the revised FY 2017 estimate and an increase of \$2,505, or 0.8 percent, in State General funds above the revised FY 2017 estimate. The all funds decrease is primarily attributable to a decrease in projected unemployment insurance benefit payments, salaries and benefits, and contractual services. The request includes 189.4 FTE positions, which is unchanged from the revised FY 2017 estimate. The request includes 208.3 non-FTE unclassified permanent positions, which is unchanged from the FY 2017 revised estimate.

The **Governor** recommends FY 2018 operating expenditures of \$246.3 million, including \$300,304 from the State General Fund. The recommendation is an all funds decrease of \$251,434, or 0.1 percent, and a State General Fund decrease of \$2,288, or 0.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$205,928, including \$1,874 from the State General Fund, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$45,506, including \$414 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$205,928, including \$1,874 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 75 — Kansas Department of Labor

The **agency** requests revised FY 2019 operating expenditures totaling \$246.7 million, including \$304,183 from the State General Fund. The request is an all funds increase of

\$192,196, or 0.1 percent, and a State General Fund increase of \$1,591, or 0.5 percent, above the FY 2018 request. The all funds increase is primarily attributable to an increase in fringe benefits, federal entitlements, and projected unemployment insurance benefit payments, partially offset by a decrease in expenditures due to the completion of the workers' compensation digitization project in FY 2019. The request includes 189.4 FTE positions, which is unchanged from the FY 2018 request. The request includes 208.3 non-FTE unclassified permanent positions, which is unchanged from the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$246.4 million, including \$301,726 from the State General Fund. The recommendation is an all funds decrease of \$274,607, or 0.1 percent, and a State General Fund decrease of \$2,457, or 0.8 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$274,607, including \$2,457 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 76 — Kansas Commission on Veterans' Affairs Office

The **agency** submits a revised estimate of \$24.9 million, including \$6.9 million from the State General Fund, for operating expenditures and capital improvements in FY 2017. Of this amount, the agency submits a revised estimate of \$21.7 million, including \$6.8 million from the State General Fund, for operating expenditures in FY 2017. This is an all funds increase of \$205,228, or 1.0 percent, and a State General Fund increase of \$36,087, or 0.5 percent, above the amount approved by the 2016 Legislature. The all funds increase is primarily attributable to an increase in commodities expenditures, partially offset by a decrease in contractual services, capital outlay, and salaries and wages expenditures. The agency's revised estimate includes the agency's supplemental requests for additional funding for pharmaceuticals at the Kansas Veterans' Home and replacement of funding due to scratch lotto proceeds coming in higher than estimated. The revised estimate includes 368.0 FTE positions, which is the same number approved by the 2016 Legislature.

The **Governor** recommends \$24.8 million, including \$6.8 million from the State General Fund, for operating expenditures and capital improvements in FY 2017. Of this amount, the Governor recommends operating expenditures of \$21.7 million, including \$6.8 million from the State General Fund, in FY 2017. This is an all funds decrease of \$43,732, or 0.2 percent, and a State General Fund decrease of \$9,811, or 0.1 percent, below the agency's revised FY 2017 estimate. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2017

1. Add language to convert the following limited funds to no limit funds in FY 2017:

Federal Long Term Care Per Diem Fund, Federal Domiciliary Per Diem Fund, Kansas Soldiers' Home Fee Fund, and Kansas Veterans' Home Fee Fund.

Sec. 77 — Kansas Commission on Veterans' Affairs Office

The **agency** requests \$21.6 million, including \$6.7 million from the State General Fund, for operating expenditures for FY 2018. This is an all funds decrease of \$111,313, or 0.5 percent, and a State General Fund decrease of \$113,883, or 1.7 percent, below the FY 2017 revised estimate. The all funds decrease is primarily attributable to a decrease in salaries and wages expenditures, partially offset by an increase in commodities expenditures. The agency's revised estimate includes the agency's supplemental request for additional funding for pharmaceuticals for veterans at the Kansas Veterans' Home. The decrease is primarily attributable to a decrease in salaries and wages, partially offset by an increase in commodities expenditures. The request includes 368.0 FTE positions and 6.0 non-FTE positions for FY 2018. This is the same number as the revised FY 2017 estimate.

The **Governor** recommends operating expenditures of \$21.4 million, including \$6.4 million from the State General Fund, for FY 2018. This is an all funds decrease of \$162,024, or 0.7 percent, and a State General Fund decrease of \$333,963, or 5.0 percent, below the agency's FY 2018 request. The all funds decrease is primarily attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$132,700, including \$27,816 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$29,324, including \$6,147 from the State General Fund. The additional State General Fund decrease is attributable to the Governor's recommendation for the agency to reduce State General Fund expenditures by \$300,000 for FY 2018 and replace State General Fund expenditures with funding from special revenue funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$132,700, including \$27,816 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 78 — Kansas Commission on Veterans' Affairs Office

The **agency** requests \$22.1 million, including \$6.8 million from the State General Fund, for operating expenditures for FY 2019. This is an all funds increase of \$529,284, or 2.4 percent, and a State General Fund increase of \$83,846, or 1.2 percent, above the FY 2018 request. The all funds increase is primarily attributable to an increase in salaries and wages, commodities, and capital outlay expenditures. The agency's request includes the agency's supplemental request for additional funding for pharmaceuticals for veterans at the Kansas Veterans' Home. The request includes 368.0 FTE positions and 6.0 non-FTE positions, which is the same number as the FY 2018 request.

The **Governor** recommends operating expenditures of \$21.9 million, including \$6.5 million from the State General Fund, for FY 2019. This is an all funds decrease of \$195,399, or

0.9 percent, and a State General Fund decrease of \$339,658, or 5.0 percent, below the agency's FY 2019 request. The all funds decrease partially attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which is an all funds decrease of \$195,399, including a State General Fund decrease of \$39,658 from the State General Fund, for FY 2019. The remaining State General Fund decrease is attributable to the Governor's recommendation to reduce expenditures from the State General Fund by \$300,000 for FY 2019 and replace State General Fund expenditures with funding from special revenue funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$195,399, including \$39,658 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 79 — Kansas Department of Health and Environment - Public Health

The **agency** requests FY 2018 operating expenditures of \$167.3 million, including \$21.4 million from the State General Fund, for the Health function, a decrease of \$2.9 million, or 1.7 percent, below the FY 2017 revised estimate. The decrease is seen over several categories, primarily in professional fees in the contractual services category in the Public Health program.

The **Governor** recommends FY 2018 operating expenditures of \$166.8 million, including \$28.0 million from the State General Fund. The recommendation is an all funds decrease of \$536,812, or 0.3 percent, and a State General Fund increase of \$6.6 million, or 31.0 percent, from the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and provide a moratorium on employer contributions for death and disability for one quarter. In addition, the Governor recommends the agency reduce State General Fund expenditures for building rent fees in contractual services in the Administration program and reduce resources in the Immunization Program and AIDS Drug Assistance Program in the Public Health program. The State General Fund increase is due to the replacement of Children's Initiatives Fund moneys that will no longer be available due to the Governor's recommendation to securitize the tobacco settlement proceeds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$7.0 million, all from the Children's Initiatives Fund, and delete \$7.0 million, all from the State General Fund, for FY 2018 to restore the previous funding method for Healthy Start, the Infants and Toddlers Program, Smoking Cessation, Newborn Hearing Aid Loaner Program, and the SIDS Network Grant.

2. Add \$500,000, all from the State General Fund, for safety net clinics in FY 2018.

3. Add \$223,594, including \$27,706 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for

Sec. 80 — Kansas Department of Health and Environment - Public Health

The **agency** requests FY 2019 operating expenditures of \$166.9 million, including \$21.5 million from the State General Fund, for the Health function, a decrease of \$450,975, or 0.3 percent, below the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$166.3 million, including \$28.1 million from the State General Fund. This is an all funds decrease of \$558,504, or 0.3 percent, and a State General Fund increase of \$6.6 million, or 30.9 percent, from the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and provide a moratorium on employer contributions for death and disability for one quarter.

In addition, the Governor recommends the agency reduce State General Fund expenditures for building rent fees in contractual services in the Administration program and reduce resources in the Immunization Program and AIDS Drug Assistance Program in the Public Health program. The State General Fund increase is due to the replacement of Children's Initiatives Fund moneys that will no longer be available due to the Governor's recommendation to securitize the tobacco settlement proceeds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$7.0 million, all from the Children's Initiatives Fund, and delete \$7.0 million, all from the State General Fund, for FY 2019 to restore the previous funding method for Healthy Start, the Infants and Toddlers Program, Smoking Cessation, Newborn Hearing Aid Loaner Program, and the SIDS Network Grant.
2. Add \$500,000, all from the State General Fund, for safety net clinics in FY 2018.
3. Add \$294,159, including \$36,450 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 81 — Kansas Department of Health and Environment - Health Care Finance

The **agency** requests FY 2018 operating expenditures of \$3.5 billion for the Health Care Finance program, an increase of \$1.2 million, or 53.7 percent, above the FY 2017 revised estimate due to increases in the medical assistance programs. Beginning in FY 2018, all KanCare expenditures will be included in the KDHE budget; this will include KanCare medical expenditures previously included in the budgets for the Kansas Department for Aging and Disability Services (KDADS) and the Kansas Department of Corrections (DOC), although those agencies will maintain responsibility for their program policies and performance.

The **Governor** recommends operating expenditures of \$3.6 billion, including \$1.2 billion from the State General Fund, for the Health Care Finance program for FY 2018. This is an all

funds increase of \$114.0 million, or 3.3 percent, and a State General Fund increase of \$76.9 million, or 6.6 percent, above the FY 2018 agency request. The increase is due to the following adjustments in the Governor's recommendation:

- Added \$18.1 million, including \$30.2 million from the State General Fund, to fully fund Medicaid caseloads based on the November 2016 Human Services consensus caseload estimates;
- Added \$62.0 million, including \$27.9 million from the State General Fund, to reflect revenues raised by adjusting the HMO privilege fee (commonly referred to as the MCO privilege fee) to 5.77 percent;
- Added \$3.8 million, all from the State General Fund, for to replace Children's Initiatives Fund moneys that will no longer be available due to the Governor's recommendation to securitize the tobacco settlement proceeds;
- Added \$2.2 million, all from the State General Fund, for Medicare Part D phased-down state contribution increases due to a change at the federal level; and
- Added \$88.2 million, including \$49.4 million from the State General Fund, for additional Medicaid Home and Community Based Services Waiver expenditures. Also included is a recommendation to add waivers to the Human Services Consensus Caseload estimating process for FY 2018.

The increases were partially offset by the following reductions:

- Deleted \$19.0 million, including \$7.0 million from the State General Fund, for the delay of KanCare renewal;
- Deleted \$7.3 million, including \$3.3 million from the State General Fund, for a decrease in Medicare Part B Premiums due to a change at the federal level;
- Deleted \$23.8 million, all from the State General Fund, for a shift of Indian Health Services expenditures to federal funding as a result of the federal Affordable Care Act;
- Deleted \$5.5 million, including \$1.7 million from the State General Fund, for the elimination of payments for unmet spenddown in the Medical Assistance Program;
- Deleted \$652,500, including \$202,500 from the State General Fund, for a policy change in drug test billing; and
- Deleted \$538,252, all from the State General Fund, for a Medicaid operations alternate funding reduced resource option.

In addition, the Governor recommended to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Delete \$1.4 billion, including \$618.0 million from the State General Fund, to not combine KanCare expenditures for KDADS and KDHE into the KDHE budget for FY 2018.
2. Add language to prohibit integrated Medicaid Home and Community Based Services waivers for FY 2018.
3. Add \$123,520, including \$34,732 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 82 — Kansas Department of Health and Environment - Health Care Finance

The **agency** requests FY 2019 operating expenditures of \$3.5 billion, including \$1.2 billion from the State General Fund, for the Health Care Finance program, a decrease of \$5.5 million, or 0.2 percent, below the FY 2018 request. The decrease is primarily in contractual services for professional fees, partially offset in salaries and wages.

The **Governor** recommends operating expenditures of \$3.9 billion, including \$1.2 billion from the State General Fund, for the Health Care Finance program for FY 2019. This is an all funds increase of \$388.6 million, or 11.1 percent, and a State General Fund increase of \$29.4 million, or 2.5 percent, above the FY 2019 agency request. The increase is due to the following adjustments in the Governor's recommendation:

- Added \$60.5 million, including \$190.2 million from the State General Fund, to fully fund Medicaid caseloads based on the November 2016 Human Services consensus caseload estimates;
- Added \$124.0 million, including \$55.8 million from the State General Fund, to reflect revenues raised by adjusting the HMO privilege fee (commonly referred to as the MCO privilege fee) to 5.77 percent;
- Added \$65.6 million, including \$29.5 million from the State General Fund, to restore the 4.0 percent reduction to non-hospital Medicaid providers;
- Added \$118.3 million, including \$53.2 million from the State General Fund, to restore the 4.0 percent reduction on Medicaid services to hospitals;

- Added \$3.8 million, all from the State General Fund, to replace Children's Initiatives Fund moneys that will no longer be available due to the Governor's recommendation to securitize the tobacco settlement proceeds;
- Added \$3.7 million, all from the State General Fund, for Medicare Part D phased-down state contribution increases due to a change at the federal level; and
- Added \$88.0 million, including \$49.3 million from the State General Fund, for additional Medicaid Home and Community Based Services Waiver expenditures. Also included is a recommendation to add waivers to the Human Services Consensus Caseload estimating process for FY 2019.

The increases were partially offset by the following reductions:

- Deleted \$34.0 million, including \$14.0 million from the State General Fund, for the delay of KanCare renewal;
- Deleted \$7.3 million, including \$3.3 million from the State General Fund, for a decrease in Medicare Part B Premiums due to a change at the federal level;
- Deleted \$23.8 million, all from the State General Fund, for a shift of Indian Health Services expenditures to federal funding as a result of the federal Affordable Care Act;
- Deleted \$5.5 million, including \$1.7 million from the State General Fund, for the elimination of payments for unmet spenddown in the Medical Assistance Program;
- Deleted \$652,500, including \$202,500 from the State General Fund, for a policy change in drug test billing;
- Deleted \$212.0 million, all from the State General Fund, reflecting a shift of funding to the Medical Assistance Fee Fund, assuming a statutory change for depository designation for the HMO privilege fee;
- Deleted \$27.0 million, all from the State General Fund, due to an estimated return of the state share to the FY 2017 level;
- Deleted \$73.5 million, all from the State General Fund, to reflect an adjustment of hospital provider tax rates from 1.83 percent to 4.65 percent; and
- Deleted \$538,252, all from the State General Fund, for a Medicaid operations alternate funding reduced resource option.

In addition, the Governor recommended to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Delete \$1.4 billion, including \$630.1 million from the State General Fund, to not combine KanCare expenditures for KDADS and KDHE into the KDHE budget for FY 2019.

2. Add \$65.0 million, including \$29.3 million from the State General Fund, for FY 2019 due to the Hospital Provider Assessment rate not being increased to restore the 4.0 percent Medicaid provider reduction to hospitals and for other Medicaid expenditures.

3. Delete \$163.5 million, including \$73.5 million from the Health Care Access Improvement Fund, for FY 2019 due to the Hospital Provider Assessment rate not being increased. This included funding for rural hospital initiatives, enhanced funding for hospitals, restoration of the 4.0 percent Medicaid provider reduction for hospitals, and other Medicaid expenditures.

4. Add \$162,504, including \$45,693 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

5. Add language to prohibit integrated Medicaid Home and Community Based Services waivers for FY 2019.

Sec. 83 — Kansas Department of Health and Environment – Division of Environment

The **agency** requests FY 2018 expenditures of \$61.4 million for the Division of Environment, including \$4.2 million from the State General Fund. This request is a decrease of \$773,969, or 1.2 percent, including a State General Fund decrease of \$115,151, or 2.7 percent, below the FY 2017 revised estimate.

The **Governor** recommends FY 2018 expenditures of \$60.7 million, including \$3.9 million from the State General Fund. This recommendation is an all funds decrease of \$691,117, or 1.1 percent, and a State General Fund decrease of \$244,708, or 5.9 percent, below the agency request. The decrease is attributable to the following:

- Delete \$121,789, all from the State General Fund, for the Bureau of Environmental Field Services Topeka office from the agency's reduced resource options. This reduction consolidates some management functions in the Bureau of Environmental Field Services Topeka office. This also deletes 1.0 FTE classified position and 1.0 non-FTE unclassified permanent position;
- Delete \$44,567, all from the State General Fund, for the Environmental Laboratory from the agency's reduced resource options. This reduction requires the Kansas Health and Environmental Laboratory to continue a contract with the State of Iowa related to radiation chemistry testing. This recommendation also deletes 1.0 FTE regular, unclassified position;

- Delete \$42,510, all from the State General Fund, for the Bureau of Remediation from the agency's reduced resource options. This reduction increases shrinkage budgeted in the Bureau of Remediation. The agency reviewed turnover and the time to fill positions in the Bureau of Remediation to reach this reduction option;
- Delete \$191,237, all from the State Water Plan Fund, due to decreased revenues in that fund; and
- Delete \$291,014, including \$35,842 from the State General Fund. The decrease is attributable to the Governors recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$238,344, including \$29,354 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$52,670, including \$6,488 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$238,344, including \$29,354 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 84 — Kansas Department of Health and Environment – Division of Environment

The **agency** requests FY 2019 expenditures of \$61.6 million for the Division of Environment, including \$4.2 million from the State General Fund. This request is an increase of \$189,623, or 0.3 percent, including a State General Fund increase of \$32,431, or 0.8 percent, above the FY 2018 request.

The **Governor** recommends FY 2019 expenditures of \$61.1 million, including \$4.0 million from the State General Fund. This recommendation is an all funds decrease of \$513,309, or 0.8 percent, and a State General Fund decrease of \$247,484, or 5.9 percent, below the agency's request. The decrease is attributable to the following:

- Delete \$121,789, all from the State General Fund, for the Bureau of Environmental Field Services Topeka office from the agency's reduced resource options. This reduction consolidates some management functions in the Bureau of Environmental Field Services Topeka office. This also deletes 1.0 FTE classified position and 1.0 non-FTE unclassified permanent position;
- Delete \$44,567, all from the State General Fund, for the Environmental Laboratory from the agency's reduced resource options. This reduction requires the Kansas Health and Environmental Laboratory to continue a contract with the State of Iowa related to radiation chemistry testing. This recommendation also deletes 1.0 FTE regular, unclassified position;

- Delete \$42,510, all from the State General Fund, for the Bureau of Remediation from the agency's reduced resource options. This reduction increases shrinkage budgeted in the Bureau of Remediation. The agency reviewed turnover and the time to fill positions in the Bureau of Remediation to reach this reduction;
- Add \$9,123, all from the State Water Plan Fund, due to expected revenues in that Fund; and
- Delete \$313,566, including \$38,618 from the State General Fund. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$313,566, including \$38,618 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 85 — Kansas Department for Aging and Disability Services

The **agency** requests \$273.3 million, including \$169.0 million from the State General Fund, for operating expenditures for FY 2018. This is an all funds decrease of \$1.2 billion, or 81.1 percent, and a State General Fund decrease of \$462.8 million, or 73.3 percent, below the revised FY 2017 estimate. Prior to FY 2018, Medicaid KanCare expenditures were made from KDHE but an allocation tool divided the expenditures between KDHE, KDADS, and the Department of Corrections (DOC). Beginning in FY 2018, all KanCare expenditures are budgeted for and reflected in KDHE. Responsibility for program policies and performance remains with KDADS and DOC, but the shift in reflected expenditures is the primary reason for the decreased expenditures for FY 2018. The agency's request includes 224.0 FTE positions and 71.0 non-FTE positions, which is the same number as the revised FY 2017 estimate.

The request includes enhancement funding totaling \$83.0 million, including \$81.2 million from the State General Fund, for FY 2018. Projects for FY 2018 include continuation of funding for inpatient psychiatric beds in the community due to the reduced census at Osawatomie State Hospital, expansion of the Program of All-Inclusive Care for the Elderly (PACE), additional funding to address wage compression at the state hospitals, replacement of the patient management system at the state hospitals, and funding to expand crisis stabilization centers across Kansas.

The **Governor** recommends operating expenditures totaling \$202.4 million, including \$95.0 million from the State General Fund, for FY 2018. This is an all funds decrease of \$70.9 million, or 25.9 percent, and a State General Fund decrease of \$74.0 million, or 43.8 percent, below the agency's FY 2018 request.

The Governor's recommendation includes the following adjustments:

- A reduction of \$79,185,953, including \$77,361,850 from the State General Fund, due to the Governor not recommending four of the five agency enhancement requests for FY 2018;
- A reduction of \$753,653, including \$274,847 from the State General Fund, due to the Governor recommending the agency reduce resources by increasing agency shrinkage by 5.0 percent for FY 2018;
- A reduction of \$152,000, all from the State General Fund, due to the Governor recommending the agency reduce resources by eliminating unobligated Law Enforcement Organization (LEO) grants for FY 2018;
- A reduction totaling \$171,021, including \$62,243 from the State General Fund, to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$140,069, including \$50,977 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$30,952, including \$11,266 from the State General Fund;
- An addition of \$6.6 million, including \$2.9 million from the State General Fund, to shift partial expenditures for the Program for All-Inclusive Care for the Elderly (PACE) from the budget of the Kansas Department of Health and Environment (KDHE) to the KDADS budget so that all funding for the PACE program is in one agency for FY 2018; and
- An addition of \$2.8 million, including \$274,847 from the State General Fund, due to Human Services consensus caseloads adjustments for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$2.1 million, all from the State General Fund, for Senior Care Act expenditures for FY 2018.
2. Add \$2.8 million, all from the State General Fund, for Community Crisis Centers for FY 2018.
3. Add language to require expenditures of \$2.0 million, all within existing resources, to open and operate 20 additional beds at Osawatomie State Hospital above the current level of 146 for FY 2018. If the agency is unable to open and operate the additional beds at the hospital, the funding is to be used to enter into an agreement for additional bed space at a third party facility.
4. Do not add Medicaid Home and Community Based Services waivers to the Human Services Consensus Caseload process for FY 2018.
5. Add language for FY 2018 requiring the agency to submit quarterly reports on Medicaid Home and Community Based Services waivers to the Kansas Legislative

Research Department and the Kansas Division of the Budget, requiring a separate report for each waiver including actual and projected expenditures, actual and projected number of individuals served, average cost per member served, and summarized encounter data by waiver population or comparable data to allow for review at the program level.

6. Add \$33.8 million, including \$15.2 million from the State General Fund, and add language providing a 5.0 percent rate increase for providers of Home and Community Based Services under each of the waivers for FY 2018.

7. Add \$1.3 million, all from the State General Fund, for level of care Medicaid inpatient referrals for FY 2018.

8. Add \$1.4 billion, including \$617.9 million from the State General Fund, to not combine KanCare expenditures for KDADS and KDHE into the KDHE budget for FY 2018.

9. Add \$3.8 million, all from the Children's Initiative Fund, and delete the same amount from the State General Fund, for FY 2018 to restore the previous funding method as part of an overall recommendation to restore all programs which were funded with Children's Initiative Fund moneys prior to the Governor's recommendation to securitize the proceeds of the tobacco master settlement agreement, which was not recommended.

10. Add \$140,069, including \$50,977 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 85 — Kansas Neurological Institute

The **agency** requests operating expenditures of \$25.1 million, including \$9.7 million from the State General Fund, for FY 2018. This is an all funds decrease of \$623,685, or 2.4 percent, and a State General Fund decrease of \$615,313, or 6.0 percent, below the revised FY 2017 estimate. The decrease is primarily attributable to a decrease in salary and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017 and an adjustment in salary shrinkage. The decrease is partially offset by the agency's enhancement request to re-open a patient home and fund positions to staff that home, and an increase in employer fringe benefit costs. The request includes 437.7 FTE positions, which is the same number as the agency's revised FY 2017 estimate.

The **Governor** recommends operating expenditures of \$24.7 million, including \$9.4 million from the State General Fund, for FY 2018. This is an all funds decrease of \$463,545, or 1.8 percent, and a State General Fund decrease of \$352,254, or 3.6 percent, below the agency's FY 2018 request. The decrease is primarily attributable to the Governor not recommending the agency's enhancements totaling \$278,178, all from the State General Fund, to re-open one home for patients. The decrease also is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$151,820, including \$60,670 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$33,547, including \$13,406 from the State General Fund. The

Governor's recommendation includes 437.7 FTE positions, which is the same number as the FY 2018 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$151,820, including \$60,670 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 85 — Larned State Hospital

The **agency** requests \$64.4 million, including \$55.9 million from the State General Fund, for operating expenditures for FY 2018. This is an all funds decrease of \$1.0 million, or 1.6 percent, and a State General Fund decrease of \$1.0 million, or 1.8 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to a reduction in salaries and wages and commodities expenditures, partially offset by an increase in contractual services, capital outlay, and other assistance expenditures. The agency's request includes two requests for enhancement funding. The first request would add \$6.5 million in expenditures from the State General Fund. The second request is for \$500,000, all from the State General Fund, to replace the data storage system at the hospital. The request includes 920.5 FTE positions and 23.0 non-FTE positions. This is the same number as the FY 2017 revised estimate.

The **Governor** recommends operating expenditures of \$57.0 million, including \$48.6 million from the State General Fund, for FY 2018. This is an all funds decrease of \$7.4 million, or 11.4 percent, and a State General Fund decrease of \$7.3 million, or 13.1 percent, below the agency's FY 2018 request. The decrease is primarily attributable to the Governor not recommending the agency's enhancement requests totaling \$7.0 million, all from the State General Fund, for FY 2018, mainly to replace lost federal funds. The decrease also is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$300,302, including \$260,208 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$66,358, including \$57,059 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$300,302, including \$259,848 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 85 — Osawatomie State Hospital

The **agency** requests operational expenditures of \$31.7 million, including \$25.0 million from the State General Fund, for FY 2018. This is an all funds decrease of \$1.1 million, or 3.2 percent, and a State General Fund increase of \$1.5 million, or 6.6 percent, from the FY 2017

revised estimate. The all funds decrease is primarily attributable to a \$1.0 million decrease in salaries and wages expenditures due to salaries returning to a normal level absent the one-time 27th payroll period in FY 2017, partially offset by an increase in employer fringe benefit costs. The change in State General Fund expenditures is primarily attributable to the agency's enhancement request to add \$11.6 million from the State General Fund for operational expenditures and decrease fee fund and Title XIX Fund expenditures by the same amount. The request includes 478.1 FTE positions, which is the same number as the FY 2017 revised estimate.

The **Governor** recommends operating expenditures of \$20.1 million, including \$13.4 million from the State General Fund, for FY 2018. This is an all funds decrease of \$11.7 million, or 36.8 percent, and a State General Fund decrease of \$11.6 million, or 46.5 percent, below the agency's FY 2018 request. The decrease is primarily attributable to the Governor not recommending the agency's enhancement request for additional funding totaling \$11.6 million from the State General Fund to replace projected fee fund and federal fund shortfalls. The decrease also is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$60,478, including \$36,749 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$13,364, including \$8,121 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$60,478, including \$36,749 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 85 — Parsons State Hospital and Training Center

The **agency** requests operational expenditures of \$26.2 million, including \$11.7 million from the State General Fund, for FY 2018. This is an all funds decrease of \$767,108, or 2.8 percent, and a State General Fund decrease of \$760,232, or 6.1 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to an adjustment in salary shrinkage and a decrease in salary and wage expenditures due to salaries returning to a normal level absent the one-time 27th payroll period, partially offset by an increase in employer fringe benefit costs and utilities expenditures.

The **Governor** recommends FY 2018 operating expenditures of \$26.0 million, including \$11.6 million from the State General Fund. This is an all funds decrease of \$207,465, or 0.8 percent, and a State General Fund decrease of \$99,663, or 0.9 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$169,918, including \$81,626 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$37,547, including \$18,037 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$169,918, including \$81,626 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 86 — Kansas Department for Aging and Disability Services

The **agency** requests \$203.1 million, including \$98.9 million from the State General Fund, for operating expenditures for FY 2019. This is an all funds decrease of \$70.2 million, or 25.7 percent, and a State General Fund decrease of \$70.1 million, or 41.5 percent, below the FY 2018 request. The request continues the FY 2018 reflection of all KanCare expenditures in the budget for KDHE. The agency's request includes 224.0 FTE positions and 71.0 non-FTE positions, which is the same number as the FY 2018 request.

The request includes enhancement funding totaling \$12.8 million, including \$11.0 million from the State General Fund, for FY 2019. Projects for FY 2019 include expansion of the Program of All-Inclusive Care for the Elderly (PACE), additional funding to address wage compression at the state hospitals, and funding to expand crisis stabilization centers across Kansas.

The **Governor** recommends operating expenditures of \$202.4 million, including \$95.1 million from the State General Fund, for FY 2019. This is an all funds decrease of \$644,933, or 0.3 percent, and a State General Fund decrease of \$3.7 million, or 3.8 percent, below the agency's FY 2019 request. The Governor's recommendation also includes the following adjustments:

- A reduction of \$12.8 million, including \$11.0 million from the State General Fund, due to the Governor not recommending the agency's enhancement requests for FY 2019;
- A reduction of \$763,576, including \$277,965 from the State General Fund, due to the Governor recommending the agency reduce resources by increasing agency shrinkage by 5.0 percent for FY 2019;
- A reduction of \$152,000, all from the State General Fund, due to the Governor recommending the agency reduce resources by eliminating unobligated Law Enforcement Organization (LEO) grants for FY 2019;
- A reduction \$202,327, including \$74,235 from the State General Fund, to hold KPERs employer contributions at the FY 2016 amount;
- An addition of \$6.6 million, including \$2.9 million from the State General Fund, to shift partial expenditures for the Program for All-Inclusive Care for the Elderly (PACE) from the budget of the Kansas Department of Health and Environment (KDHE) to the KDADS budget so that all funding for the PACE program is in one agency for FY 2019;

- An addition of \$3.9 million, all from the State General Fund, for continuation of the contract for inpatient psychiatric beds in the community due to the restricted census at Osawatomie State Hospital (OSH) for FY 2019; and
- An addition of \$2.8 million, including \$969,336 from the State General Fund, due to Human Services consensus caseloads adjustments for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$2.1 million, all from the State General Fund, for Senior Care Act expenditures for FY 2019.
2. Add \$2.8 million, all from the State General Fund, for Community Crisis Centers for FY 2019.
3. Add language to require expenditures of \$2.0 million, all within existing resources, to open and operate 20 additional beds above the current level of 146 at Osawatomie State Hospital for FY 2019. If the agency is unable to open and operate the additional beds at the hospital, the funding is to be used to enter into an agreement for additional bed space at a third party facility.
4. Do not add Medicaid Home and Community Based Services waivers to the Human Services Consensus Caseload process for FY 2018.
5. Add language for FY 2019 requiring the agency to submit quarterly reports on Medicaid Home and Community Based Services waivers to the Kansas Legislative Research Department and the Kansas Division of the Budget, requiring a separate report for each waiver including actual and projected expenditures, actual and projected number of individuals served, average cost per member served, and summarized encounter data by waiver population or comparable data to allow for review at the program level.
6. Add \$55.0 million, including \$24.7 million from the State General Fund, and add language providing a 3.0 percent rate increase for providers of Home and Community Based Services under each of the waivers for FY 2019 (in addition to the 5.0 percent rate increase applied for FY 2018).
7. Add \$1.3 million, all from the State General Fund, for level of care Medicaid inpatient referrals for FY 2019.
8. Add \$1.4 billion, including \$630.1 million from the State General Fund, to not combine KanCare expenditures for KDADS and KDHE into the KDHE budget for FY 2019.
9. Add \$3.8 million, all from the Children's Initiative Fund, and delete the same amount from the State General Fund, for FY 2019 to restore the previous funding method as part of an overall recommendation to restore all programs which were funded with Children's Initiative Fund moneys prior to the Governor's recommendation to securitize

the proceeds of the tobacco master settlement agreement, which was not recommended.

10. Add \$202,327, including \$74,235 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 86 — Kansas Neurological Institute

The **agency** requests \$25.3 million, including \$9.9 million from the State General Fund, for operational expenditures for FY 2019. This is an all funds increase of \$156,283, or 0.6 percent, and a State General Fund increase of \$162,405, or 1.7 percent, above the FY 2018 request. The increase is primarily attributable to the agency's enhancement request to re-open one patient home and fund positions to staff that home and an adjustment to salary shrinkage. The request includes 437.7 FTE positions, which is the same number as the agency's FY 2018 request.

The **Governor** recommends operating expenditures of \$24.8 million, including \$9.4 million from the State General Fund, for FY 2019. This is an all funds decrease of \$551,189, or 2.2 percent, and a State General Fund decrease of \$433,252, or 4.4 percent, below the agency's FY 2019 request. The decrease is primarily attributable to the Governor not recommending the agency's request for enhancement funding to re-open a home for patients at KNI, which is a decrease of \$354,755, all from the State General Fund. The decrease also is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which is an all funds decrease of \$196,434, including \$78,497 from the State General Fund. The Governor's recommendation includes 437.7 FTE positions, which is the same number as the agency's FY 2019 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$196,434, including \$78,497 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 86 — Larned State Hospital

The **agency** requests operating expenditures of \$64.9 million, including \$56.4 million from the State General Fund, for FY 2019. This is an increase of \$485,982, or 0.8 percent, all from the State General Fund, above the FY 2018 request. The increase is primarily attributable to an increase in contractual services, commodities, capital outlay, and other assistance, partially offset by a decrease in salaries and wages expenditures. The agency's FY 2019 request includes two requests for enhancement funding. The first request would add \$6.5 million from the State General Fund. The second request is for \$600,000, all from the State General Fund, to replace the phone system at the hospital. The request includes 920.5 FTE positions and 23.0 non-FTE positions. This is the same number as the FY 2018 request.

The **Governor** recommends operating expenditures of \$57.4 million, including \$49.0 million from the State General Fund, for FY 2019. This is an all funds decrease of \$7.5 million, or 11.5 percent, and a State General Fund decrease of \$7.4 million, or 13.2 percent, below the agency's FY 2019 request. The decrease is primarily attributable to the Governor not recommending the agency's enhancement requests totaling \$7.1 million, all from the State General Fund, mainly to replace lost federal funds. The decrease also is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$386,847, including \$338,588 from the State General Fund, for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$386,847, including \$338,588 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 86 — Osawatomie State Hospital

The **agency** requests operational expenditures of \$31.8 million, including \$25.7 million from the State General Fund, for FY 2019. This is an all funds increase of \$72,031, or 0.2 percent, and a State General Fund increase of \$672,031, or 2.7 percent, above the FY 2018 request. The all funds increase is primarily attributable to an adjustment in salary shrinkage. The change in State General Fund expenditures is primarily attributable to the agency's enhancement request to add \$12.2 million from the State General Fund for operational expenditures and decrease fee fund and Title XIX Fund expenditures by the same amount. The agency request includes 478.1 FTE positions, which is the same number as the FY 2018 request.

The **Governor** recommends operating expenditures of \$19.5 million, including \$13.5 million from the State General Fund, for FY 2019. This is an all funds decrease of \$12.3 million, or 38.6 percent, including \$12.2 million from the State General Fund, or 47.7 percent, below the agency's FY 2019 request. The decrease is primarily attributable to the Governor not recommending the agency's enhancement request for additional funding totaling \$12.2 million from the State General Fund to replace projected fee fund and federal fund shortfalls. The decrease also is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which is a decrease of \$79,565, including \$48,347 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$79,565, including \$48,347 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 86 — Parsons State Hospital and Training Center

The **agency** requests operating expenditures of \$26.3 million, including \$11.8 million from the State General Fund, for FY 2019. This is an all funds increase of \$92,239, or 0.4 percent, and a State General Fund increase of \$99,403, or 0.9 percent, above the FY 2018 request. The increase is primarily attributable to an increase in workers' compensation expenditures, employer fringe benefit costs, and utilities expenditures, partially offset by an adjustment to salary shrinkage and a decrease in expenditures by not replacing a transportation vehicle for the Sexual Predator Treatment Program Transition Unit.

The **Governor** recommends FY 2019 operating expenditures of \$26.0 million, including \$11.6 million from the State General Fund. The recommendation is an all funds decrease of \$217,712, or 0.8 percent, and a State General Fund decrease of \$110,844, or 0.9 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$217,712, including \$110,844 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 87 — Department for Children and Families

The **agency** requests expenditures of \$587.3 million, including \$237.6 million from the State General Fund, for FY 2018. The request is a decrease of \$16.1 million, or 2.7 percent, from all funding sources, and an increase of \$615,446, or 0.3 percent, from the State General Fund from the FY 2017 revised estimate.

The majority of the change from FY 2017 is attributable to decreases in salaries and wages (\$5.3 million) primarily in increased shrinkage rates; contractual services (\$5.1 million) associated with the anticipated completion of the Kansas Enrollment and Eligibility System (KEES); other assistance expenditure reductions (\$4.4 million); and capital outlay reductions (\$1.3 million) associated with a reduction in the purchase of passenger cars in FY 2017 that will not reoccur in FY 2018.

The **Governor** recommends FY 2018 operating expenditures of \$586.2 million, including \$244.6 million from the State General Fund. The recommendation is an all funds decrease of \$1.0 million, or 0.2 percent, and a State General Fund increase of \$7.0 million, or 2.9 percent, from the agency's FY 2018 request.

The all funds decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$972,795, including \$517,470 from the State General Fund, to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$214,981, including \$114,364 from the State General Fund, and recommends reduced resources options totaling \$3.7 million, including \$1.9 million from the State General Fund.

The reduced resources options included in the recommendation include:

- Closure of field offices in Goodland, Greensburg, and Iola, resulting in annual savings of \$112,191, including \$70,564 from the State General Fund;
- Outsource mainframe operations, resulting in savings of \$2.5 million, including \$1.1 million from the State General Fund, and the reduction of 11.5 FTE positions;
- Reduce legal contingency funds, resulting in savings of \$272,000, including \$156,488 from the State General Fund;
- Reduce operating expenditures by 4.0 percent, resulting in savings of \$704,882, including \$484,382 from the State General Fund; and
- Eliminate all Faith-Based and Community Initiatives Grants, resulting in savings of \$100,000, all from the State General Fund.

The State General Fund recommendation includes the addition of \$7.1 million from the State General Fund to replace Children's Initiatives Fund moneys that will no longer be available due to the Governor's recommendation to securitize the tobacco settlement proceeds.

The Governor's recommendation also includes: the addition of \$277,216, including \$250,881 from the State General Fund, and 4.0 FTE positions to enhance the child welfare compliance unit; the addition of 15.0 FTE positions and the transfer of the funding for the positions from the Foster Care contracts; and \$573,390, all from federal funds, and 1.0 FTE position for Family Preservation Services.

The recommendation includes the addition of \$8.5 million, including \$7.3 million from the State General Fund, for the human services consensus caseload estimate for foster care and cash assistance.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$7.1 million, all from the Children's Initiatives Fund, and delete the same amount from the State General Fund, to restore the previous funding method for child care services and family preservation services and not securitize the tobacco settlement proceeds for FY 2018.
2. Add \$112,191, including \$70,564 from the State General Fund, to not close field offices in Goodland, Greensburg, and Iola for FY 2018.
3. Add \$972,795, including \$517,470 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 88 — Department for Children and Families

The **agency** requests expenditures of \$551.0 million, including \$235.4 million from the State General Fund, for FY 2019. The request is a decrease of \$6.2 million, or 1.1 percent, from all funding sources, including \$2.2 million, or 0.9 percent, from the State General Fund, below the FY 2018 request.

The majority of the change from FY 2018 is attributable to decreases in salaries and wages (\$500,000); contractual services (\$4.0 million) mainly in reductions in professional fees associated with enhancement requests for FY 2018 that did not reoccur in FY 2019; and other assistance (\$1.4 million).

The **Governor** recommends FY 2019 operating expenditures of \$589.4 million, including \$250.8 million from the State General Fund. The recommendation is an all funds increase of \$8.4 million, or 1.4 percent, and a State General Fund increase of \$15.4 million, or 6.5 percent, from the agency's FY 2019 request.

The all funds decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1.3 million, including \$721,317 from the State General Fund, and recommending reduced resources options totaling \$3.7 million, including \$1.9 million from the State General Fund.

The reduced resources options included in the recommendation include:

- Closure of field offices in Goodland, Greensburg, and Iola, resulting in annual savings of \$112,191, including \$70,564 from the State General Fund;
- Outsource mainframe operations, resulting in savings of \$2.5 million, including \$1.1 million from the State General Fund, and the reduction of 11.5 FTE positions;
- Reduce legal contingency funds, resulting in savings of \$272,000, including \$156,488 from the State General Fund;
- Reduce operating expenditures by 4.0 percent, resulting in savings of \$704,882, including \$484,382 from the State General Fund;
- Eliminate all Faith-Based and Community Initiatives Grants, resulting in savings of \$100,000, all from the State General Fund; and
- Reduce grants to Native American Tribes that provide funding to assist with reducing the removal of children from homes and tribal environments, resulting in savings of \$100,000, all from the State General Fund.

The State General Fund recommendation includes the addition of \$7.1 million from the State General Fund to replace Children's Initiatives Fund moneys that will no longer be available due to the Governor's recommendation to securitize the tobacco settlement proceeds.

The Governor's recommendation also includes: the addition of \$271,978, including \$246,141 from the State General Fund, and 4.0 FTE positions to enhance the child welfare compliance unit; the addition of 15.0 FTE positions and the transfer of the funding for the positions from the Foster Care contracts; and \$574,201, all from federal funds, and 1.0 FTE position for Family Preservation Services.

The recommendation includes the addition of \$14.5 million, including \$13.1 million from the State General Fund, for the human services consensus caseload estimate for foster care and cash assistance.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$7.1 million, all from the Children's Initiatives Fund, and delete the same amount from the State General Fund, to restore the previous funding method for child care services and family preservation services and not securitize the tobacco settlement proceeds for FY 2019.

2. Add \$112,191, including \$70,564 from the State General Fund, to not close field offices in Goodland, Greensburg, and Iola for FY 2019.

3. Add \$1.3 million, including \$721,317 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 89 — Kansas Guardianship Program

The **agency** requests \$1.1 million, all from the State General Fund, for FY 2018. This is the same amount as the agency's FY 2017 revised estimate.

The **Governor** concurs with the agency's request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 90 — Kansas Guardianship Program

The **agency** requests \$1.1 million, all from the State General Fund, for FY 2019. This is the same amount as the agency's FY 2018 request.

The **Governor** concurs with the agency's request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 91 — Department of Education

The **agency** requests \$5.4 billion in all funds, including \$3.8 billion from the State General Fund. The all funds budget request for FY 2018 exceeds the FY 2017 request by \$670.1 million, primarily due to \$601.4 million of State General Fund enhancement requests, which are primarily block grant increases.

The **Governor** recommends FY 2018 expenditures of \$4.6 billion, including \$3.0 billion from the State General Fund. The recommendation is an all funds decrease of \$850.0 million, or 15.6 percent, and a State General Fund decrease of \$804.0 million, or 20.9 percent, below the agency's FY 2018 request. The major differences in the agency's request and the Governor's recommendation results from the lack of a recommendation for funding of the agency's enhancement requests totaling \$641.0 million in all funds and \$600.5 million from the State General Fund, except for a recommendation to approve \$14.5 million from the State General Fund for capital improvement state aid. Additional differences result from the following changes:

- Adjustments resulting from revised consensus revenue estimates:
 - Block Grant–General State Aid expenditures would be reduced by \$11.6 million, while increasing Capital Outlay State Aid expenditures by \$7.9 million and Supplemental General State Aid expenditures by \$3.6 million, all from the State General Fund;
 - KPERS–School employer contributions are anticipated to increase by \$7.8 million in FY 2018, including \$5.9 million for USDs and \$1.9 million for non-USDs;
 - Block grant expenditures related to the 20 mill statewide property tax levy for education are expected to be reduced by \$8.8 million, resulting from less than expected property values for the current year;
 - Block Grant expenditures from the Mineral Production Education Fund were reduced by \$2.9 million, resulting from reduced Severance Tax revenues; and
 - School District Finance Fund expenditure estimates were increased by \$4.3 million to reflect revised estimates based on school district budgets; and
- Adjustments resulting from the Governor's recommended revised consensus revenue estimates:
 - Reduced Extraordinary Needs Fund state aid by \$13.0 million;
 - Reduced General State Aid by \$23.8 million from the State General Fund;
 - Reduced General State Aid by \$47.2 million from the State General Fund in anticipation of efficiency savings from A&M recommendations related to K-12 benefit program consolidation and centralization of K-12 procurement activities;
 - Reduced all funds expenditures totaling \$139.7 million, including \$144.0 million from the State General Fund, for KPERS policy changes and related to KPERS increase

expenditures from the Expanded Lottery Act Revenues Fund (ELARF) in the amount of \$4.5 million; and

- Adjusting all expenditures from the Children's Initiatives Fund (\$16.6 million) and the Kansas Endowment for Youth Fund (\$248,581) making the expenditures from the State General Fund, in combination with the Governor's recommendation for tobacco settlement securitization.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$50,000, all from the State General Fund, for the Incentive for Technical Education for FY 2018.
2. Add \$47.2 million, all from the State General Fund, for removing savings associated with A&M recommendations for health insurance and procurement for FY 2018.
3. Add \$7.2 million, all from the Children's Initiatives Fund, and delete \$7.2 million, all from Temporary Assistance for Needy Families Federal Fund, for FY 2018 to restore the previous funding method for Parents as Teachers without tobacco securitization.
4. Add \$16.6 million, all from the Children's Initiatives Fund, and delete \$16.6 million, all from the State General Fund, for FY 2018 to restore the previous funding method without tobacco securitization. Programs affected include Children's Cabinet Accountability, CIF Block Grants and Child Care Quality Initiative.
5. Add \$246,556, all from the Kansas Endowment for Youth Fund, and delete \$246,556, all from the State General Fund, for FY 2018 to restore the previous Children's Cabinet Administration funding method without tobacco securitization.
6. Add \$131.2 million, including \$131.1 million from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.
7. Add language to create the Local School District Contribution Program Fund to carry out the requirements of 2015 House Sub. for SB 149 for FY 2018.

Sec. 92 — Department of Education

The **agency** requests \$5.9 billion in all funds, including \$4.2 billion from the State General Fund. The budget request for FY 2019 exceeds the FY 2018 request by \$433.6 million in all funds, primarily due to the \$393.4 million in State General Fund enhancement requests over and above the State General Fund enhancement requests for FY 2018 primarily in block grant increases.

The **Governor** recommends an all funds FY 2019 budget of \$4.6 billion, including \$3.0 billion from the State General Fund. This is an all funds decrease of \$1.312 billion, or 22.3 percent, and a State General Fund decrease of \$1.268 billion, or 30.0 percent, below the

agency's revised FY 2019 estimate. The major differences in the agency's request and the Governor's recommendation results from the lack of a recommendation for funding of the agency's enhancement requests totaling \$983.0 million in all funds and \$949.0 million from the State General Fund, except for a recommendation to approve \$8.0 million from the State General Fund for capital improvement state aid.

Additional differences result from the following changes:

- Adjustments resulting from revised consensus revenue estimates:
 - Block Grant–General State Aid expenditures would be reduced by \$11.6 million, while increasing Capital Outlay State Aid expenditures by \$7.9 million and Supplemental General State Aid expenditures by \$3.6 million, all from the State General Fund;
 - KPERS–School employer contributions are anticipated to increase by \$8.7 million in FY 2019, including \$6.6 million for USDs and \$2.2 million for non-USDs;
 - Block grant expenditures related to the 20 mill statewide property tax levy for education are expected to be reduced by \$8.8 million, resulting from less than expected property values for the current year;
 - Block Grant expenditures from the Mineral Production Education Fund were reduced by \$700,000, resulting from reduced Severance Tax revenues; and
 - School District Finance Fund expenditure estimates were increased by \$4.3 million to reflect revised estimates based on school district budget; and
- Adjustments resulting from the Governor's recommended revised consensus revenue estimates:
 - Reduced Extraordinary Needs Fund state aid by \$13.0 million;
 - Reduced General State Aid by \$51.0 million from the State General Fund;
 - Reduced General State Aid by \$89.0 million from the State General Fund in anticipation of efficiency savings from A&M recommendations related to K-12 benefit program consolidation and centralization of K-12 procurement activities;
 - Reduced all funds' expenditures totaling \$187.5 million, including \$192.1 million from the State General Fund, for KPERS policy changes and related to KPERS, increase expenditures from the Expanded Lottery Act Revenues Fund (ELARF) in the amount of \$4.7 million; and
 - Adjusted all expenditures from the Children's Initiatives Fund (\$16.6 million) and the Kansas Endowment for Youth Fund (\$248,581) making the expenditures from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$50,000, all from the State General Fund, for the Incentive for Technical Education for FY 2018.
2. Add \$89.0 million, all from the State General Fund, for removing savings associated with A&M recommendations for health insurance and procurement for FY 2019.
3. Add \$7.2 million, all from the Children's Initiatives Fund, and delete \$7.2 million, all from Temporary Assistance for Needy Families Federal Fund, for FY 2019 to restore the previous funding method for Parents as Teachers without tobacco securitization.
4. Add \$16.6 million, all from the Children's Initiatives Fund, and delete \$16.6 million, all from the State General Fund, for FY 2019 to restore the previous funding method without tobacco securitization. Programs affected include Children's Cabinet Accountability, CIF Block Grants and Child Care Quality Initiative.
5. Add \$246,249, all from the Kansas Endowment for Youth Fund, and delete \$246,249, all from the State General Fund, for FY 2019 to restore the previous Children's Cabinet Administration funding method without tobacco securitization.
6. Add \$187.5 million, including \$187.4 million from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 93 — State Library

The **agency** requests \$5.7 million, including \$3.9 million from the State General Fund for FY 2018. This request is \$117,319, or 2.0 percent, less than its FY 2017 request. The State General Fund request is \$21,282, or 0.6 percent, less than the approved amount for FY 2017. Differences in spending from federal funding sources vary from year to year.

The **Governor** recommends FY 2018 operating expenditures of \$5.7 million, including \$3.8 million from the State General Fund. The recommendation is an all funds decrease of \$13,970, or 0.2 percent, and a State General Fund decrease of \$11,192, or 0.3 percent, below the agency's FY 2018 request. Both of these decreases are attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$11,442, including \$9,167 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 94 — State Library

The **agency** requests \$5.7 million, including \$3.9 million from the State General Fund, for FY 2019. This request is \$15,390, or 0.3 percent, less than the agency's request for FY 2018 primarily because of a lowered estimate for federal funding. The request includes a State General Fund increase of \$9,670, or 3.0 percent, above the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$5.7 million, including \$3.8 million from the State General Fund. The recommendation is an all funds decrease of \$16,285, or 0.2 percent, and a State General Fund decrease of \$13,455, or 0.3 percent, below the agency's FY 2019 request. The decreases are attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$16,285, including \$2,830 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 95 — Kansas State School for the Blind

The **agency** requests \$6.8 million in all funds, including \$5.4 million from the State General Fund. (This includes the capital improvement request.) This request is \$198,040 less than the FY 2017 request, primarily due to \$150,360 in other funds reappropriated from FY 2016 to FY 2017 in the capital improvement budget. The FY 2018 budget includes an enhancement request of \$49,451 from the State General Fund to comply with the Kansas statute (KSA 76-11a17) requiring compensation for teachers and licensed personnel at a rate not less than that paid by USD 233 in Olathe.

The **Governor** recommends FY 2018 expenditures of \$6.7 million in all funds, including \$5.3 million from the State General Fund. The recommendation is an all funds decrease of \$93,826, or 1.4 percent, and a State General Fund decrease of \$92,119, or 1.7 percent, below the agency's revised FY 2018 estimate. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$36,343, including \$34,945 from the State General Fund, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$8,032, including \$7,723 from the State General Fund. In addition, the Governor did not recommend funding the agency's enhancement request for additional educator compensation in the amount of \$49,451 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$36,343, including \$34,945 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 96 — Kansas State School for the Blind

The **agency** requests \$6.6 million in all funds, including \$5.4 million from the State General Fund, for the FY 2019 budget request. This request is \$200,266 less than the all funds request for FY 2018; however, the State General Fund portion of this request is \$49,752 more than the prior year request because of an enhancement request of \$50,143 for educator salary increases to keep pace with the Olathe school district, as is required by state law. The reduced other funds request is primarily due to the retirement of debt in the capital improvement section of this budget.

The **Governor** recommends \$6.5 million in all funds, including \$5.3 million from the State General Fund, for FY 2019. The Governor's recommendation is an all funds decrease of \$105,592, or 1.6 percent, including \$104,108, or 2.0 percent, from the State General Fund, below the agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$55,449, including \$53,965 from the State General Fund. In addition, the Governor did not recommend funding the agency's enhancement request for additional educator compensation in the amount of \$50,143 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$55,449, including \$53,965 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 97 — Kansas State School for the Deaf

The **agency** requests \$10.7 million in all funds, including \$8.8 million from the State General Fund, for its FY 2018 budget request (including capitol improvements). The agency requests operating expenditures of \$9.6 million, including \$8.4 million from the State General Fund. This all funds request is \$226,948, or 2.3 percent, less than the FY 2018 request, including \$52,619, or 0.6 percent less from the State General Fund. The salary and wage request is \$125,019 less than the FY 2017 request, primarily because a 27th pay period was included in the FY 2017 request. The capital improvement request for this fiscal year is \$79,628 less than the request for FY 2017, due in part to the reappropriation of funds from FY 2016 to FY 2017.

The **Governor** recommends FY 2018 expenditures (including capital improvements) of \$10.5 million, including \$8.6 million from the State General Fund. The Governor recommends operating expenditures of \$9.4 million, including \$8.3 million from the State General Fund. The recommendation is an all funds decrease of \$141,186, or 1.5 percent, and a State General Fund decrease of \$140,217, or 1.6 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$62,625, including \$61,831 from the State General Fund, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$13,840, including \$13,665 from the State General Fund. In addition, the Governor's recommendation did not include funding for the enhancement request of \$64,721 from the State General Fund for educator salary increases.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$62,625, including \$61,831 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 98 — Kansas State School for the Deaf

The **agency** requests \$10.4 million in all funds, including \$8.8 million from the State General Fund, for FY 2019 (including capital improvements). The agency requests operating expenditures of \$9.6 million, including \$8.4 million from the State General Fund. This all funds request is \$5,092, or 0.1 percent, less than the FY 2018 request and a State General Fund increase of \$77,774, or 0.9 percent, more due to an increase in contractual services, funded in past years with various fee funds that are diminishing over time.

The **Governor** recommends FY 2019 expenditures (including capital improvements) of \$10.3 million, including \$8.7 million from the State General Fund. The Governor recommends operating expenditures of \$9.4 million, including \$8.3 million from the State General Fund. The recommendation is an all funds decrease of \$145,560, or 1.5 percent, and a State General Fund decrease of \$144,515, or 1.6 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$82,390, including \$81,345 from the State General Fund. In addition, the Governor's recommendation did not approve the agency's enhancement request of \$63,170 from the State General Fund for educator salary increases.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$82,390, including \$81,345 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 99 — State Historical Society

The **agency** requests \$6.9 million in all funds for FY 2018, including \$4.2 million from the State General Fund (including capital improvements). The agency requests operating expenditures of \$6.6 million, including \$3.9 million from the State General Fund, which is \$48,912, or 0.7 percent, less than the FY 2017 all funds request, including \$47,269, or 1.2 percent, less from the State General Fund. FY 2018 expenditures do not include the 27th pay period, as was included in the FY 2017 budget. In addition, the KPERS employer contribution rate and the death and disability insurance rates increased in FY 2018. The major adjustment in the all funds category is primarily attributable to less funding estimated in the Heritage Trust Fund due to a 2014 change in state law lowering mortgage registration fees to that fund.

Reductions also occur in contractual services expenditures because the two major IT projects will be completed prior to FY 2018. This reduction is offset by increases in contractual

services of \$60,000 in FY 2018 for implementation of the Kansas Enterprise Electronic Preservation (KEEP) system, which will provide access to the State's permanent records. This system will enable the State Archives to maintain the many records created in a variety of digital formats.

The **Governor** recommends FY 2018 expenditures of \$6.8 million in all funds, including \$4.1 million from the State General Fund (including capital improvements). The Governor recommends operating expenditures of \$6.6 million, including \$3.9 million from the State General Fund. This is a decrease from the agency's all funds request of \$37,959, or 0.6 percent, and \$29,975, or 0.7 percent, from the State General Fund. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$31,088, including \$22,092 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$6,871, including \$4,883 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$31,088, including \$22,092 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 100 — State Historical Society

The **agency** requests \$7.0 million in all funds, including \$4.2 million from the State General Fund (including capital improvement funding). The agency requests operating expenditures of \$6.6 million, including \$3.9 million from the State General Fund, which is an increase of \$24,415, or 0.5 percent, from all funds and an increase of \$24,636, or 0.6 percent, from the State General Fund above the FY 2018 request. The KPERS employer contribution rate and the death and disability insurance rate will increase in FY 2019.

A technical correction has been requested by the agency related to the FTE count for this fiscal year, which would not change from the prior fiscal year.

In addition, the request includes a reduction in contractual services for FY 2019 due to expected utility cost savings because of steps taken to lower the agency's use of electricity. Steps taken to lower utility costs include replacing current lighting with LED lights throughout the collection bays.

The **Governor** recommends FY 2019 all funds expenditures of \$6.9 million, including \$4.1 million from the State General Fund (including capital improvements). The Governor recommends operating expenditures of \$6.6 million, including \$3.9 million from the State General Fund. The recommendation is an all funds decrease of \$40,898, or 0.6 percent, and a State General Fund decrease of \$29,063, or 0.7 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$40,898, including \$29,063 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$40,898, including \$29,063 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 101 — Fort Hays State University

The **agency** requests an operating budget of \$121.4 million, including \$32.5 million from the State General Fund. This is an all funds increase of \$958,258, or 0.8 percent, and a State General Fund decrease of \$289,642, or 0.9 percent, from the revised estimate in FY 2017. The increase is primarily in salaries and wages (\$876,907) and contractual services (\$126,402), with an offsetting decrease in debt service expenditures (\$45,051).

The **Governor** recommends an operating budget of \$121.2 million, including \$32.4 million from the State General Fund. This is an all funds increase of \$782,272, or 0.6 percent, and a State General Fund decrease of \$368,854, or 1.1 percent, from the FY 2017 recommendation.

The recommendation is an all funds decrease of \$215,579, or 0.2 percent, and a State General Fund decrease of \$98,643, or 0.3 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$108,172, including \$50,808 from the State General Fund, and to provide a moratorium on agency death and disability employer contribution payments for one quarter, which results in an all funds reduction of \$107,407, including \$47,835 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$108,172, including \$50,808 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 102 — Fort Hays State University

The **agency** requests an operating budget of \$122.9 million, including \$32.6 million from the State General Fund. This is an all funds increase of \$1.4 million, or 1.2 percent, including a State General Fund increase of \$54,162, or 0.2 percent, above the FY 2018 request. The increase is in salaries and wages.

The **Governor** recommends an operating budget of \$122.7 million, including \$32.5 million from the State General Fund. This is an all funds increase of \$1.5 million, or 1.2 percent, and a State General Fund increase of \$84,219, or 0.3 percent, above the FY 2018 recommendation.

The recommendation is an all funds decrease of \$149,971, or 0.1 percent, and a State General Fund decrease of \$68,586, or 0.3 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$149,971, including \$68,586 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

2. Add \$43,218, all from the State General Fund, to restore the cut to a three percent reduction for FY 2019.

Sec. 103 — Kansas State University

The **agency** requests operating expenditures of \$586.0 million, including \$98.4 million from the State General Fund. This is an all funds decrease of \$4.0 million, or 0.7 percent, and a State General Fund increase of \$1.0 million, or 1.0 percent, from the FY 2017 revised estimate. The increase in State General Fund is for debt service and the all funds decrease is primarily in salaries and wages (\$2.2 million) and contractual services (\$919,548).

The **Governor** recommends an operating budget of \$581.6 million, including \$95.4 million from the State General Fund. This is an all funds decrease of \$8.3 million, or 1.4 percent, and a State General Fund decrease of \$1.9 million, or 2.0 percent, below the FY 2017 revised estimate.

The recommendation is an all funds decrease of \$948,620 including \$286,159 from the State General Fund below the agency's request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$469,140, including \$166,432 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$479,480, including \$119,727 from the State General Fund. The recommendation also deleted \$4.0 million, all from the State General Fund, for the Global Foods System Research program.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$1.1 million, all from the State General Fund, to restore funding to a 4.0 percent reduction for FY 2018.

2. Add \$469,140, including \$166,432 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 104 — Kansas State University

The **agency** requests an operating budget of \$582.0 million, including \$98.5 million from the State General Fund. This is an all funds decrease of \$4.1 million, or 0.7 percent, and a State General Fund increase of \$134,973, or 0.1 percent, from the FY 2018 request. The decrease is primarily in contractual services (\$2.2 million), commodities (\$2.2 million), and capital outlay (\$754,785) with an offsetting increase in salaries and wages (\$1.6 million).

The **Governor** recommends \$577.8 million, including \$95.7 million from the State General Fund. This is an all funds decrease of 3.7 million, or 0.6 percent, and a State General Fund increase of \$251,711, or 0.3 percent, from the FY 2018 recommendation.

The recommendation is an all funds decrease of \$4.1 million, or 0.7 percent, and a State General Fund decrease of \$2.9 million, or 2.9 percent, below the agency's request. The decrease includes all funds expenditures of \$660,237, including \$234,421 from the State General Fund, which is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The recommendation also deleted \$4.0 million, all from the State General Fund, for the Global Foods System Research program.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$2.1 million, all from the State General Fund, to restore funding to a 3.0 percent reduction for FY 2019.
2. Add \$660,237, including \$234,421 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 105 — Kansas State University – Extension Systems and Agricultural Research Programs

The **agency** requests \$143.8 million, including \$45.7 million from the State General Fund. This is a decrease of \$1.6 million, or 1.1 percent, from all funds and \$396,790, or 0.9 percent, from the State General Fund below the FY 2017 revised estimate. The decrease is primarily in salaries and wages (\$903,072), contractual services (\$330,053), and commodities (\$286,069).

The **Governor** recommends FY 2018 operating expenditures of \$143.6 million, including \$45.6 million from the State General Fund. The recommendation is an all funds decrease of \$209,927, or 0.1 percent, and a State General Fund decrease of \$97,020, or 0.2 percent, below the agency's request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$84,735, including \$39,774 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$125,192, including \$57,246 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$84,735, including \$39,774, from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 106 — Kansas State University – Extension Systems and Agricultural Research Programs

The **agency** requests \$144.0 million, including \$45.7 million from the State General Fund. This is an increase of \$213,221, or 0.1 percent, from all funds and \$47,007, or 0.1 percent, from the State General Fund above the FY 2018 request. The increase is in salaries and wages.

The **Governor** recommends FY 2019 operating expenditures of \$143.9 million, including \$45.7 million from the State General Fund. The recommendation is an all funds decrease of \$119,266, or 0.1 percent, and a State General Fund decrease of \$56,041, or 0.1 percent, below the agency's request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$119,266, including \$56,041, from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 107 — Kansas State University Veterinary Medical Center

The **agency** requests an operating budget of \$50.9 million, including \$14.4 million from the State General Fund. This is an all funds increase of \$168,638, or 0.3 percent, and a State General Fund decrease of \$186,744, or 1.3 percent, from the FY 2017 revised estimate. There is a decrease in salaries and wages (\$525,019) with an offsetting increase in commodities (\$693,657).

The **Governor** recommends FY 2018 operating expenditures of \$50.8 million, including \$14.4 million from the State General Fund. The recommendation is an all funds decrease of \$114,888, or 0.2 percent, and a State General Fund decrease of \$32,606, or 0.2 percent, below the agency's request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$60,374, including \$17,372 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$54,514, including \$15,232 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$60,374, including \$17,374 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 108 — Kansas State University Veterinary Medical Center

The **agency** requests an operating budget of \$50.9 million, including \$14.4 million from the State General Fund. This is an all funds increase of \$62,253, or 0.1 percent, and a State General Fund increase of \$20,723, or 0.1 percent, above the FY 2018 request. The increase is in salaries and wages (\$182,992) with a partial offsetting decrease in contractual services (\$120,739).

The **Governor** recommends FY 2019 operating expenditures of \$50.9 million, including \$14.4 million from the State General Fund. The recommendation is an all funds decrease of \$84,965, or 0.2 percent, and a State General Fund decrease of \$24,457, or 0.2 percent, below the agency's request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$56,205, all from the State General Fund, to restore the cut to a 3 percent reduction for FY 2019.

2. Add \$84,965, including \$24,457 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 109 — Emporia State University

The **agency** requests an operating budget of \$89.2 million, including \$30.3 million from the State General Fund. This is an all funds decrease of \$1.3 million, or 1.5 percent, and a State General Fund decrease of \$433,689, or 1.4 percent, below the FY 2017 estimated amount. The decrease is primarily in salaries and wages (\$487,313) due to the 27th pay period in FY 2017 and a decrease in capital outlay (\$691,870).

The **Governor** recommends an operating budget of \$89.0 million, including \$30.2 from the State General Fund. The recommendation is an all funds decrease of \$1.5 million, or 1.7 percent, and State General Fund decrease of \$502,259, or 1.6 percent, below the FY 2017 estimated amount.

The recommendation is a decrease of \$160,246, or 0.2 percent, from all funds and \$88,744, or 0.3 percent, from the State General Fund below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds decrease of \$84,934, including \$50,945 from the State General Fund, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds decrease of \$75,312, including \$37,799 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$84,934, including \$50,945, from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 110 — Emporia State University

The **agency** requests an operating budget of \$89.3 million, including \$30.4 million from the State General Fund. This is an all funds increase of \$161,519, or 0.2 percent, and a State General Fund increase of \$61,159, or 0.2 percent, above the FY 2018 requested amount. The agency shifted State General Fund expenditures from contractual services to salaries and wages in FY 2019. The all funds increase is in salaries and wages (\$361,416) for benefits. There is a decrease of contractual services (\$151,275) and debt service (\$49,650).

The **Governor** recommends an operating budget of \$89.2 million, including \$30.3 million from the State General Fund. This is an all funds decrease of \$300,588, or 0.2 percent, and a State General Fund increase of \$201,671, or 0.2 percent, above the FY 2018 recommendation.

The recommendation is a decrease \$120,094, or 0.1 percent, from all funds and \$71,977, or 0.2 percent, from the State General Fund below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$120,094, including \$71,977, from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 111 — Pittsburg State University

The **agency** requests an operating budget of \$107.7 million, including \$33.9 million from the State General Fund, for FY 2018, excluding capital improvements. This is a decrease of \$908,612, or 0.8 percent, from all funds and \$932,466, or 2.7 percent, from the State General Fund below the FY 2017 revised estimate. The decrease is in all expenditure categories.

The **Governor** recommends FY 2018 operating expenditures of \$107.5 million, including \$33.8 million from the State General Fund. The recommendation is an all funds decrease of \$177,123, or 0.2 percent, and a State General Fund decrease of \$82,875, or 0.2 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$100,679, including \$46,036 from the State General Fund, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$76,444, including \$36,839 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$100,679, including \$46,036 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 112 — Pittsburg State University

The **agency** requests an operating budget of \$107.7 million, including \$34.0 million from the State General Fund, for FY 2019, excluding capital improvements. This is an all funds decrease of \$4,117, or less than 0.1 percent, and a State General Fund increase of \$56,169, or 0.2 percent, from the FY 2018 request. There is an increase in salaries and wages (\$363,980) with partially offsetting decreases in all other expenditure categories.

The **Governor** recommends FY 2019 operating expenditures of \$107.6 million, including \$33.9 million from the State General Fund. The recommendation is an all funds decrease of \$137,879, or 0.1 percent, and a State General Fund decrease of \$62,518, or 0.2 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$137,879, including \$62,518 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 113 — University of Kansas

The **agency** requests FY 2018 operating expenditures of \$733.6 million, including \$127.9 million from the State General Fund. This is an increase of \$10.4 million, or 1.4 percent, from all funds and a decrease of \$2.6 million, or 2.0 percent, from the State General Fund from the FY 2017 revised estimate. The increase is in contractual services for the lease payment on the Central District construction project.

The **Governor** recommends FY 2018 operating expenditures of \$732.8, including \$127.6 million from the State General Fund. The recommendation is an all funds decrease of \$815,389, or 0.1 percent, and a State General Fund decrease of \$285,550, or 0.2 percent, below the agency's request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$283,020, including \$136,828 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$532,369, including \$148,722 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$283,020, including \$136,828 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

2. Add \$1.6 million, all from the State General Fund, to restore the cut to a 4.0 percent reduction for FY 2018.

Sec. 114 — University of Kansas

The **agency** requests FY 2019 operating expenditures of \$747.3 million, including \$127.9 million from the State General Fund. This is an increase of \$13.6 million, or 1.9 percent, from all funds and \$9,813, or less than 0.1 percent, from the State General Fund above the FY 2018 request. The increase includes \$2.0 million, or 0.4 percent, in salaries and wages and \$10.7 million, or 7.1 percent, in contractual services. The contractual services increase is for the lease payment on the Central District construction project.

The **Governor** recommends FY 2019 operating expenditures of \$746.9 million, including \$127.7 million from the State General Fund. The recommendation is an all funds decrease of \$402,121, or 0.1 percent, and a State General Fund decrease of \$194,268, or 0.2 percent, below the agency's request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$402,121, including \$194,268 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

2. Add \$2.9 million, all from the State General Fund, to restore the cut to a 3.0 percent reduction for FY 2019.

Sec. 115 — University of Kansas Medical Center

The **agency** requests FY 2018 operating expenditures of \$351.0 million, including \$104.2 million from the State General Fund. This is a decrease of \$17.8 million, or 4.8 percent, from all funds and \$3.1 million, or 2.9 percent, from the State General Fund below the FY 2017 revised estimate. The decrease is primarily in salaries and wages (\$7.1 million), contractual services (\$3.4 million), and capital outlay (\$7.6 million).

The **Governor** recommends \$350.6 million, including \$104.1 million from the State General Fund. The recommendation is an all funds decrease of \$395,665, or 0.1 percent, and a State General Fund decrease of \$135,524, or 0.1 percent, below the agency's request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$61,735, including \$31,898 from the State General Fund, and to provide a moratorium on employer

contributions for death and disability for one quarter, which results in an all funds reduction of \$333,930, including \$103,626 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$1.0 million, all from the State General Fund, for the Psychiatry Medical Loan and Rural Health Bridging Psychiatry Program for FY 2018.

2. Add \$61,735, including \$31,898 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 116 — University of Kansas Medical Center

The **agency** requests FY 2019 operating expenditures of \$352.9 million, including \$104.2 million from the State General Fund. This is an increase of \$1.9 million, or 0.5 percent, from all funds and \$6,732, or less than 0.1 percent, from the State General Fund above the FY 2018 request. The increase is primarily in salaries and wages (\$1.2 million) and contractual services (\$563,986).

The **Governor** recommends \$352.8 million, including \$104.2 million from the State General Fund. The recommendation is an all funds decrease of \$86,885, or less than 0.1 percent, and a State General Fund decrease of \$44,888, or less than 0.1 percent, below the agency's request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$1.0 million, all from the State General Fund, for the Psychiatry Medical Loan and Rural Health Bridging Psychiatry Program for FY 2019.

2. Add \$86,885, including \$44,888 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

3. Add \$354,393, all from the State General Fund, to restore the cut to a 3.0 percent reduction for FY 2019.

Sec. 117 — Wichita State University

The **agency** requests an operating budget of \$302.7 million, including \$70.7 million from the State General Fund. This is a decrease of \$3.5 million, or 1.1 percent, from all funds and \$879,305, or 1.2 percent, from the State General Fund below the FY 2017 revised estimate. The decrease is primarily due to decreases in all expenditure categories.

The **Governor** recommends FY 2018 operating expenditures of \$302.3 million, including \$70.6 million from the State General Fund. The recommendation is an all funds decrease of \$377,442, or 0.1 percent, and a State General Fund decrease of \$171,747, or 0.2 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$182,117, including \$102,098 from the State General Fund, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$195,325, including \$69,649 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$182,117, including \$102,098 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 118 — Wichita State University

The **agency** requests an operating budget of \$302.6 million, including \$70.9 million from the State General Fund. This is an all funds decrease of \$70,794, or less than 0.1 percent, and a State General Fund increase of \$134,961, or 0.2 percent, from the FY 2018 request. There is an increase in salaries and wages (\$831,858) with offsetting decreases in all other expenditure categories.

The **Governor** recommends FY 2019 operating expenditures of \$301.3 million, including \$70.7 million from the State General Fund. The recommendation is an all funds decrease of \$1.3 million, or 0.4 percent, and a State General Fund decrease of \$144,917, or 0.2 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$258,158, including \$144,917 from the State General Fund. The recommendation also includes a deletion of \$1.0 million, all from the State General Fund, for the Center of Innovation for Biomaterials in Orthopedic Research (CIBOR).

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$258,158, including \$144,917 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

2. Add \$609,863, all from the State General Fund, to restore the cut to a 3.0 percent reduction for FY 2019.

Sec. 119 — Board of Regents

The **agency** requests an operating budget of \$237.4 million, including \$221.2 million from the State General Fund. This is an increase of \$30.0 million, or 14.5 percent, from all funds

and \$30.1 million, or 15.7 percent, from the State General Fund above the FY 2017 revised estimate. The increase is due to the enhancement requests. The State General Fund allocations to the Board office and state universities were reduced by the same amount as the FY 2017 allotments. The Board and universities are asking that this reduction of \$30.1 million be restored for FY 2018.

The **Governor** recommends \$210.7 million, including \$194.5 million from the State General Fund. The recommendation is an all funds decrease of \$26.7 million, or 11.2 percent, and a State General Fund decrease of \$26.7 million, or 12.1 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$6,529, including \$4,402 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$7,514, including \$5,067 from the State General Fund. The recommendation also did not include the agency's enhancement requests of \$30.7 million, all from the State General Fund.

The Governor's recommendation added \$4.0 million, all from the State General Fund for two new programs: \$1.0 million for the 15K Degree Pilot and \$3.0 million for teacher scholarships for working in rural Kansas.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Delete \$1.0 million, all from the State General Fund, for the \$15K Degree Program for FY 2018.
2. Delete \$50,000, all from the State General Fund, for the Incentive for Technical Education for FY 2018.
3. Add \$6,529, including \$4,402 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.
4. Delete \$2.7 million, all from the State General Fund, from the Teachers' Scholarship fund for FY 2018.

Sec. 120 — Board of Regents

The **agency** requests an operating budget of \$237.4 million, including \$221.2 million from the State General Fund. This is an all funds increase of \$41,956, or less than 0.1 percent, and an increase of \$5,816, or less than 0.1 percent, from the State General Fund above the FY 2018 request. The request includes an enhancement of \$30.1 million, all from the State General Fund. The State General Fund allocations to the Board office and state universities was reduced by the same amount as the FY 2017 allotments. The Board and universities are asking that this reduction of \$30.1 million be restored for FY 2019.

The **Governor** recommends operating expenditures of \$213.7 million, including \$197.5 million from the State General Fund. The recommendation is an all funds decrease of \$23.7 million, or 10.0 percent, and a State General Fund decrease of \$23.7 million, or 10.7 percent,

below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$8,541, including \$5,761 from the State General Fund. The recommendation did not include the agency's enhancement requests of \$30.7 million, all from the State General Fund.

The Governor's recommendation added \$7.0 million, all from the State General Fund for two new programs: \$1.0 million for the 15K Degree Pilot and \$6.0 million for teacher scholarships for working in rural Kansas.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Delete \$1.0 million, all from the State General Fund, for the \$15K Degree Program for FY 2019.
2. Delete \$50,000, all from the State General Fund, for the Incentive for Technical Education for FY 2019.
3. Add \$8,541, including \$5,761 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.
4. Delete \$6.2 million, all from the State General Fund, from the Teachers' Scholarship fund for FY 2019.
5. Add \$119,000, all from the State General Fund, to the Municipal University Operating Grant to restore the cut to a three percent reduction for FY 2019.

Sec. 121 — Department of Corrections

The agency requests FY 2018 total expenditures for DOC Central Office of \$245.4 million, including \$205.3 million from the State General Fund. The estimate is an increase of \$35.0 million, or 16.6 percent, including a State General Fund increase of \$37.4 million, or 22.2 percent, above the FY 2017 estimate. The increase is primarily attributable to the agency requesting \$27.2 million in bonding authority, all from the State General Fund, for the construction of two cell houses at the El Dorado Correctional Facility and other enhancements totaling \$12.2 million, all from the State General Fund, offset by reductions in aid to local units of government and other assistance. Absent the enhancements, the agency requests \$233.2 million, including \$193.2 million from the State General Fund. The request is an increase of \$4.4 million, or 2.1 percent, including a State General Fund decrease of \$2.1 million, or 1.2 percent, below the FY 2017 estimate. The request includes 297.0 FTE positions and 177.0 non-FTE positions, which is unchanged from the FY 2017 estimate.

The **Governor** recommends FY 2018 total expenditures for the Department of Corrections Central Office of \$208.6 million, including \$166.6 million from the State General Fund. The recommendation is an all funds decrease of \$36.8 million, or 15.0 percent, including a State General Fund decrease of \$38.7 million, or 18.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to not fund the

agency's request for \$27.2 million in bonding authority, all from the State General Fund, for the construction of two cell houses at the El Dorado Correctional Facility and his recommendation to deny enhancements totaling \$8.3 million as well as his recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$188,559, including \$179,200 from the State General Fund, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$41,886, including \$39,808 from the State General Fund. The Governor concurs with the agency's FTE and non-FTE portion of its request.

The Governor does recommend funding the agency's enhancements for its inmate health care contract (\$3.5 million) and the food service contract (\$324,980). However, rather than funding both enhancements entirely from the State General Fund, the Governor recommends funding the health care contract enhancement with \$1.5 million from the Correctional Industries Fund and recommends funding the food service contract enhancement from the Correctional Industries Fund in its entirety.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$188,559, including \$179,200 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

2. Transfer \$6.0 million, all from the State General Fund purchase of services account, to the Juvenile Justice Improvement Fund for FY 2018.

Sec. 121 — El Dorado Correctional Facility

The **agency** request FY 2018 operating expenditures of \$28.3 million, including \$28.3 million from the State General Fund. The request is a decrease of \$273,132, or 1.0 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to the 27th payroll period in FY 2017, a reduction of capital outlay expenditures due to the purchase of cleaning equipment in FY 2017, and smaller reductions in all other expenditure categories, offset by enhancements totaling \$255,100, all from the State General Fund, for three passenger cars (\$70,500), new radio equipment (\$40,100), and technology equipment (\$144,500). **Absent the enhancements**, the agency requests \$28.1 million, including \$28.1 million from the State General Fund. The request includes 481.0 FTE positions and 4.0 non-FTE positions, which is unchanged from the FY 2017 revised estimate.

The Governor recommends \$27.9 million, including \$27.8 million from the State General Fund, for El Dorado Correctional Facility for FY 2018. This is a State General Fund decrease of \$485,535, or 1.7 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter. The Governor concurs with the agency's FTE and non-FTE request for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$188,730, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 121 — Ellsworth Correctional Facility

The **agency** requests FY 2018 operating expenditures of \$14.4 million, including \$14.3 million from the State General Fund. The request is a decrease of \$136,830, or 0.9 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to reductions in salaries and wages due to the 27th payroll period in FY 2017, offset by enhancements totaling \$51,646, all from the State General Fund, for a new vehicle (\$24,700), new radio equipment (\$16,646), and new computer equipment (\$10,300). **Absent the enhancements**, the agency requests \$14.3 million, including \$14.3 million from the State General Fund. The request includes 234.0 FTE positions and 1.0 non-FTE position, which is unchanged from the FY 2017 revised estimate.

The **Governor** recommends \$14.2 million, including \$14.1 million from the State General Fund, for Ellsworth Correctional Facility for FY 2018. This is an all funds decrease of \$164,273, or 1.1 percent, and a State General Fund decrease of \$163,827, or 1.1 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$51,626 and the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$92,243, including \$91,878 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 121 — Hutchinson Correctional Facility

The **agency** requests FY 2018 operating expenditures of \$31.0 million, including \$30.9 million from the State General Fund. The request is a decrease of \$398,089, or 1.3 percent, below the FY 2017 estimate. The decrease is primarily attributable to expenditure reductions in commodities for supplies and clothing and for contractual services, including utility reductions and reductions in equipment and building repairs, offset by increases in salaries and wages attributable to reduced shrinkage and employer contributions to Corrections KPERs and by enhancements totaling \$246,000, all from the State General Fund, to replace worn-out trucks (\$131,000) and to obtain information processing equipment (\$115,000). **Absent the enhancements**, the agency's revised request is \$30.8 million, including \$30.6 million from the State General Fund. The revised request includes 499.0 FTE positions and 8.0 non-FTE positions, which is unchanged from the FY 2017 estimate.

The **Governor** recommends \$30.6 million, including \$30.4 million from the State General Fund, for Hutchinson Correctional Facility for FY 2018. This is an all funds decrease of

\$487,435, or 1.6 percent, and a State General Fund decrease of \$485,868, or 1.6 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements for \$246,000 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$197,739, including \$196,455 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 121 — Kansas Juvenile Correctional Complex

The **agency** requests FY 2017 total expenditures of \$23.3 million, including \$22.9 million from the State General Fund. The estimate is an increase of \$8.1 million, or 53.1 percent, including a State General Fund increase of \$8.1 million, or 55.0 percent, above the FY 2017 estimate. The all funds increase is primarily attributable to the youth population at the Larned Juvenile Correctional Facility being moved into the Kansas Juvenile Correctional Complex and the increase in services related to the care of those youth. The estimate includes 349.5 FTE positions and 6.0 non-FTE positions, which is an increase of 123.0 FTE positions, or 50.0 percent, above the FY 2017 approved amount. The increase is attributable to the demand for services brought by the transfer of the Larned Juvenile Correctional Facility.

The Governor recommends FY 2018 total expenditures of \$23.2 million, including \$22.8 million from the State General Fund. This is a State General Fund decrease of \$157,437, or 0.7 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter. The recommendation includes 349.5 FTE positions and 6.0 non-FTE positions, which is unchanged from the FY 2018 agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$128,943, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 121 — Lansing Correctional Facility

The **agency** requests FY 2018 operating expenditures of \$41.7 million, including \$41.4 million from the State General Fund. The request is an increase of \$233,842 or 0.6 percent, above the FY 2017 estimate. The increase is primarily attributable to the agency's enhancement requests and increases in utilities, offset by reductions in salaries and wages attributable to the 27th payroll period in FY 2017 and reduced shrinkage. The request includes enhancements

totaling \$1.0 million, all from the State General Fund, for utility enhancements (\$453,439), the replacement of IT equipment (\$280,500), vehicle replacement (\$169,200), and security equipment (\$144,500). **Absent the enhancements**, the agency requests \$40.6 million, including \$40.3 million from the State General Fund. The request includes 682.0 FTE positions, which is unchanged from the FY 2017 estimate.

The **Governor** recommends \$40.3 million, including \$40.0 million from the State General Fund, for Lansing Correctional Facility for FY 2018. This is a State General Fund decrease of \$1.4 million, or 3.3 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor not recommending the agency's enhancements for utilities, the replacement of its IT equipment, vehicle replacement, and security equipment and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$266,667, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 121 — Larned Correctional Mental Health Facility

The **agency** requests FY 2018 operating expenditures of \$10.8 million, all from the State General Fund. The request is an increase of \$49,170, or 0.5 percent, above the FY 2017 revised estimate. The increase is primarily attributable to the agency's enhancement requests, offset by reductions in salaries and wages due to the 27th payroll period in FY 2017 and reduced shrinkage. The request includes enhancements totaling \$224,350 for the replacement of 1/4th of the agency's IT equipment (\$55,850), for a package scanner at the sally port entrance (\$35,000), a 40-key position key watcher box (\$8,500), and the replacement of security vehicles for perimeter control (\$125,000). **Absent the enhancements**, the agency requests \$10.5 million. The request includes 184.0 FTE positions and 2.0 non-FTE positions, which is unchanged from the FY 2017 revised estimate.

The **Governor** recommends \$10.5 million, all from the State General Fund, for Larned Correctional Mental Health Facility for FY 2018. This is a State General Fund decrease of \$314,163, or 2.9 percent, below the FY 2018 agency request. The decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$224,350 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$73,558, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 121 — Norton Correctional Facility

The **agency** requests FY 2018 operating expenditures of \$15.8 million, including \$15.7 million from the State General Fund. The request is a decrease of \$37,274, or 0.2 percent, above the FY 2017 estimate. The decrease is primarily attributable to reductions in salaries and wages attributable to the 27th payroll period in FY 2017 and reduced shrinkage, offset by an increased cost for supplies, increased costs for electrical utilities, and enhancement requests. The requests includes enhancements totaling \$302,600, all from the State General Fund, for the replacement of IT equipment (\$188,000), vehicle replacement (\$98,500), and security equipment (\$16,100). **Absent the enhancements**, the agency requests \$15.5 million, including 15.4 million from the State General Fund. The request includes 262.0 FTE positions and 1.0 non-FTE position, which is unchanged from the FY 2017 estimate.

The Governor recommends \$15.4 million, including \$15.3 million from the State General Fund, for Norton Correctional Facility for FY 2018. This is an all funds decrease of \$430,235, or 2.7 percent, and a State General Fund decrease of \$428,850, or 2.7 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$302,600, all from the State General Fund, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide moratorium on employer contributions for death and disability for one quarter. The Governor concurs with the agency's FTE and non-FTE request for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$104,535, including \$103,401 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 121 — Topeka Correctional Facility

The **agency** requests FY 2018 total expenditures of \$16.5 million, including \$16.1 million from the State General Fund. The request is an increase of \$1.2 million, or 7.9 percent above the FY 2017 estimate. The increase is primarily attributable to the agency's enhancement requests. The enhancement requests total \$1.3 million, all from the State General Fund, for the replacement of the bureaus of prison contract (\$630,820), the replacement of IT equipment (\$40,225), the continued employment of 14.0 Corrections Officer positions (\$567,060), and to replace four passenger cars and one truck (\$105,600). **Absent the enhancements**, the agency requests \$15.2 million, including \$14.7 million from the State General Fund. The request includes 256.0 FTE positions and 7.0 non-FTE positions, which is unchanged from the FY 2017 estimate.

The Governor recommends \$15.1 million, including \$14.6 million from the State General Fund. This is an all funds decrease of \$1.5 million, or 8.9 percent, and a State General Fund decrease of \$1.5 million, or 9.1 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancement requests totaling \$1.3 million and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$104,638, including \$102,371 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 121 — Winfield Correctional Facility

The **agency** requests FY 2018 operating expenditures of \$13.4 million, including \$13.2 million from the State General Fund. The request is a decrease of \$328,067, or 2.4 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to reductions in salaries and wages attributable to the 27th payroll period in FY 2017 and a reduction of capital outlay expenditures due to the one-time purchase of vehicles and microcomputer equipment in FY 2017, offset by increased utility costs and by enhancements totaling \$288,804, all from the State General Fund, for utilities for the Kansas Veterans' Home (\$163,804) and shop and plant maintenance equipment (\$125,000). **Absent the enhancements**, the agency requests \$13.1 million, including \$12.9 million from the State General Fund. The request includes 197.0 FTE positions and 3.0 non-FTE positions, which is unchanged from the 2017 revised estimate.

The Governor recommends \$13.0 million, including \$12.8 million from the State General Fund, for Winfield Correctional Facility for FY 2018. This is an all funds decrease of \$390,131, or 2.9 percent, and a State General Fund decrease of \$387,536, or 2.9 percent, below the FY 2018 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancement requests totaling \$288,804, all from the State General Fund, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount and to provide a moratorium on employer contributions for death and disability for one quarter.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$82,988, including \$80,863 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 122 — Department of Corrections

The **agency** requests FY 2019 total expenditures for the DOC Central Office of \$220.9 million, including \$181.6 million from the State General Fund. The request is a decrease of \$24.5 million, or 10.0 percent, including a State General Fund decrease of \$23.7 million, or 11.5 percent, below the FY 2018 request. The decrease is primarily attributable to the agency's FY 2018 request for \$27.2 million in bonding authority for the construction of two cell houses at the El Dorado Correctional Facility. The request is primarily offset by increased expenditures in commodities; contractual services; \$280,703, all from the State General Fund, for a capital improvement project for the expansion of the Hutchinson Correctional Facility Visiting Center expansion; and enhancements totaling \$15.2 million, all from the State General Fund. Absent

the enhancements, the agency requests \$205.8 million, including \$166.5 million from the State General Fund. The request is an all funds decrease of \$27.8 million, or 14.5 percent, and a State General Fund increase of \$244,186, or 0.1 percent, from the FY 2018 State General Fund request, less the enhancements. The request includes 297.0 FTE positions and 177.0 non-FTE positions, which is unchanged from the FY 2018 request.

The **Governor** recommends FY 2019 total expenditures for the Department of Corrections Central Office of \$211.0 million, including \$171.4 million from the State General Fund. The recommendation is an all funds decrease of \$9.9 million, or 4.5 percent, including a State General Fund decrease of \$10.3 million, or 5.6 percent, below the agency's FY 2018 request. The decrease is primarily attributable to the Governor's recommendation to not fund the agency's request for various enhancements (\$8.1 million), the recommendation to not fund the agency's capital improvement project for the expansion of the Hutchinson Correctional Facility Visiting Center expansion for \$280,703, and due to his recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$243,400 including \$231,343 from the State General Fund. The Governor concurs with the agency's FTE and non-FTE portion of its request.

The Governor recommends funding the agency's enhancements for its inmate health care contract (\$6.5 million) and the food service contract (\$676,470). However, rather than funding the food service contract enhancement from the State General Fund, the Governor recommends funding the enhancement through the Correctional Industries Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$243,400, including \$231,343 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.
2. Transfer \$6.0 million, all from the State General Fund purchase of services account, to the Juvenile Justice Improvement Fund for FY 2019.

Sec. 122 — El Dorado Correctional Facility

The **agency** requests FY 2019 operating expenditures of \$28.6 million, including \$28.6 million from the State General Fund. The request is an increase of \$228,090, or 0.8 percent, above the FY 2018 request. The increase is primarily attributable to increased expenditures for salaries and wages and capital outlay, offset by decreases in expenditures for work supplies and contractual services. The request includes enhancements totaling \$266,100, all from the State General Fund, for new cars and trucks (\$74,500), new radio equipment (\$40,100), and new technology equipment (\$151,500). **Absent the enhancements**, the agency requests \$28.3 million, including \$28.3 million from the State General Fund. The request includes 481.0 FTE positions and 4.0 non-FTE positions, which is unchanged from the FY 2018 request.

The Governor recommends \$28.1 million, including \$28.0 million from the State General Fund, for El Dorado Correctional Facility for FY 2019. This is a State General Fund decrease of \$514,834, or 1.8 percent, below the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$266,100 and the

Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor concurs with the agency's FTE and non-FTE request for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$248,734, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 122 — Ellsworth Correctional Facility

The **agency** requests FY 2019 operating expenditures of \$14.5 million, including \$14.4 million from the State General Fund. The request is an increase of \$96,060, or 0.7 percent, above the FY 2018 request. The increase is primarily attributable to increases in salaries and wages, offset by decreases in expenditures for commodities related to additional expenses for correctional officer uniforms in FY 2018 and capital outlay related to the FY 2018 enhancement request for the purchase of a car. The request includes enhancements totaling \$40,300, all from the State General Fund, for new radio equipment (\$30,000) and new computer equipment (\$10,300). **Absent the enhancements**, the agency requests \$14.4 million, including \$14.4 million from the State General Fund. The request includes 234.0 FTE positions and 1.0 non-FTE position, which is unchanged from the FY 2018 request.

The **Governor** recommends \$14.3 million, including \$14.2 million from the State General Fund, for Ellsworth Correctional Facility for FY 2019. This is an all funds decrease of \$173,358, or 1.2 percent, and a State General Fund decrease of \$172,839, or 1.2 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancement requests totaling \$40,300, all from the State General Fund, and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor concurs with the agency's FTE and non-FTE request for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$133,058, including \$132,539 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 122 — Hutchinson Correctional Facility

The **agency** requests FY 2019 operating expenditures of \$31.3 million, including \$31.1 million from the State General Fund. The request is an increase of \$236,746, or 0.8 percent, above the FY 2018 request. The increase is primarily attributable to increases within salaries and wages due to additional employer contributions to Corrections KPERS, offset by commodities reductions for building and vehicle parts for repairs. The request includes enhancements totaling \$248,642, all from the State General Fund, to replace worn-out trucks (\$70,000), information processing equipment (\$115,000), and new technology equipment (\$63,642). **Absent the enhancements**, the agency requests \$31.0 million, including \$30.8

million from the State General Fund. The request includes 499.0 FTE positions and 8.0 non-FTE positions, which is unchanged from the FY 2018 request.

The **Governor** recommends \$30.7 million, including \$30.6 million from the State General Fund, for Hutchinson Correctional Facility for FY 2019. This is an all funds decrease of \$530,931, or 1.7 percent, and a State General Fund decrease of \$529,113, or 1.7 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements for \$248,642 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$282,289, including \$280,471 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 122 — Kansas Juvenile Correctional Complex

The **agency** requests FY 2019 total expenditures of \$23.5 million, including \$23.0 million from the State General Fund. The estimate is a State General Fund increase of \$152,621, or 0.7 percent, above the FY 2018 request. The increase is primarily attributable to increased employer contributions to employee health insurance, increased employer contributions to KPERS, the one-time purchase of janitorial supplies in FY 2018, and the cost of moving personal effects in FY 2018 offset by expenditure reductions for the purchase of other supplies. The estimate includes 349.5 FTE positions and 6.0 non-FTE positions, which is unchanged from the agency's FY 2018 request.

The **Governor** recommends FY 2019 total expenditures of \$23.3 million, including \$22.9 million from the State General Fund. This is a State General Fund decrease of \$181,763, or 0.8 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The recommendation includes 349.5 FTE positions and 6.0 non-FTE positions, which is unchanged from the FY 2019 agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$181,763, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 122 — Lansing Correctional Facility

The **agency** requests FY 2019 operating expenditures of \$41.9 million, including \$41.5 million from the State General Fund. The request is an increase of \$168,829 or 0.4 percent, above the FY 2018 request. The increase is primarily attributable to increased expenditures for salaries and wages due to increased employer contributions to Corrections KPERS and employee health insurance, and also due to increased utility costs, offset by reductions in

expenditures for various supplies, clothes, and shop and plant equipment. The request includes enhancements totaling \$903,639, all from the State General Fund, for utility enhancements (\$453,439), the replacement of IT equipment (\$280,500), and vehicle replacement (\$169,700). **Absent the enhancements**, the agency requests \$40.9 million, including \$40.6 million from the State General Fund. The request includes 682.0 FTE positions, which is unchanged from the FY 2018 request.

The **Governor** recommends \$40.6 million, including \$40.2 million from the State General Fund, for Lansing Correctional Facility for FY 2019. This is a State General Fund decrease of \$1.3 million, or 3.1 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$903,639 for utilities, the replacement of IT equipment, and vehicle replacements and the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$103,302, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 122 — Larned Correctional Mental Health Facility

The agency requests FY 2019 operating expenditures of \$10.8 million, all from the State General Fund. The request is a decrease of \$8,076 or 0.1 percent, below the FY 2018 request. The decrease is primarily attributable to the agency reduced enhancement package, offset by increased expenditures for salaries and wages due to increased employer contributions to Corrections KPERs and employee health insurance. The request includes enhancements totaling \$130,850 for the replacement of five vehicles from surplus property (\$75,000) and the replacement of 1/4th of the facility's IT assets (\$55,850). Absent the enhancements, the agency requests \$10.6 million. The request includes 184.0 FTE positions and 2.0 non-FTE positions, which is unchanged from the FY 2018 request.

The Governor recommends \$10.5 million, all from the State General Fund, for Larned Correctional Mental Health Facility for FY 2019. This is a State General Fund decrease of \$234,152, or 2.2 percent, below the FY 2019 agency request. The decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$130,850 and the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$103,302, all from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 122 — Norton Correctional Facility

The **agency** requests FY 2019 operating expenditures of \$15.6 million, including \$15.5 million from the State General Fund. The request is a decrease of \$213,423, or 1.3 percent, below the FY 2018 request. The decrease is primarily attributable to one-time expenditures from the enhancement requests for FY 2018 and reduced shrinkage, offset by increased expenditures for salaries and wages due to increased employer contributions to KPERS, increased employer contributions to employee health insurance, and greater contributions to Corrections KPERS. The request includes 262.0 FTE positions and 1.0 non-FTE position, which is unchanged from the FY 2018 request.

The Governor recommends \$15.5 million, including \$15.4 million from the State General Fund, for the Norton Correctional Facility for FY 2019. This is an all funds decrease of \$135,173, or 0.9 percent, and State General Fund decrease of \$134,097, or 0.9 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$213,423 and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor concurs with the agency's FTE and non-FTE request for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$135,173, including \$134,097 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 122 — Topeka Correctional Facility

The **agency** requests FY 2019 total expenditures of \$16.7 million, including \$16.2 million from the State General Fund. The request is an increase of \$129,414, or 0.8 percent, above the FY 2018 request. The increase is primarily attributable to increase employer contributions to Correctional KPERS and slightly elevated utility costs. The request includes enhancements totaling \$1.4 million, all from the State General Fund, for the replacement of the bureau of prison contract (\$637,087), the replacement of IT equipment (\$40,225), the continued employment of 14.0 Correctional Officer positions (\$572,268), and to replace four passenger cars and one truck (\$115,100). **Absent the enhancements**, the agency requests \$15.3 million, including \$14.9 million from the State General Fund. The request includes 256.0 FTE positions and 7.0 non-FTE positions, which is unchanged from the FY 2018 request.

The Governor recommends \$15.1 million, including \$14.7 million from the State General Fund. This is an all funds decrease of \$1.5 million, or 9.1 percent, and a State General Fund decrease of \$1.5 million, or 9.3 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancement requests totaling \$1.4 million and the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$147,864, including \$144,655 from the State General Fund, to restore Kansas

Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 122 — Winfield Correctional Facility

The **agency** requests FY 2019 operating expenditures of \$13.5million, including \$13.2 million from the State General Fund. The request is an increase of \$93,243, or 0.7 percent, above the FY 2018 request. The increase is primarily attributable to increased expenditures for utilities and employer payments to federal entitlements, offset by increased shrinkage. The request includes enhancements totaling \$292,894, all from the State General Fund, for utilities related to the energy consumption of the Kansas Veterans' Home (\$171,994), for shop and plant maintenance equipment (\$75,000), and for microcomputer equipment (\$5,900). **Absent the enhancements**, the agency requests \$13.2 million, including \$1.0 million from the State General Fund. The request includes 197.0 FTE and 3.0 non-FTE positions, which is unchanged from the FY 2018 request.

The Governor recommends \$13.1 million, including \$2.9 million from the State General Fund, for Winfield Correctional Facility for FY 2019. This is an all funds decrease of \$398,742, or 2.9 percent, and a State General Fund decrease of \$396,041, or 3.0 percent, below the FY 2019 agency request. The all funds decrease is attributable to the Governor's recommendation to deny the agency's enhancements totaling \$292,894, all from the State General Fund, and the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$105,848, including \$103,147 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 123 — Adjutant General's Department

The **agency** requests operating expenditures totaling \$47.5 million, including \$8.1 million from the State General Fund, for FY 2018. This is an all funds increase of \$6.3 million, or 15.3 percent, and a State General Fund increase of \$478,563, or 6.3 percent, above the FY 2017 revised estimate. The agency's FY 2018 request includes nine operating enhancements totaling \$2.4 million, including \$1.3 million from the State General Fund, for FY 2018.

The FY 2018 request includes 175.5 FTE positions and 121.0 non-FTE positions, which is an increase of 2.0 FTE positions above the FY 2017 revised estimate. This increase is due to the agency's enhancement requests for personnel.

The **Governor** recommends FY 2018 operating expenditures of \$44.9 million, including \$6.4 million from the State General Fund. The recommendation is an all funds decrease of \$2.5 million, or 5.4 percent, and a State General Fund decrease of \$1.7 million, or 21.0 percent, below the agency's FY 2018 request. The decrease is partially attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$103,822, including \$20,781 from the State General Fund, and to

provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$22,941, including \$4,593 from the State General Fund. Additional adjustments recommended to the agency's FY 2018 request include:

- A reduction of \$97,263, all from the State General Fund, for a debt service adjustment to accurately reflect payments due to bond refinancing;
- A reduction of \$1.0 million, all from the State General Fund, for additional disaster relief expenditures for FY 2018;
- A reduction of \$1.3 million, including \$540,580 from the State General Fund, due to the Governor not recommending four of the agency's nine FY 2018 enhancement requests; and
- A reduction of 41.0 FTE positions to accurately reflect agency positions for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$103,822, including \$20,781 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 124 — Adjutant General's Department

The **agency** requests operating expenditures totaling \$41.4 million, including \$6.9 million from the State General Fund, for FY 2019. This is an all funds decrease of \$6.1 million, or 12.9 percent, and a State General Fund decrease of \$1.2 million, or 14.8 percent, below the FY 2018 request. The agency's FY 2019 request includes operating enhancements totaling \$1.3 million, including \$567,826 from the State General Fund, for FY 2019. The FY 2019 request includes 175.5 FTE positions and 121.0 non-FTE positions, which is no change from the FY 2018 request. The FY 2019 request includes the continuation of 2.0 FTE positions requested as enhancements within the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$39.2 million, including \$5.6 million from the State General Fund. The recommendation is an all funds decrease of \$2.1 million, or 5.1 percent, and a State General Fund decrease of \$1.2 million, or 18.1 percent, below the agency's FY 2019 request. The decrease is partially attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$144,842, including \$30,684 from the State General Fund. Additional adjustments recommended to the agency's FY 2019 request include:

- A reduction of \$97,263, all from the State General Fund, for a debt service adjustment to accurately reflect payments due to bond refinancing;
- A reduction of \$549,482, all from the State General Fund, for additional disaster relief expenditures for the budget year;

- A reduction of \$1.3 million, including \$567,826 from the State General Fund, due to the Governor not recommending the agency's five FY 2019 enhancement requests; and
- A reduction of 41.0 FTE positions to accurately reflect agency positions for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$144,842, including \$30,684 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 125 — State Fire Marshal

The **agency** requests operating expenditures totaling \$5.7 million, all from special revenue funds, for FY 2018. This is an all funds decrease of \$10,751, or 0.2 percent, below the FY 2017 revised estimate. The decrease is due to lower expenditures on salaries and wages, commodities, and other assistance, partially offset by increased expenditures for contractual services and capital outlay. The FY 2018 request includes 57.1 FTE positions, which is a decrease of 1.1 FTE positions below the FY 2017 revised estimate. The agency's request includes one enhancement for \$75,000, all from the Fire Marshal Fee Fund, to provide additional training and equipment sustainment and replacement for search and rescue for FY 2018.

The **Governor** recommends FY 2018 operating expenditures of \$5.6 million, all from special revenue funds. The recommendation is a decrease of \$28,294, or 0.5 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$23,173, and to provide a moratorium on agency death and disability payments for one quarter, which results in a reduction of \$5,121. The Governor's recommendation includes the transfer of \$2.0 million from the Fire Marshal Fee Fund to the State General Fund for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$23,173, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 126 — State Fire Marshal

The **agency** requests operating expenditures totaling \$5.7 million, all from special revenue funds, for FY 2019. This is an all funds increase of \$10,312, or 0.2 percent, above the FY 2018 request. The increase is due to higher expenditures on salaries and wages, partially offset by decreased expenditures for capital outlay, commodities, and contractual services. The agency's request includes one enhancement for \$100,000, all from the Fire Marshal Fee Fund, to provide additional training and equipment sustainment and replacement for search and

rescue for FY 2019. The FY 2019 request includes 57.1 FTE positions, which is no change from the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$5.6 million, all from special revenue funds. The recommendation is a decrease of \$35,215, or 0.6 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor's recommendation includes the transfer of \$2.0 million from the Fire Marshal Fee Fund to the State General Fund for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$35,215, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 127 — Kansas Highway Patrol

The **agency's** requests a FY 2018 operating budget of \$84.8 million, all from special revenue funds, which is an increase of \$2.4 million, or 2.9 percent, above the FY 2017 revised estimate. The request includes 829.0 FTE positions, which is no change from the FY 2017 revised estimate.

The increase from the FY 2017 revised estimate is primarily attributable to increases in salaries and wages (\$1.8 million) and an increase in estimated aid to local units of government (\$1.7 million). These increases are offset by decreases in contractual services (\$716,724), capital outlay (\$336,024), and debt service (\$18,375). The agency notes it relies heavily upon provided budget indices for calculation of other operating expenditures. The decrease is primarily attributable to a decrease in salaries and wages expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017.

The **Governor** recommends FY 2018 operating expenditures of \$84.6 million, all from special revenue funds. The recommendation is a decrease of \$142,412, or 0.2 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$116,637, all from special revenue funds, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in a reduction of \$25,775, all from special revenue funds. The Governor's recommendation includes the reduction of 6.0 FTE positions to accurately reflect the agency's reclassification of 6.0 positions from the classified service to the unclassified service in the Operations Support program for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$116,637, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 128 — Kansas Highway Patrol

The **agency's** FY 2019 requests a FY 2019 operating budget of \$85.9 million, all from special revenue funds, an increase of \$1.1 million, or 1.3 percent, above the FY 2018 request. The request includes 829.0 FTE positions, which is no change from the FY 2018 request.

The increase from the FY 2018 request is primarily attributable to increases in salaries and wages (\$2.0 million), commodities (\$380,370), and contractual services (\$146,247). These increases are offset by decreases in capital outlay (\$1.4 million) and debt service (\$9,450). The agency notes it relies heavily upon provided budget indices for calculation of other operating expenditures.

The **Governor** recommends FY 2019 operating expenditures of \$85.7 million, all from special revenue funds. The recommendation is a decrease of \$153,751, or 0.2 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor's recommendation includes the reduction of 6.0 FTE positions to accurately reflect the agency's reclassification of 6.0 positions from the classified service to the unclassified service in the Operations Support program for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$153,751, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 129 — Kansas Bureau of Investigation

The **agency** requests an operating budget of \$37.6 million, including \$25.1 million from the State General Fund, for FY 2018. This is an all funds increase of \$2.7 million, or 7.7 percent, and a State General Fund increase of \$2.8 million, or 12.5 percent, above the FY 2017 agency's revised estimate. The all funds increase is largely due to the agency's supplemental requests. The agency's request includes 235.0 FTE positions, which is an increase of 12.0 FTE positions above the FY 2017 agency's revised estimate. The FTE increase is attributable to the agency's enhancement requests.

The **Governor** recommends FY 2018 operating expenditures of \$33.6 million, including \$20.4 million from the State General Fund. The recommendation is an all funds decrease of \$3.9 million, or 10.5 percent, and a State General Fund decrease of \$4.7 million, or 18.8 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to decline \$3.8 million and 12.0 FTE positions in enhancement requests; reduce expenditures for methamphetamine laboratory clean-up by \$50,000, all from the State General Fund; hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$105,048, including \$67,036 from the State General Fund; and provide a moratorium on employer contributions for death and disability for one quarter, which results in an all funds reduction of \$23,212, including \$14,813 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Delete \$384,180, all from the Record Check Fee Fund, to support the agency's Recruitment and Retention Plan for FY 2018.
2. Add \$105,048, including \$67,036 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 130 — Kansas Bureau of Investigation

The **agency** requests \$36.8 million, including \$24.5 million from the State General Fund, for FY 2019. This is an all funds decrease of \$760,173, or 2.0 percent, and a State General Fund decrease of \$589,460, or 2.3 percent, below the FY 2018 agency request. The all funds reduction is largely due to the agency's supplemental requests, but does not include \$450,000 in supplemental capital outlay expenditures that are present in FY 2018. The agency's request includes 235.0 FTE positions, which is the same number as the FY 2018 agency request.

The **Governor** recommends FY 2019 operating expenditures of \$33.4 million, including \$20.4 million from the State General Fund. The recommendation is an all funds decrease of \$3.4 million, or 9.1 percent, and a State General Fund decrease of \$4.1 million, or 16.8 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to decline \$3.8 million and 12.0 FTE positions in enhancement requests; reduce expenditures for methamphetamine laboratory clean-up by \$50,000, all from the State General Fund; and hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Delete \$820,000, all from the Record Check Fee Fund, to support the agency's Recruitment and Retention Plan enhancement request for FY 2019. The agency has requested a State General Fund appropriation for this purpose.
2. Add \$154,181, including \$98,484 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 131 — Emergency Medical Services Board

The **agency** requests operating expenditures of \$2.2 million, all from special revenue funds, for FY 2018. The request is an increase of \$101,756, or 4.9 percent, above the FY 2017 revised estimate. The increase is primarily attributable to increases in contractual services, salaries and wages, commodities, and capital outlay. The agency's request includes 14.0 FTE positions and 6.0 non-FTE positions, which is an increase of 2.0 non-FTE positions above the FY 2017 revised estimate. This increase is primarily due to the agency's enhancement request for \$107,195, all from special revenue funds, and 2.0 non-FTE unclassified permanent positions to provide examination services for skills testing across the state rather than contracting this service out.

Absent the enhancement request, the agency's FY 2018 request is a decrease of \$5,439, or 0.3 percent, below the FY 2017 revised estimate, and no change in positions.

The **Governor** recommends FY 2018 operating expenditures of \$2.2 million, all from special revenue funds. The recommendation is a decrease of \$8,233, or 0.4 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in a reduction of \$6,743, and to provide a moratorium on agency death and disability payments for one quarter, which results in a reduction of \$1,490. The Governor's recommendation also includes adjustments to reduce 4.0 FTE positions to accurately reflect the agency's reclassification of 4.0 positions from the classified service to the unclassified service for FY 2018 and the transfer of \$250,000 from the Emergency Medical Services Operating Fund to the State General Fund for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$6,743, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 132 — Emergency Medical Services Board

The **agency** requests operating expenditures of \$2.2 million, all from special revenue funds, for FY 2019. The request is a decrease of \$936, or less than 0.1 percent, below the FY 2018 request. The decrease is primarily attributable to decreases in commodities, aid to local units of government, and capital outlay. These decreases are partially offset by increases in salaries and wages and contractual services. The agency's request includes 14.0 FTE positions and 6.0 non-FTE positions, which is no change from the FY 2018 request. The expenditure decrease is primarily due to the agency's FY 2019 enhancement request for \$89,468, all from special revenue funds, and 2.0 non-FTE unclassified permanent positions to provide examination services for skills testing across the state rather than contracting this service out. This is the continuation of the FY 2018 enhancement request, but is a decrease of \$17,727, or 16.5 percent, below the FY 2018 enhancement requested amount, reflective of expenditures related to the initial establishment of the agency provided exam administration.

Absent the enhancement request, the agency's FY 2019 request is a decrease of \$90,404, or 4.1 percent, below the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$2.2 million, all from special revenue funds. The recommendation is a decrease of \$9,490, or 0.4 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount. The Governor's recommendation also includes adjustments to reduce 4.0 FTE positions to accurately reflect the agency's reclassification of 4.0 positions from the classified service to the unclassified service for FY 2019 and transfer of \$250,000 from the Emergency Medical Services Operating Fund to the State General Fund for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$9,490, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 133 — Kansas Sentencing Commission

The **agency** requests FY 2018 operating expenditures of \$7.7 million, including \$7.4 million from the State General Fund. The request is an overall decrease of \$194,873, or 2.5 percent, and a State General Fund decrease of \$72,809, or 1.0 percent, below the FY 2017 estimate. The decrease is primarily attributable to lower contractual services expenditures related to the payment of a third-party utilization management company in FY 2017 offset by increases in the agency's reintegration modality within its Substance Abuse Treatment program.

The **Governor** recommends FY 2018 operating expenditures of \$7.7 million, including \$7.4 million from the State General Fund. The recommendation is an all funds decrease of \$8,232, or 0.1 percent, including a State General Fund decrease of \$7,612, or 0.1 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$6,742, including \$6,234 from the State General Fund, and to provide a moratorium on agency death and disability payments for one quarter, which results in an all funds reduction of \$1,490, including \$1,378 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$6,742, including \$6,234 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 134 — Kansas Sentencing Commission

The **agency** requests \$7.6 million, including \$7.4 million from the State General Fund. The request is an all funds decrease of \$117,608, or 1.5 percent, and a State General Fund increase of \$6,577, or 0.1 percent, from the agency's FY 2018 request. The all funds decrease is primarily attributable to lower contractual services expenditures related to the payment of a third-party utilization management company and lower expenditures for other assistance due to the agency projecting that intermediate residential modality will be used less in coming years as intensive outpatient treatment modalities improve offset by increased expenditures in the agency's Administration program salaries and wages.

The **Governor** recommends FY 2019 operating expenditures of \$7.6 million, including \$7.4 million from the State General Fund. The recommendation is an all funds decrease of \$8,640, or 0.1 percent, and a State General Fund decrease of \$8,013, or 0.1 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the

Governor's recommendation with the following adjustment:

FY 2019

1. Add \$8,640, including \$8,013 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 135 — Kansas Commission on Peace Officers' Standards and Training

The **agency** requests operating expenditures totaling \$803,679, all from special revenue funds, for FY 2018. This is an all funds decrease of \$13,715, or 1.7 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to decreases in salaries and wages and aid to local units of government expenditures. The largest decrease is in salary and wage expenditures due to expenditures returning to a normal level absent the one-time 27th payroll period in FY 2017. The agency's request includes 5.0 FTE positions and 2.0 non-FTE positions, which is no change from the FY 2017 revised estimate.

The **Governor** recommends FY 2018 operating expenditures of \$801,275, all from special revenue funds. The recommendation is a decrease of \$2,404, or 0.3 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in a reduction of \$1,969, and to provide a moratorium on agency death and disability payments for one quarter, which results in a reduction of \$435.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$1,969, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 136 — Kansas Commission on Peace Officers' Standards and Training

The **agency** requests operating expenditures totaling \$835,189, all from special revenue funds, for FY 2019. This is an all funds increase of \$31,510, or 3.9 percent, above the FY 2018 request. The increase is primarily attributable to increases in salaries and wages, contractual services, and commodities expenditures. The increase is primarily attributable to additional expenditures for employer contributions to state employee retirement and fringe benefit expenditures. The agency's request includes 5.0 FTE positions and 2.0 non-FTE positions, which is no change from the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$829,473, all from special revenue funds. The recommendation is a decrease of \$5,716, or 0.7 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$5,716, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 137 — Department of Agriculture

The **agency** requests FY 2018 expenditures of \$44.5 million, a decrease of \$3.6 million, or 7.5 percent, below the FY 2017 revised estimate. The request includes \$9.2 million from the State General Fund, a decrease of \$334,578, or 3.5 percent, below the FY 2017 revised estimate. The decrease is largely attributable to decreases in State Water Plan Fund expenditures due in part to uncertainty in carry-forward funding (\$2.4 million), and less federal grants (\$2.0 million).

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

- Delete \$544,775, all from the State General Fund, to not recommend the agency's FY 2018 enhancement requests;
- Add \$508,959, all from the State General Fund, to not recommend the agency's reduced resources package; and
- Delete \$226,125, including \$74,902 from the State General Fund, for the Governor's recommendation to hold KPERs employer contributions at the FY 2016 amount, which results in an all funds reduction of \$185,200, including \$61,345 from the State General Fund, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in an all funds reduction of \$40,925, including \$13,557 from the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$185,200, including \$61,345 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 138 — Department of Agriculture

The **agency** requests FY 2019 expenditures of \$45.7 million, an increase of \$1.1 million, or 2.5 percent, above the FY 2018 request. The request includes \$9.0 million from the State General Fund, a decrease of \$175,500, or 1.9 percent, below the FY 2018 request. The all funds increase is largely attributable to increased State Water Plan Fund expenditures and budgeting shrinkage at a lower level, offset in part by decreased expenditures for scientific equipment for the laboratory.

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

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

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$346,191, including \$108,808 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 139 — Kansas State Fair

The **agency** requests total FY 2018 expenditures of \$6.4 million, an increase of \$33,709, or 0.5 percent, above the FY 2017 revised request. The request includes \$1.0 million from the State General Fund, an increase of \$151,600, or 17.9 percent, above the FY 2017 revised request.

The agency requests FY 2018 operating expenditures of \$5.3 million, an increase of \$8,709, or 0.2 percent, above the FY 2017 revised estimate. The request includes \$390,150 from the State General Fund, an increase of \$126,600, or 48.0 percent, above the FY 2017 revised estimate. The increase is largely attributable to utilities and employer contributions to fringe benefits.

The agency budget request includes 33.0 FTE positions. The agency indicates that this submission was in error; they intended to submit a budget of 25.0 FTE positions, which is no change from the prior amount.

The **Governor** recommends FY 2018 operating expenditures of \$5.2 million, including \$240,150 from the State General Fund. The recommendation is an all funds decrease of \$169,897, or 3.2 percent, and a State General Fund decrease of \$150,000, or 38.4 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for additional utility expenditures from the State General Fund, as well as the Governor's recommendation to hold KPERS employer

contributions at the FY 2016 amount, which results in a reduction of \$16,296, all from special revenue funds, and to provide a moratorium on agency employer contributions for death and disability payments for one quarter, which results in a reduction of \$3,601, all from special revenue funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$16,296, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.
2. Delete 8.0 FTE positions to return the FTE count to the agency's intended submission for FY 2018.

Sec. 140 — Kansas State Fair

The **agency** requests total FY 2019 expenditures of \$12.6 million, an increase of \$6.2 million, or 95.8 percent, above the FY 2018 request. The request includes \$7.1 million from the State General Fund, an increase of \$6.1 million, or 611.3 percent, above the FY 2018 request.

The agency requests FY 2019 operating expenditures of \$5.4 million, an increase of \$38,941, or 0.7 percent, above the FY 2018 request. The request includes \$365,750 from the State General Fund, a decrease of \$24,400, or 6.3 percent, below the FY 2018 request. The increase is largely attributable to employer contributions to fringe benefits and salary increases.

The agency budget request includes 33.0 FTE positions. The agency indicates that this submission was in error; they intended to submit a budget of 25.0 FTE positions, which is no change from the prior amount.

The **Governor** recommends FY 2019 operating expenditures of \$5.2 million, including \$215,750 from the State General Fund. The recommendation is an all funds decrease of \$173,758, or 3.2 percent, and a State General Fund decrease of \$150,000, or 41.0 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for additional utility expenditures from the State General Fund, as well as the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$23,758, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.
2. Delete 8.0 FTE positions to return the FTE count to the agency's intended submission for FY 2019.

Sec. 141 — Kansas Water Office

The **agency** requests FY 2018 expenditures of \$6.6 million, including \$824,071 from the State General Fund. This request is an all funds decrease of \$2.1 million, or 24.3 percent, and a State General Fund decrease of \$80,505, or 8.9 percent, below the FY 2017 estimate. This decrease is largely attributable to decreased expenditures for State Water Plan Fund projects arising from decreasing revenues into that fund, decreased expenditures for the Republican River Basin due to encumbering funds for an ongoing project in prior fiscal years, and budgeting federal grants at zero due to uncertainty regarding whether the grants will be awarded, and the completion of a Taste and Odor study in FY 2017.

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$12,721, including \$6,826 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 142 — Kansas Water Office

The **agency** requests FY 2019 expenditures of \$6.6 million, including \$830,718 from the State General Fund. This request is an all funds decrease of \$1,661, or less than 0.1 percent, and a State General Fund increase of \$6,647, or 0.8 percent, from the FY 2018 request. This change is largely attributable to increased expenditures for employer contributions to fringe benefits offset by decreases in State Water Plan Fund projects resulting from decreased revenue into that fund.

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$17,892, including \$9,596 from the State General Fund, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 143 — Department of Wildlife, Parks and Tourism

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

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Delete \$300,000, all from special revenue funds, for OITS expenses and reserve for Omnibus consideration for FY 2018.
2. Add \$212,965, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 144 — Department of Wildlife, Parks and Tourism

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

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

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

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$140,000, all from special revenue funds, for replacement of heavy-duty trucks for fish stocking for FY 2019.
2. Add \$440,000, all from special revenue funds, for replacement of agency vehicles for FY 2019.
3. Delete \$300,000, all from special revenue funds, for OITS expenses, and reserve for Omnibus consideration for FY 2019.
4. Add \$447,758, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 145 — Kansas Department of Transportation

The **agency** requests a FY 2018 reportable budget of \$1.3 billion, all from special revenue funds, a decrease of \$253.5 million, or 16.4 percent, below the FY 2017 revised estimate. The agency's FY 2018 budget reflects this being the eighth year of the T-WORKS program and the continuation of current and planned project expenditures, and reflects the agency's best estimate as to project expenditure schedules. The decrease is related particularly to reductions made to T-WORKS construction expenditures for expansion and modernization projects, which have been delayed to FY 2019 and beyond.

The FY 2018 request includes operating expenditures totaling \$628.5 million, which is a decrease of \$21.7 million, or 3.3 percent, below the FY 2017 revised reportable operating budget. The FY 2018 request includes salaries and wages expenditures totaling \$142.5 million, which is a decrease of \$1.6 million, or 1.1 percent, below the FY 2017 revised estimate. The agency states the FY 2018 budget reflects the return to 26 pay periods (FY 2017 included an additional pay period) as well as adjustments to account for changes in benefit rates and inflation. The agency notes the FY 2018 request does not include any shrinkage. The FY 2018 request includes 1,846.0 FTE positions and 464.0 non-FTE positions, which is no change from the FY 2017 revised estimate.

The agency's budget submission notes federal and local aid reimbursements estimates within the FY 2018 request totaling \$386.9 million. This is a decrease of \$2.2 million, or 0.6 percent, below the FY 2017 revised estimate.

The **Governor** recommends FY 2018 operating expenditures of \$901.7 million, all from special revenue funds. The recommendation is an all funds decrease of \$392.7 million, or 30.3 percent, below the agency's FY 2018 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1.1 million, all from special revenue funds, and to provide a moratorium on employer contributions for death and disability for one quarter, which results in

an all funds reduction of \$245,533. Additional adjustments included within the Governor's recommendation for FY 2018 are as follows:

- Transfer \$288.3 million from the State Highway Fund to the State General Fund, and continue ordinary transfers to other state agencies;
- Reduce preservation project expenditures by \$393.1 million to account for recommended revenue transfers;
- Add \$1.8 million, all from the Special City and County Highway Fund, in order to reflect the most recent estimated revenues and expenditures by the November 2016 Highway Consensus Revenue Estimating group for FY 2018;
- Reallocate \$1.8 million in requested buildings projects expenditures to preservation projects expenditures for FY 2018; and
- Reallocate (technical correction) \$517,627, in special revenue fund expenditures, from the Maintenance program to the Administration program.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$1.1 million, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2018.

Sec. 146 — Kansas Department of Transportation

The **agency** requests a FY 2019 reportable budget of \$1.5 billion, all from special revenue funds, an increase of \$250.3 million, or 19.3 percent, above the FY 2018 request. The agency's FY 2019 budget reflects this being the ninth year of the T-WORKS program and the continuation of current, planned, and delayed project expenditures, and reflects the agency's best estimate as to project expenditure schedules.

The FY 2019 request includes operating expenditures totaling \$620.3 million, which is a decrease of \$8.3 million, or 1.3 percent, below the FY 2018 requested reportable operating budget. The FY 2019 request includes salaries and wages expenditures totaling \$144.5 million, which is an increase of \$2.0 million, or 1.4 percent, above the FY 2018 request. The agency states the FY 2019 budget reflects adjustments to account for increases for employee benefit rates and inflation. The agency notes the FY 2019 request does not include any shrinkage. The FY 2019 request includes 1,846.0 FTE positions and 464.0 non-FTE positions, which is no change from the FY 2018 request.

The agency's budget submission notes Federal and Local Aid reimbursements estimates within the FY 2019 request totaling \$388.6 million. This is an increase of \$1.7 million, or 0.45 percent, above the FY 2018 request.

The **Governor** recommends FY 2019 operating expenditures of \$1.2 billion, all from special revenue funds. The recommendation is an all funds decrease of \$378.5 million, or 24.5 percent, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold KPERS employer contributions at the FY 2016 amount, which results in an all funds reduction of \$1.6 million. Additional adjustments included within the Governor's recommendation for FY 2019 are as follows:

- Transfer \$293.1 million from the State Highway Fund to the State General Fund and continue ordinary transfers to other state agencies;
- Reduce preservation project expenditures by \$194.6 million to account for recommended revenue transfers;
- Reduce state projects expenditures by \$185.0 million to account for recommended revenue transfers;
- Add \$2.7 million, all from the Special City and County Highway Fund, in order to reflect the most recent estimated revenues and expenditures by the November 2016 Highway Consensus Revenue Estimating group for FY 2019; and
- Reallocate \$2.1 million in requested buildings projects expenditures to preservation projects expenditures for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Add \$1.6 million, all from special revenue funds, to restore Kansas Public Employee Retirement System employer contributions to the approved level for FY 2019.

Sec. 147 — Debt Service Cap

The **Governor** recommends that the annual State General Fund debt service shall not exceed 4.0 percent of the average State General Fund revenues for the previous three fiscal years for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 148 — Debt Service Cap

The **Governor** recommends that the annual State General Fund debt service shall not exceed 4.0 percent of the average State General Fund revenues for the previous three fiscal years for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the

Governor's recommendation.

Sec. 149 — IT Savings

The **Governor** recommends that the Director of the Budget may transfer any item of appropriation for an information technology project in a State General Fund account between cabinet level agencies for FY 2018 and FY 2019. The Governor shall certify \$5.0 million in State General Fund expenditure reductions from savings due to information technology consolidation for FY 2018 and FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 150 — Legislative Allowance

The **Governor** recommends the continuation of current law concerning legislative allowance for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 151 — Legislative Allowance

The **Governor** recommends the continuation of current law concerning legislative allowance for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 152 — Expanded Lottery Act Revenue Fund

The Governor recommends that, in the event that there is insufficient revenue to fund the appropriations and transfers from the Expanded Lottery Act Revenues Fund (ELARF) in FY 2018, the director of budget shall certify to the director of accounts and reports the amount necessary to transfer from the State General Fund to the ELARF in order to fund all authorized appropriations and transfers from the ELARF. Upon receipt of the certification, the director of accounts and reports shall transfer the specified amount from the State General Fund to the ELARF. The Director of the Budget must provide the director of legislative research with a copy of the certification.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 153 — Docking State Office Building

SENATE COMMITTEE RECOMMENDATION.

FY 2018

1. Add language extending the current proviso restricting the sale or lease of the Docking State Office Building and the construction of an Energy Service Center for FY 2018.

FY 2019

1. Add language extending the current proviso restricting the sale or lease of the Docking State Office Building and the construction of an Energy Service Center for FY 2019.

Sec. 154 — Expanded Lottery Act Revenue Fund

The Governor recommends that, in the event that there is insufficient revenue to fund the appropriations and transfers from the Expanded Lottery Act Revenues Fund (ELARF) in FY 2019, the director of budget shall certify to the director of accounts and reports the amount necessary to transfer from the State General Fund to the ELARF in order to fund all authorized appropriations and transfers from the ELARF. Upon receipt of the certification, the director of accounts and reports shall transfer the specified amount from the State General Fund to the ELARF. The Director of the Budget must provide the director of legislative research with a copy of the certification.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 155 — Interstate Water Litigation

After the conclusion of the interstate litigation between Kansas and Nebraska concerning water use, the Legislature added language to the appropriations bill that provided the first \$2.0 million of any monies received from the litigation shall be deposited in the Interstate Water Litigation Fund of the Attorney General and any additional funds shall be deposited in the Republican River Water Conservation Projects Fund of the Kansas State Water Office for FY 2018 and FY 2019.

The Governor recommends extending this language for FY 2018 and FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 156 — Kansas Department for Aging and Disability Services

SENATE COMMITTEE RECOMMENDATION.

FY 2020

1. Add language providing an additional 5.0 percent rate increase for providers of Medicaid Home and Community Based Services under each of the waivers for FY 2020.

Sec. 157 — Kansas Department for Aging and Disability Services

SENATE COMMITTEE RECOMMENDATION.

FY 2018

1. Add language to prohibit integrated Medicaid Home and Community Based Services waivers for FY 2018.

FY 2019

1. Add language to prohibit integrated Medicaid Home and Community Based Services waivers for FY 2019.

Sec. 158 — Sale of State Property

Language authorizing the Secretary of Corrections to sell property, located in Leavenworth County, without requiring approval of the State Finance Council in FY 2017. Proceeds of the sale are to be deposited in the fund(s) specified by the Secretary of Corrections.

SENATE COMMITTEE RECOMMENDATION.

FY 2017

1. Add language authorizing the Secretary of Corrections to sell property located in Lansing, without requiring approval of the State Finance Council in FY 2017.

Sec. 159 — Sale of State Property

Language authorizing the Secretary for Children and Families to sell property, located in Chanute, without requiring approval of the State Finance Council in FY 2017. Proceeds of the sale are to be deposited in the fund(s) specified by the Secretary for Children and Families.

SENATE COMMITTEE RECOMMENDATION.

FY 2017

1. Add language authorizing the Secretary for Children and Families to sell property located in Chanute, without requiring approval of the State Finance Council in FY 2017.

Sec. 160 — Sale of State Property

Language authorizing the Secretary for Children and Families to sell property, located in Wichita, without requiring approval of the State Finance Council in FY 2017. Proceeds of the sale are to be deposited in the fund(s) specified by the Secretary for Children and Families.

SENATE COMMITTEE RECOMMENDATION.

FY 2017

1. Add language authorizing the Secretary for Children and Families to sell property located in Wichita, without requiring approval of the State Finance Council in FY 2017.

Sec. 161 — State Employee Pay

SENATE COMMITTEE RECOMMENDATION.

FY 2018

1. Add \$57.7 million, including \$22.5 million from the State General Fund, for a 2.0 percent adjustment excluding Highway Patrol law enforcement and state legislators for FY 2018.

Sec. 162 — State Employee Pay

SENATE COMMITTEE RECOMMENDATION.

FY 2019

1. Add \$58.2 million, including \$22.6 million from the State General Fund, for a 2.0 percent adjustment excluding Highway Patrol law enforcement and state legislators for FY 2019.

Sec. 163 — Department of Administration

The **agency** estimates capital improvement expenditures of \$63.5 million, including \$51.4 million from the State General Fund, for FY 2018. The request is an all funds increase of \$30.6 million, or 93.0 percent, and a State General Fund increase of \$29.1 million, or 130.4 percent, above the FY 2017 agency request. The request includes the enhancement for rehabilitation and repair from FY 2017. The State General Fund increase is attributable to:

- \$19.4 million for demolition of the Docking State Office Building and construction of the new Energy Service Center;
- \$7.4 million for additional debt service on the National Bio and Agro-Defense Facility;
- \$2.0 million in additional principal payments on other bonds due to the shift from interest to principal as the bonds mature; and

- \$335,000 for a new 2016H refunding issuance, which reduces total State General Fund debt service statewide and relocates these payments to the Department of Administration.

The FY 2018 agency request also includes an increase in State Highway Fund debt service principal on the Statehouse of \$1.5 million, which is mostly offset by reduced interest payments.

The **Governor** recommends \$42.9 million in capital improvements expenditures for FY 2018. This is a decrease of \$20.7 million, or 32.5 percent, all from the State General Fund below the FY 2018 agency request. The reduction is attributable to the Governor not recommending enhancements for Docking State Office Building demolition and Energy Service Center construction (\$19.4 million) and rehabilitation and repair (\$1.3 million).

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 164 — Department of Administration

The **agency** estimates capital improvement expenditures of \$46.1 million, including \$33.5 million from the State General Fund, for FY 2019. The request is an all funds decrease of \$17.4 million, or 27.4 percent, and a State General Fund decrease of \$17.9 million, or 34.8 percent, below the FY 2018 agency request. The request includes the enhancement for rehabilitation and repair from FY 2017. The State General Fund reduction is attributable to:

- \$5.3 million for demolition of the Docking State Office Building and construction of the new Energy Service Center, which is \$14.1 million less than FY 2018;
- \$5.1 million for additional debt service on the 2015H refunding, which includes the University of Kansas Medical Education Building, Kansas Water Office, portions of the Capitol Restoration, and other Kansas projects. Savings from the refunding were front loaded into FY 2016 and FY 2017 to realize the savings early;
- \$1.3 million in additional principal payments on other bonds due to the shift from interest to principal as the bonds mature; and
- A \$10.2 million reduction in debt service for the Comprehensive Transportation Plan due to making the final payments on those bonds.

The **Governor** recommends \$39.5 million in capital improvements expenditures for FY 2019. This is a decrease of \$6.6 million, or 14.3 percent, all from the State General Fund below the FY 2019 agency request. The reduction is attributable to not recommending enhancements for Docking State Office Building demolition and Energy Service Center construction (\$5.3 million) and rehabilitation and repair (\$1.3 million).

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 165 — Kansas Department of Commerce

The **agency** requests capital improvement expenditures of \$210,000, all from special revenue funds, for FY 2018. This is an increase of \$10,000 above the FY 2017 agency request. The agency requests funding for the following projects:

- Rehabilitation and Repair. The agency requests \$100,000 for repairs and rehabilitation for the Topeka Workforce Center improvement project for Elevator #1; and
- Debt Service Principal. The agency requests \$110,000 for debt service principal payments for the Topeka Workforce Center.

The **Governor** concurs with the agency's FY 2018 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 166 — Kansas Department of Commerce

The **agency** requests capital improvement expenditures of \$215,000, all from special revenue funds, for FY 2019. This is an increase of \$5,000 above the FY 2018 agency request. The agency requests funding for the following projects:

- Rehabilitation and Repair. The agency requests \$100,000 for repairs and rehabilitation for the Topeka Workforce Center improvement project for Elevator #2; and
- Debt Service Principal. The agency requests \$115,000 for debt service principal payments for the Topeka Workforce Center.

The **Governor** concurs with the agency's FY 2019 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 167 — Kansas Insurance Department

The **agency** requests capital improvement expenditures of \$135,000 from the Insurance Department Service Regulation Fund (\$35,000) and Insurance Department Rehabilitation and Repair Fund (\$100,000) for rehabilitation and renovation expenditures for FY 2018, which is a decrease of \$10,000, or 6.9 percent, below the agency's 2017 revised estimate. The Insurance Department Rehabilitation and Repaid Fund expenditures are budgeted to repair or replace the boiler in the Kansas Insurance Department building.

The **Governor** concurs with the agency's FY 2018 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the

Governor's recommendation.

Sec. 168 — Kansas Insurance Department

The **agency** requests capital improvement expenditures of \$135,000 from the Insurance Department Service Regulation Fund (\$35,000) and Insurance Department Rehabilitation and Repair Fund (\$100,000) for rehabilitation and renovation expenditures for FY 2019, which is unchanged from the agency's 2018 request. The Insurance Department Rehabilitation and Repair Fund expenditures are budgeted to replace the carpet on the first floor in the Kansas Insurance Department building.

The **Governor** concurs with the agency's FY 2019 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 169 — Kansas Department for Aging and Disability Services

The **agency** requests capital improvement expenditures of \$7.9 million, all from the State Institutions Building Fund, for FY 2018. This is a decrease of \$2.9 million, or 26.5 percent, below the FY 2017 revised estimate. The decrease is primarily attributable to the lack of reappropriated funds that appear in the FY 2017 revised estimate, partially offset by an increase in debt service principal payments. The increase in debt service principal payments is attributable to the agency shifting more expenditures from debt service interest to debt service principal as the loan is being paid down. The rehabilitation and repair funding includes projects at the four state hospitals. The request includes debt service principal payments for the bonds on the rehabilitation and repairs of the state hospitals and the construction of the State Security Hospital at Larned State Hospital.

The **Governor** concurs with the agency's capital improvement request for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 169 — Kansas Neurological Institute

The **agency** requests \$185,248, all from the State Institutions Building Fund, for capital improvements for FY 2018. This is an increase of \$7,872, or 4.4 percent, above the revised FY 2017 estimate. The increase in capital improvement expenditures is attributable to the agency re-estimating bond principal payments. These capital improvement expenditures are listed under the Physical Plant/Central Services program and are used for bond principal payments to the Department of Administration for the agency's participation in the State's Facility Conservation Improvement Program.

The **Governor** recommends capital improvement expenditures of \$185,248, all from the State Institutions Building Fund, for FY 2018. This is the same amount as the agency's FY 2018 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 169 — Osawatomie State Hospital

The **agency** requests \$30,000, all from the State General Fund, for capital improvement expenditures for FY 2018. This funding is for anticipated small repairs and improvements to hospital buildings due to the age of certain structures. Other capital improvement expenditures for the agency are included in the capital improvements budget for the Kansas Department for Aging and Disability Services.

The **Governor** concurs with the agency's request for capital improvements for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 169 — Parsons State Hospital and Training Center

The **agency** requests capital improvement expenditures of \$171,260, all from the State Institutions Building Fund, for FY 2018. The funds will be used for bond principal payments to the Department of Administration for the agency's participation in the State's Facility Conservation Improvement Program.

The **Governor** recommends capital improvement expenditures of \$171,260, all from the State Institutions Building Fund, for FY 2018. This is the same amount as the agency's FY 2018 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 170 — Kansas Department for Aging and Disability Services

The **agency** requests capital improvement expenditures of \$8.2 million, all from the State Institutions Building Fund, for FY 2019. This is an increase of \$250,000, or 3.2 percent, above the FY 2018 request. The increase is attributable to the agency shifting more expenditures from debt service interest to debt service principal as the loan is being paid down. The rehabilitation and repair funding includes projects at the four state hospitals. The request includes debt service principal payments for the bonds on the rehabilitation and repairs of the state hospitals and the construction of the State Security Hospital at Larned State Hospital.

The **Governor** concurs with the agency's capital improvement request for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 170 — Osawatomie State Hospital

The **agency** requests \$30,000, all from the State General Fund, for capital improvement expenditures for FY 2019. This funding is for anticipated small repairs and improvements to hospital buildings due to the age of certain structures. Other capital improvement expenditures for the agency are included in the capital improvements budget for the Kansas Department for Aging and Disability Services.

The **Governor** concurs with the agency's request for capital improvements for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 170 — Parsons State Hospital and Training Center

The **agency** requests capital improvement expenditures of \$178,424, all from the State Institutions Building Fund, for FY 2019. The funds will be used for bond principal payments to the Department of Administration for the agency's participation in the State's Facility Conservation Improvement Program.

The **Governor** recommends capital improvement expenditures of \$178,424, all from the State Institutions Building Fund, for FY 2019. This is the same amount as the agency's FY 2019 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 171 — Kansas Department of Labor

The **agency** requests a revised capital improvements budget of \$1.0 million, all from special revenue funds, for FY 2018. The request is an increase of \$405,000, or 67.8 percent, above the FY 2017 request.

Included in the agency request are the following:

- Rehabilitation and Repair. The agency requests \$115,000 for general rehabilitation and repair of agency-owned buildings. The rehabilitation and repair work includes roofing, painting, carpeting, caulking, replacing sidewalks, and overlaying parking lots;
- Debt Service—Principal. The agency requests \$225,000 for debt service principal payments for the 401 SW Topeka Boulevard remodel bond;
- 427 SW Topeka Boulevard Maintenance Building Construction. The agency requests \$500,000 for the construction of a new facilities maintenance building at this location. The proposed project will consist of removing the existing building at this location and constructing a new building approximately 50 feet by 100 feet, which will house the agency's maintenance facilities. Construction of a new maintenance facility will allow the agency to vacate most of the space at 414 SW Jackson Street to 420 SW Jackson Street, after which the buildings could be sold; and

- 1309 SW Topeka Boulevard First Floor Renovation. The agency requests \$165,000 for renovating the first floor and first floor bathrooms at this location. This project involves removal of current walls, flooring, and ceiling in the two restrooms located on the first floor. The renovated restrooms will meet current Americans with Disabilities Act (ADA) and energy use standards. This project involves renovating the first floor at 1309 SW Topeka Boulevard. This project includes new painting, carpeting, and other updates throughout the floor, including in hallways, office space, and conference rooms.

The **Governor** concurs with the agency's FY 2018 capital improvements request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 172 — Kansas Department of Labor

The **agency** requests a revised capital improvements budget of \$495,000, all from special revenue funds, for FY 2019. The request is a decrease of \$510,000, or 50.7 percent, below the FY 2018 request.

Included in the agency request are the following:

- Rehabilitation and Repair. The agency requests \$115,000 for general rehabilitation and repair of agency-owned buildings. The rehabilitation and repair work includes roofing, painting, carpeting, caulking, replacing sidewalks, and overlaying parking lots;
- Debt Service—Principal. The agency requests \$230,000 for debt service principal payments for the 401 SW Topeka Boulevard remodel bond;
- 401 SW Topeka Boulevard Carpet Replacement. The agency requests \$75,000 for carpet replacement at this location; and
- 401 SW Topeka Boulevard Boilers Replacement. The agency requests \$75,000 for boilers replacement at this location.

The **Governor** concurs with the agency's FY 2019 capital improvements request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 173 — Kansas Commission on Veterans' Affairs Office

The **agency** requests \$1.7 million, including \$100,000 from the State General Fund, for capital improvements for FY 2018. This is an all funds decrease of \$1.5 million, or 47.1 percent, and a State General Fund increase of \$90,100, or 910.1 percent, from the FY 2017 revised estimate.

The **Governor** concurs with the agency's capital improvements FY 2018 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 174 — Kansas Commission on Veterans' Affairs Office

The **agency** requests \$1.9 million, including \$49,965 from the State General Fund, for capital improvements for FY 2019. This is an all funds increase of \$274,345, or 16.5 percent, above the FY 2018 request.

The **Governor** recommends capital improvement expenditures of \$1.6 million, including \$49,965 from the State General Fund, for FY 2019. This is a decrease of \$324,380, or 16.8 percent, all from special revenue funds, below the agency's FY 2019 request. The decrease is attributable to the Governor's recommendation to hold capital improvements expenditures at the Kansas Soldiers' Home and Kansas Veterans' Home at the amounts approved for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 175 — Kansas State School for the Blind

The **agency** requests \$678,941, all from the State Institutions Building Fund, for capital improvements for FY 2018. This is lower than the FY 2017 request because of the absence of reappropriations.

The **Governor** concurs with the agency's FY 2018 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 176 — Kansas State School for the Blind

The **agency** requests \$540,000, all from the State Institutions Building Fund, for capital improvements for FY 2019. This is lower than the FY 2018 request because of the retirement of the debt, thus there is no debt service payment for FY 2019.

The **Governor** concurs with the agency's FY 2019 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 177 — Kansas State School for the Deaf

The **agency** requests \$1.1 million, all from the State Institutions Building Fund, for capital improvements for FY 2018. Agency officials estimate the fire and mass notification upgrade, part of safety, and security system work will be completed in FY 2018. The

replacement of old HVAC control systems will be completed in multiple education buildings. Rehabilitation and repair funds will continue to provide ongoing maintenance for the campus.

The **Governor** concurs with the agency's FY 2018 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 178 — Kansas State School for the Deaf

The **agency** requests \$863,619, all from the State Institutions Building Fund, for capital improvements for FY 2019. Debt service will be retired in FY 2020. Safety and security system work will include replacing the key access system and remodeling the gym and student center entrance. HVAC work will begin on the Health Center Building (medical services building). Rehabilitation and repair work will continue to provide ongoing maintenance.

The **Governor** concurs with the agency's FY 2019 request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 179 — State Historical Society

The **agency** requests \$343,000, including \$325,000 from the State General Fund, for capital improvements for FY 2018. This request is lower than the FY 2017 request, absent the reappropriation by \$135,500, primarily due to the completion of the Last Chance Store restoration.

The **Governor** recommends FY 2018 capital improvement funding from all funds of \$268,000, including \$250,000 from the State General Fund. The Governor did not include a recommendation to fund \$75,000 from the State General Fund for the Blockhouse.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 180 — State Historical Society

The **agency** requests \$380,000, including \$317,000 from the State General Fund, for capital improvements for FY 2019. The agency requests an enhancement of \$67,000 from the State General Fund for the Kaw Mission Rehabilitation to be used with \$33,000 of private donations. According to agency officials, the Kaw Mission State Historic Site will be re-purposed as the agency's Santa Fe Trail Interpretive Center to accommodate the addition of the Last Chance Store as a state historic site.

The **Governor** recommends a FY 2019 capital improvement budget of \$313,000, including \$250,000 from the State General Fund. The Governor did not recommend funding the agency's request for \$67,000 from the State General Fund for the Kaw Mission. The remaining \$33,000 for this project would come from private funding.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 181 — Emporia State University

The **agency** requests \$24.8 million, all from special revenue funds, for capital improvements for FY 2018. This is an increase of \$17.3 million, or 229.7 percent, above the revised FY 2017 amount. The increase is primarily due to a new residential life facility being constructed.

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 182 — Emporia State University

The **agency** requests \$14.9 million, all from special revenue funds, for capital improvements for FY 2019. This is a decrease of \$10.0 million, or 40.1 percent, below the FY 2018 request. The decrease is primarily due to a decrease in expenditures for the new residential life facility.

The **Governor** concurs with the agency's request for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 183 — Fort Hays State University

The **agency** requests \$10.4 million, all from special revenue funds, for capital improvements for FY 2018. This is a decrease of \$19.9 million, or 65.6 percent, below the FY 2017 revised estimate. The decrease is primarily due to the completion of the Wiest Hall project; however, there is an increase in the debt service for the payment of bonds for this project. There are no Educational Building Fund expenditures in the budget for FY 2018.

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 184 — Fort Hays State University

The **agency** requests \$8.0 million, all from special revenue funds, for capital improvements for FY 2019. This is a decrease of \$2.4 million, or 23.2 percent, below the FY 2018 request. The reduction in expenditures is primarily due to the completion of projects.

The **Governor** concurs with the agency's request for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 185 — Kansas State University

The **agency** requests \$21.4 million, including \$1.3 million from the State General Fund, for capital improvements for FY 2018. This is a decrease of \$20.5 million, or 48.9 percent, from all funds and an increase of \$1.3 million, or 100.0 percent, from the State General Fund. There were no State General Fund expenditures in FY 2017. The State General Fund expenditures are from the Global Foods System Research Fund for debt service of the Biosecurity Research Institute.

The **Governor** recommends \$19.6 million, all from special revenue funds, for FY 2018. The recommendation includes a technical correction deleting \$1.8 million from the Educational Building Fund because the funds in the Board of Regents budget would have double counted the expenditures. The recommendation also deleted the \$1.3 million State General Fund expenditure from the Global Foods System program and back-filled the expenditure using Sponsored Research Overhead Funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 186 — Kansas State University

The **agency** requests \$20.8 million, including \$1.4 million from the State General Fund, for capital improvements for FY 2019. This is a decrease of \$551,256, or 2.6 percent, from all funds and an increase of \$65,000, or 5.0 percent, from the State General Fund from the FY 2018 request. The increase in the State General Fund request is in debt service, and the decrease is primarily due to a reduction in expenditures for the Wefald Hall and Dining project.

The **Governor** recommends \$19.0 million, all from special revenue funds, for FY 2019. The recommendation includes a technical correction deleting \$1.9 million from the Educational Building Fund due to the funds appropriated in the Board of Regents budget would have double counted the expenditures. The recommendation also deleted the \$1.4 million State General Fund expenditure for the Global Foods System program and back-filled the expenditure using Sponsored Research Overhead Funds.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 187 — Pittsburg State University

The **agency** requests \$4.7 million, including \$542,263 from the State General Fund, for capital improvements for FY 2018. This is an all funds decrease of \$4.2 million, or 47.0 percent, and a State General Fund increase of \$2,149, or 0.4 percent, from the FY 2017 revised estimate. The decrease is primarily due to no budgeted expenditures from the Educational Building Fund. The State General Fund expenditures are for debt service.

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 188 — Pittsburg State University

The **agency** requests \$4.6 million, including \$544,517 from the State General Fund, for capital improvements for FY 2019. This is an all funds decrease of \$162,370, or 3.4 percent, and a State General Fund increase of \$2,254, or 0.4 percent, from the FY 2018 request. There is an overall decrease in debt service but an increase in State General Fund expenditures for debt service.

The **Governor** concurs with the agency's request for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 189 — University of Kansas

The **agency** requests \$25.1 million, including \$2.4 million from the State General Fund, for capital improvements for FY 2018. This is an all funds decrease of \$17.1 million, or 40.5 percent, and a State General Fund increase of \$1.0 million, or 73.5 percent, from the FY 2017 revised estimate. The decrease is due primarily to no expenditures budgeted from the Educational Building Fund. The State General Fund increase is due to larger payments in debt service principal.

The **Governor** concurs with the agency's capital improvements budget for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 190 — University of Kansas

The **agency** requests \$23.5 million, including \$2.5 million from the State General Fund, for capital improvements for FY 2019. This is an all funds decrease of \$1.6 million, or 6.6 percent, and a State General Fund increase of \$110,000, or 4.7 percent. The decrease is due to reduced expenditures in housing projects and the State General Fund increase is due to larger payments for debt service principal.

The **Governor** concurs with the agency's capital improvements budget for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 191 — University of Kansas Medical Center

The **agency** requests \$6.3 million, including \$1.2 million from the State General Fund, for capital improvements for FY 2018. This is a decrease of \$37.7 million, or 85.7 percent, from all funds and an increase of \$29,862, or 2.7 percent, from the State General Fund from the FY 2017 revised estimate. The decrease is due the reduced expenditures for the Health Education Building project.

The **Governor** concurs with the agency's request and adds \$800,000, all from the Educational Building Fund for planning and design of a new dental school for the agency for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Delete \$800,000, all from the Educational Building Fund, for planning of a dental school for FY 2018.

Sec. 192 — University of Kansas Medical Center

The **agency** requests \$4.9 million, including \$1.2 million from the State General Fund, for capital improvements for FY 2019. This is a decrease of \$1.3 million, or 21.5 percent, from all funds and an increase of \$40,149, or 3.5 percent, from the State General Fund from the FY 2018 request. The decrease is due to no expenditures for the Health Education Building project. There is a slight increase in debt service principal payments.

The **Governor** concurs with the agency's request and adds \$800,000, all from the Educational Building Fund, for planning and design of a new dental school for the agency for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2019

1. Delete \$800,000, all from the Educational Building Fund, for planning of a dental school for FY 2019.

Sec. 193 — Wichita State University

The **agency** requests \$7.2 million, including \$100,000 from the State General Fund, for capital improvements for FY 2018. This is an all funds decrease of \$6.5 million, or 47.7 percent. The decrease is primarily due to no Educational Building Fund expenditures. The agency budgeted the use of State General Fund expenditures from the aviation research funds for capital improvements to the NIAR facility in error. These funds should be in the operating budget.

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 194 — Wichita State University

The **agency** requests \$7.1 million, including \$100,000 from the State General Fund, for capital improvements for FY 2019. This is an all funds decrease of \$87,632, or 1.2 percent, below the FY 2018 request. The decrease is primarily due to a reduction in debt service. The agency budgeted the use of State General Fund expenditures from the aviation research funds for capital improvements to the NIAR facility in error. These funds should be in the operating budget.

The **Governor** concurs with the agency's request for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 195 — Board of Regents

The **agency** requests \$35.0 million, all from the Educational Building Fund, for FY 2018.

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2018

1. Add \$800,000, all from the Educational Building Fund, for additional rehabilitation and repair for FY 2018.
2. Create a no limit Educational Building Fund account for FY 2018.

Sec. 196 — Board of Regents

The **agency** requests \$35.0 million, all from the Educational Building Fund, for FY 2019.

The **Governor** concurs with the agency's request for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

FY 2019

1. Add \$800,000, all from the Educational Building Fund, for additional rehabilitation and repair for FY 2019.
2. Create a no limit Educational Building Fund account for FY 2019.

Sec. 197 — Department of Corrections

The **agency** requests FY 2018 capital improvement expenditures of \$38.1 million, including \$27.6 million from the State General Fund. Capital improvement expenditures for FY 2018 for the facilities will be made at the discretion of the Department of Corrections Central Office. Major capital improvement projects for FY 2018 are detailed below.

- Central Office. The agency requests FY 2018 capital improvement expenditures of \$38.1 million, including \$27.6 million from the State General Fund. The request is an increase of \$29.8 million, or 360.6 percent, including a State General Fund increase of \$27.3 million, or 7,367.9 percent, above the FY 2017 estimate. The request includes debt service principal payments totaling \$4.5 million, including \$410,000 from the State General Fund, for three different bonds. The capital improvement request is comprised of four other expenditures. The agency is asking for \$500,113, all from the State Institutions Building Fund, to repair the roof at the Larned Juvenile Correctional Facility, \$5.0 million, all from the Correctional Institutions Building Fund, for projects in accordance with the agency's five-year capital improvements plan for \$900,000, all from the Correctional Industries Fund, for the construction of an add-on to the Kansas Correctional Industries (KCI) Administration Building and upgrades to various KCI buildings, and \$27.2 million, all from the State General Fund, to construct two new cell houses at the El Dorado Correctional Facility. The new cell houses are for the projected expansion of the inmate population. The increase is primarily due to the request to build two new cell houses at the El Dorado Correctional Facility.

The **Governor** recommends FY 2018 capital improvement expenditures of \$9.9 million, including \$410,000 from the State General Fund. The recommendation is a decrease of \$28.2 million, or 74.1 percent, including a State General Fund decrease of \$27.2 million, or 98.5 percent, below the FY 2018 request. The decrease is attributable to the Governor not recommending the construction of two housing units at El Dorado Correctional Facility for \$27.2 million, all from the State General Fund, and also attributable to a reduction of \$1.0 million, all from the Correctional Institutions Building Fund, due to constraints on the fund.

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| SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation. |
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Sec. 198 — Department of Corrections

The **agency** requests FY 2019 capital improvement expenditures of \$10.9 million, including \$730,703 from the State General Fund. Capital improvement expenditures for FY 2019 for the facilities will be made at the discretion of the Department of Corrections Central Office. Major capital improvement projects for FY 2019 are detailed below.

- Central Office. The agency requests FY 2019 capital improvement expenditures of \$10.9 million, including \$730,703 from the State General Fund. The request is a decrease of \$27.2 million, or 71.4 percent, including a State General Fund decrease of \$26.9 million, or 97.4 percent, below the FY 2018 request. The request includes debt service principle payments totaling \$4.7 million, including \$450,000 from the State General Fund, for three different bonds and rehabilitation and repair expenditures totaling \$5.0 million, all from the Correctional Institutions Building Fund, for projects in accordance with the agency's five-year capital improvements plan.

Additionally, the request includes \$903,371, all from the State Institutions Building Fund, to repair a roof at the Larned Juvenile Correctional Facility and \$280,703, all from the State General Fund, to expand a visiting room at Hutchinson Correctional Facility. The overall funds decrease from FY 2018 to FY 2019 is primarily attributable to the one-time expenditure related to the construction of two new cell houses at El Dorado Correctional Facility.

The **Governor** recommends FY 2019 capital improvement expenditures of \$ 9.2 million, including \$450,000 from the State General Fund. The recommendation is a decrease of \$1.7 million, or 15.5 percent, including a State General Fund decrease of \$280,703, or 38.4 percent, below the FY 2019 request. The decrease is attributable to a capital improvement expenditure reduction of a \$1.0 million, all from the Correctional Institutions Building Fund, due to constraints on the fund, as well as the Governor not recommending funding the expansion of the south unit visiting room at Hutchinson Correctional Facility (\$280,703, all from the State General Fund) and a State Institutions Building Fund reduction due to the closing of Larned Juvenile Correctional Facility.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 199 — Kansas Bureau of Investigation

The **agency** requests an estimate totaling \$2.2 million, all from the State General Fund, for FY 2018. This is an increase of \$65,000, or 31.1 percent, above the FY 2017 agency estimate. The increase is due to a shift to principal from interest on the bond.

The **Governor** concurs with the agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 200 — Kansas Bureau of Investigation

The **agency** requests an estimate totaling \$2.3 million, all from the State General Fund, for FY 2019. This is an increase of \$110,000, or 5.1 percent, above the FY 2018 agency request. The increase is due to a shift to principal from interest on the bond.

The **Governor** concurs with the agency request.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 201 — Kansas Highway Patrol

The **agency** requests capital improvement expenditures totaling \$1.6 million, all from special revenue funds, for FY 2018. The agency's FY 2018 request includes the following expenditures:

- Debt Service Principal. The agency requests \$360,000, all from special revenue funds, for debt service principal payments for the Fleet Center for FY 2018. This is the final payment.;
- Rehabilitation and Repair Scales and Buildings. The agency requests \$317,200, all from special revenue funds, for rehabilitation, repair, and replacement expenditures for scales and buildings for FY 2018. This amount includes funding for labor, materials, and equipment to replace or repair owned facilities, scales, and fixtures, which include: 1) the Kansas Highway Patrol Training Academy campus; 2) eight Motor Carrier Inspection stations with 10 scales; 3) the vehicle fleet/maintenance building; 4) three vehicle identification number inspection facilities; 5) the Valley Center building; 6) the Troop F Headquarters building in Kechi; 7) Troop C district office building in Ellsworth; and 8) the Billard hangar facility. This request includes funding for:
 - \$130,000 for routine rehabilitation and repair for scales and buildings;
 - \$130,000 for scale replacement; and
 - \$57,200 for Academy roof and boiler replacements;
- Troop F Storage Building. The agency requests \$252,172, all from Federal Funds, for the construction of a new storage building at Troop F headquarters in Kechi for FY 2018. The building will be 120 feet by 60 feet and have 6 garage bay doors. The agency anticipates using the building to store the bomb truck and containment vessel, KBI crime scene truck, BearCat armored vehicle, convincer, roll-back truck, and lawn equipment and additional storage. The agency notes cost estimates include a 15.0 percent contingency amount;
- Gym Boiler and Water Heater. The agency requests \$170,775, all from special revenue funds, for the replacement of a boiler and water heater in the Gym Building at the Training Academy. This will include \$170,775 from the VIN Fee Fund,. The agency notes cost estimates include a 15.0 percent contingency amount; and
- Power Plant Boiler Removal and HVAC Controls. The agency requests \$537,625, all from special revenue funds, to remove the boiler and replace HVAC controls at the Power Plant Building at the Training Academy. This will include \$537,625 from the KHP Training Center Fee Fund. The agency notes cost estimates include a 15.0 percent contingency amount.

The **Governor** concurs with the agency's request for capital improvements expenditures for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 202 — Kansas Highway Patrol

The **agency** requests capital improvement expenditures totaling \$322,560, all from special revenue funds, for FY 2019. The agency's request includes the following expenditures:

- Rehabilitation and Repair Scales and Buildings. The agency requests \$322,058, all from special revenue funds, for rehabilitation, repair, and replacement expenditures for scales and buildings for FY 2019. This amount includes funding for labor, materials, and equipment to replace or repair owned facilities, scales, and fixtures, which include: 1) the Kansas Highway Patrol Training Academy campus; 2) nine Motor Carrier Inspection stations (of which eight have scales); 3) three vehicle identification number inspection facilities; 4) the Valley Center Troop F building; 5) the Billard hangar facility; and 6) the vehicle fleet and maintenance building. This request includes funding for:
 - \$130,000 for routine rehabilitation and repair for scales and buildings;
 - \$134,000 for scale replacement; and
 - \$58,058 for Academy roof and boiler replacements.

The **Governor** concurs with the agency's request for capital improvements expenditures for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 203 — Adjutant General's Department

The **agency** requests capital improvements expenditures totaling \$8.5 million, including \$1.2 million from the State General Fund, for FY 2018. The FY 2018 request includes the following:

- State General Fund. The agency's FY 2018 request includes debt service principal expenditures totaling \$860,000 and rehabilitation and repair expenditures of \$374,458; and
- All Other Funds. The FY 2018 request includes \$7.3 million, including \$6.9 million from federal funds and \$370,000 from special revenue funds for FY 2018.

The **Governor** concurs with the agency's request for capital improvements expenditures for FY 2018.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 204 — Adjutant General's Department

The **agency** requests capital improvements expenditures totaling \$32.6 million, including \$25.3 million from the State General Fund, for FY 2019. The FY 2019 request includes the following:

- State General Fund. The agency's FY 2019 request includes debt service principal expenditures totaling \$905,000, one capital improvement enhancement request totaling \$24.1 million, and rehabilitation and repair expenditures of \$386,731; and

- All Other Funds. The FY 2019 request includes \$7.3 million, including \$6.9 million from federal funds and \$350,000 from special revenue funds for FY 2019.

The agency's FY 2019 request includes the following enhancement request:

- Emergency Operations Training Center Construction. The agency requests \$24.1 million, all from the State General Fund, to finance the construction of a new State Emergency Management Operations and Training Center to be located on land adjacent to the grounds of the Kansas National Guard 190th Refueling Wing at Forbes Field in Topeka. The agency notes the following:
 - The facility will be approximately 38,173 square feet and will be the primary state center for all state emergency response operations and training;
 - The facility will have streamlined access to the airfield and the Kansas National Guard's Joint Force Headquarters;
 - The facility will house the Kansas Department of Emergency Management, Joint Operation Center (JOC);
 - The facility will include a new State Emergency Operations Center and related supporting spaces;
 - The project also will include all necessary parking and emergency generation;
 - The facility will enable the agency to consume less than half of its current energy usage; and
 - The project is part of the agency's relocation of the Kansas National Guard's Headquarters' from central Topeka to Forbes Field, 190th Air Wing property.

The **Governor** recommends capital improvements expenditures totaling \$8.6 million, including \$1.3 million from the State General Fund, for FY 2019. This is an all funds decrease of \$24.1 million, or 73.8 percent, and a State General Fund decrease of \$24.1 million, or 94.9 percent, below the agency's FY 2019 request. This decrease is due to the Governor not recommending the agency's State General Fund enhancement request for Emergency Operations Training Center Construction for FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 205 — Kansas State Fair

The **agency** requests FY 2018 capital improvements expenditures of \$1.1 million, including \$610,000 from the State General Fund. This request is an increase of \$25,000, or 2.3 percent, above the FY 2017 revised estimate. The increase is attributable to increases in debt service principal and includes the following project:

- Maintenance and Repair. The agency requests \$506,997 for rehabilitation and repair of the fairgrounds. These repairs are funded by the State Fair Capital Improvements Fund to maintain the facilities in an adequate, safe, and usable condition for hosting the fair and other events. This rehabilitation includes projects for asphalt repair.

The agency requests a State General Fund transfer of \$100,000 to the State Fair Capital Improvements Fund for FY 2018. KSA 2-223 mandates that the State General Fund will match State Fair Fee Fund transfers to the State Fair Capital Improvements Fund up to \$300,000. This

provision was previously adjusted by proviso to reduce the matching transfer to \$100,000 in FY 2016 and FY 2017.

The **Governor** concurs with the agency's requested capital improvements budget, but does not recommend the matching transfer of \$100,000 from the State General Fund to the State Fair Capital Improvements Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 206 — Kansas State Fair

The **agency** requests FY 2019 capital improvements expenditures of \$7.3 million, including \$6.7 million from the State General Fund. The request is an increase of \$6.1 million, or 549.5 percent, above the FY 2018 request.

The request includes the following projects:

- **Maintenance and Repair.** The agency requests \$506,997 for rehabilitation and repair of the fairgrounds. These repairs are funded by the State Fair Capital Improvements Fund to maintain the facilities in an adequate, safe, and usable condition for hosting the fair and other events. This rehabilitation includes projects for asphalt repair; and
- **Expo Center Replacement.** The agency requests \$6.1 million, all from the State General Fund, to replace the Expo Center building on the fairgrounds.

The agency requests a State General Fund transfer of \$100,000 to the State Fair Capital Improvements Fund for FY 2019. KSA 2-223 mandates that the State General Fund will match State Fair Fee Fund transfers to the State Fair Capital Improvements Fund up to \$300,000. This provision was previously adjusted by proviso to reduce the matching transfer to \$100,000 in FY 2016 and 2017.

The **Governor** recommends FY 2019 capital improvements expenditures of \$1.1 million, including \$640,000 from the State General Fund. The recommendation is an all funds decrease of \$6.1 million, or 84.2 percent, all from the State General Fund, below the agency request. The decrease is attributable to the Governor not recommending the agency enhancement request for replacing the Expo Center. Additionally, the Governor does not recommend the requested matching transfer of \$100,000 from the State General Fund to the State Fair Capital Improvements Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 207 — Department of Wildlife, Parks and Tourism

The **agency** estimates FY 2017 capital improvements expenditures of \$12.2 million, all from special revenue funds. This request is an increase of \$3.0 million, or 32.5 percent, above

the FY 2017 approved amount. The increase is attributable to the Leavenworth State Fishing Lake dam repair and the Flint Hills Nature Trail. This request includes the following projects:

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

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2017

1. Add \$360,000, all from special revenue funds, for dam repair at the Woodson County State Fishing Lake in FY 2017.

Sec. 208 — Department of Wildlife, Parks and Tourism

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

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

- Land and Water Conservation Development. The agency requests \$375,000 for increasing and improving outdoor development and acquisition for recreation activities in the State.

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustment:

FY 2018

1. Add \$2.8 million, all from special revenue funds, for dam repairs at the Woodson County State Fishing Lake and the Clark State Fishing Lake for FY 2018.

Sec. 209 — Department of Wildlife, Parks and Tourism

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

- Rehabilitation and Repair. The agency requests \$4.8 million for rehabilitation and repair;
- Land Acquisition. The agency requests \$400,000 for land acquisition for outdoor recreation as well as for habitat management and preservation;
- Cabin Site Development. The agency requests \$300,000 for construction of foundations for cabins as well as connecting utilities to those cabins;
- Trails Development. The agency requests \$400,000 for increasing and improving trails;
- Shooting Range Development. The agency requests \$1.2 million for development of shooting ranges;
- River Access. The agency requests \$100,000 for increasing access to rivers;
- Wetlands Acquisition/Development. The agency requests \$650,000 for acquisition and development of wetlands acreage;
- Federally Mandated Boating Access. The agency requests \$1.6 million in federal funds for motorboat access projects as directed by the USFWS;
- State and Federal Agriculture Funds. The agency requests \$752,000, all from the sale of crops on agricultural land managed by the agency, for the improvement of the same land;

- Coast Guard. The agency requests \$200,000 for construction of boat storage related to law enforcement on the water; and
- Land and Water Conservation Development. The agency requests \$375,000 for increasing and improving outdoor development and acquisition for recreation activities in the State.

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

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 210 — Kansas State Fair Capital Improvements

The Kansas State Fair operates two funds: the State Fair Fee Fund and the State Fair Capital Improvements Fund. The State Fair Fee Fund received revenue from the Fair and expends that revenue for operating expenditures. Pursuant to KSA 2-223, the State Fair Fee Fund transfers at least 5.0 percent of annual gross receipts from the State Fair Fee Fund to the State Fair Capital Improvements Fund for use for capital improvements projects. KSA 2-223(c) specifies that this transfer is matched by a transfer from the State General Fund to the State Fair Capital Improvements Fund up to \$300,000. In FY 2016 and FY 2017, this transfer was reduced to \$100,000.

The **Governor** recommends suspending the matching transfer from the State General Fund to the State Fair Capital Improvements Fund for FY 2018 and FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 211 — Housing Trust Fund

The **Governor** recommends that \$2.0 million per year be transferred from the Economic Development Initiatives Fund to the State Housing Trust Fund for FY 2018, FY 2019, and FY 2020. Expenditures from the State Housing Trust Fund shall be used for loans or grants for infrastructure or housing development in rural areas.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 212 — Abandoned Oil and Gas Well Transfer

The Abandoned Oil and Gas Well Fund, operated by the Kansas Corporation Commission, expends funds for plugging wells that have been abandoned and were originally drilled prior to FY 1997. Wells are plugged for a variety of reasons, including prevention of groundwater contamination.

The Abandoned Oil and Gas Well Fund receives funding via transfers from the State General Fund (\$400,000 annually), the Conservation Fee Fund (\$800,000 annually), and the Well Plugging Assurance Fund (\$500,000 annually). Additionally, pursuant to the federal Mineral Leasing Act, 30 USC 181, federally owned minerals are leased for production of natural resources including petroleum, natural gas, and coal. Of these royalties, 50.0 percent are remitted to the states. Pursuant to KSA 27-118, 50.0 percent of this amount is deposited into the Abandoned Oil and Gas Well Fund and the remaining 50.0 percent is credited to the State General Fund.

The **Governor** recommends suspending the State General Fund transfer to the Abandoned Oil and Gas Well Fund for FY 2018, FY 2019, and FY 2020.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 213 — IMPACT Program Repayment Fund

The **Governor** recommends revisions to the IMPACT Bond program within the Department of Commerce to create additional revenue. The Governor's recommendation includes a transfer from the State General Fund to the Job Creation Fund of \$3.5 million for FY 2018. The Governor reduces by \$18.7 million to \$3.5 million the planned transfer of approximately \$22.2 million from income tax withholdings to the Job Creation Program Fund (JCPF) for FY 2019. The planned transfer amount of \$22.2 million is due to the statute reverting back to the original language in KSA 74-50,107 that requires the JCPF to receive 2.0 percent of withholding after IMPACT debt service payments are made and a process that requires the Secretary of Revenue to certify an amount to the JCPF based on the net savings from certain eliminated tax credits compared to the expense deduction.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 214 — Kansas Bioscience Authority

This section determines the transfer for the Kansas Bioscience Authority for FY 2014, FY2015, and FY 2016. Additionally, this section determines withholding and provides the definition of a bioscience company. There is no transfer recommended to the Kansas Bioscience Authority for FY 2018 and FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 215 — 7.5% Ending Balance

The last appropriations bill passed in any regular session shall be the Omnibus Reconciliation bill. The **Governor** recommends suspending the 7.5 percent ending balance requirement for FY 2018 and FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 216 — Faculty of Distinction

This section provides for the transfer of matching funds pursuant to the Faculty of Distinction Program.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 217 — Infrastructure Maintenance Fund

The **Governor** recommends eliminating transfers from the State General Fund to the Infrastructure Maintenance Fund for FY 2018, FY 2019, and FY 2020.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 218 — Local Ad Valorem Tax Reduction Fund

By statute, these payments are a demand transfer from the State General Fund. The distribution of local ad valorem aid is made on January 15 and July 15 to county governments under the statute. The amount distributed equals 3.63 percent of the total sales and compensating use taxes credited to the State General Fund in the prior calendar year, based upon a formula allocating 65.0 percent to the counties by population and 35.0 percent by property valuation. The 2013 Appropriations Bill, 2013 SB 171, suspends all to the LAVTRF for FY 2013, FY 2014 and FY 2015.

The **Governor** recommends suspending transfers to the local ad valorem tax reduction fund for FY 2018 and FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 219 — County and City Revenue Sharing Fund

The **Governor** recommends suspending transfers to the County and City Revenue Sharing Fund for FY 2018, FY 2019 and FY 2020.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 220 — Special City County Highway Fund

The **Governor** recommends suspending transfers from the State General Fund to the Special City and County Highway Fund for FY 2018, FY 2019, and FY 2020.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 221 — Kansas Retail Dealers Incentive Fund

The Kansas Retail Dealers Incentive Fund provides for an incentive program for any retail dealer who sells renewable fuels or biodiesel from a motor fuel pump at a fixed location. For FY 2018, FY 2019, and FY 2020, no transfers are scheduled to be made.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 222 — Economic Development Initiatives Fund

The **Governor** recommends a transfer of \$19.2 million to the State General Fund, \$2.0 million to the State Housing Resources Corporation, and no transfer from the Economic Development Initiatives Fund to the State Water Plan Fund for FY 2018 and FY 2019.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 223 — State Water Plan Fund

The **Governor** recommends suspending the \$6.0 million transfer from the State General Fund to the State Water Plan Fund for FY 2018, FY 2019, and FY 2020.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 224 — Repealer

Repeals K.S.A. 2016 Supp. 2-223, 12-5256, 55-193, 74-50,107, 74-99b34, 75-6702, 76-775, 76-7,107, 79-2959, 79-2964, 79-3425i, 79-34,171, 79-4804 and 82a-953a.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 225 — Technical Adjustments

This section provides clarification that if any fund or account name described by words and the numerical accounting code, which follows do not match, the fund or account name described by words shall control over a contradictory or incorrect numerical accounting code.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 226 — Severability

Provisions of this bill are severable from other parts of the bill.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 227 — Appeals to Exceed Expenditure Limitations

Agencies who may which to appeal special revenue fund expenditures in excess of the amount specified in this act can be appealed to the State Finance Council upon a written application to the Governor.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 228 — Savings

The Savings Clause provides that any unencumbered balance in any special revenue fund with the exception of appropriated special revenues funds remaining in the fund at the end of FY 2017 shall reappropriate for FY 2018 for the same use and purpose for which the funds were originally appropriated.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 229 — Bond Reappropriations

The Bond Special Revenue Fund clause provides that any unencumbered balance in any proceeds from bonds issued by the Kansas Development Finance Authority remaining in the fund at the end of FY 2017 or FY 2018 shall reappropriated to the following fiscal year for the same use and purpose for which the funds were originally appropriated.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 230 — Federal Grants

The Federal Grants Fund clause provides that any unencumbered balance from federal grants or other federal receipt remaining in a fund at the end of FY 2017 shall reappropriate for FY 2018 for the same use and purpose for which the funds were originally appropriated.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 231 — Correctional Institutions Building Fund

This section describes the reappropriation and two year expenditure of the funds appropriated from the Correctional Institutions Building Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 232 — Education Building Fund

This section describes the reappropriation and two year expenditure of the funds appropriated from the Education Building Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 233 — State Institutions Building Fund

This section describes the reappropriation and two year expenditure of the funds appropriated from the State Institutions Building Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 234 — Legislative Post Audit Expenditure Limitation

The Governor recommends that transfers to the Audit Services Fund of the Division of Legislative Post Audit shall be in excess of the expenditure limitation imposed on such fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 235 — Effective Date of Act

The Governor recommends the effective date of this act shall be publication in the Kansas Register.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Children's Initiatives Fund

FY 2016 - FY 2019

Senate Committee Adjustments as of March 20, 2017

| | Actual FY 2016 | Approved FY 2017 | Gov. Rec. FY 2017 | Senate Adjustments FY 2017 | Gov. Rec. FY 2018/2019 | Senate Adjustments FY 2018 | Senate Adjustments FY 2019 |
|--|----------------------|----------------------|----------------------|----------------------------------|---------------------------|----------------------------------|----------------------------------|
| Department of Health and Environment | | | | | | | |
| Healthy Start/Home Visitor | \$ 237,914 | \$ 204,828 | \$ 204,848 | \$ - | \$ - | \$ 204,848 | \$ 204,848 |
| Infants and Toddlers Program (Tiny K) | 5,800,000 | 5,800,000 | 5,800,000 | - | - | 5,800,000 | 5,800,000 |
| Smoking Cessation/Prevention Program Grants | 946,671 | 847,041 | 847,041 | - | - | 847,041 | 847,041 |
| Newborn Hearing Aid Loaner Program | 34,755 | 40,602 | 40,602 | - | - | 40,602 | 40,602 |
| SIDS Network Grant | 96,374 | 82,972 | 82,972 | - | - | 82,972 | 82,972 |
| <i>Subtotal - KDHE</i> | <u>\$ 7,115,714</u> | <u>\$ 6,975,443</u> | <u>\$ 6,975,463</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,975,463</u> | <u>\$ 6,975,463</u> |
| Department for Aging and Disability Services | | | | | | | |
| Children's Mental Health Initiative | \$ 3,800,000 | \$ 3,800,000 | \$ 3,800,000 | \$ - | \$ - | \$ 3,800,000 | \$ 3,800,000 |
| Department for Children and Families | | | | | | | |
| Children's Cabinet Accountability Fund | \$ 371,627 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Combined Block Grant (Early Childhood and Smart Start) | 12,676,138 | - | - | - | - | - | - |
| Early Childhood Block Grants - Autism | 50,000 | - | - | - | - | - | - |
| Child Care Quality Initiative | 500,000 | - | - | - | - | - | - |
| <i>Under Children's Cabinet Authority</i> | <u>\$ 13,597,765</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Child Care Services | 5,033,679 | 5,033,679 | 5,033,679 | - | - | 5,033,679 | 5,033,679 |
| Family Preservation | 2,154,357 | 2,073,612 | 2,073,612 | - | - | 2,073,612 | 2,073,612 |
| <i>Under DCF Secretary's Authority</i> | <u>\$ 7,188,036</u> | <u>\$ 7,107,291</u> | <u>\$ 7,107,291</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,107,291</u> | <u>\$ 7,107,291</u> |
| <i>Subtotal - DCF</i> | <u>\$ 20,785,801</u> | <u>\$ 7,107,291</u> | <u>\$ 7,107,291</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,107,291</u> | <u>\$ 7,107,291</u> |
| Department of Education* | | | | | | | |
| Parents as Teachers | \$ 7,237,635 | \$ - | \$ - | \$ - | \$ - | \$ 7,237,635 | \$ 7,237,635 |
| Pre-K Pilot | 4,799,812 | 32,317 | - | - | - | - | - |
| Kansas Reading Success Program | 1,419,500 | - | - | - | - | - | - |
| <i>Under Education Commissioner Authority</i> | <u>13,456,947</u> | <u>32,317</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,237,635</u> | <u>7,237,635</u> |
| Children's Cabinet Accountability Fund | \$ - | \$ 375,000 | \$ 375,000 | \$ - | \$ - | \$ 375,000 | \$ 375,000 |
| Combined Block Grant (Early Childhood and Smart Start) | - | 19,135,980 | 15,782,562 | 224 | - | 15,782,638 | 15,782,786 |
| Early Childhood Block Grants - Autism | - | 43,047 | 43,047 | - | - | 43,047 | 43,047 |
| Child Care Quality Initiative | - | 430,466 | 430,466 | - | - | 430,466 | 430,466 |
| <i>Under Children's Cabinet Authority</i> | <u>\$ -</u> | <u>\$ 19,984,493</u> | <u>\$ 16,631,075</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,631,151</u> | <u>\$ 16,631,299</u> |
| <i>Subtotal - Dept. of Ed.</i> | <u>\$ 13,456,947</u> | <u>\$ 20,016,810</u> | <u>\$ 16,631,075</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,868,786</u> | <u>\$ 23,868,934</u> |
| State Finance Council | | | | | | | |
| State Employee Salary Increases | | \$ - | \$ - | \$ - | \$ - | \$ 1,462 | \$ 1,462 |
| TOTAL | \$ 45,158,462 | \$ 37,899,544 | \$ 34,513,829 | \$ 224 | \$ - | \$ 41,753,002 | \$ 41,753,150 |

| | Actual FY 2016 | Approved FY 2017 | Gov. Rec. FY 2017 | Senate Adjustments FY 2017 | Gov. Rec. FY 2018/2019 | Senate Adjustments FY 2018 | Senate Adjustments FY 2019 |
|------------------------------------|----------------------|-----------------------|----------------------|----------------------------------|---------------------------|----------------------------------|----------------------------------|
| Beginning Balance | \$ 7,938,900 | \$ 1,732,663 | \$ 1,732,663 | \$ 1,732,663 | \$ - | \$ - | \$ - |
| Plus: Other Income** | | | | | | | |
| Released Encumbrance | 314,850 | - | - | - | - | - | - |
| KEY Fund Transfer In | 51,200,000 | 42,000,000 | 42,000,000 | 42,000,000 | - | 41,753,002 | 41,753,150 |
| Total Available | <u>\$ 59,453,750</u> | <u>\$ 43,732,663</u> | <u>\$ 43,732,663</u> | <u>\$ 43,732,663</u> | <u>\$ -</u> | <u>\$ 41,753,002</u> | <u>\$ 41,753,150</u> |
| Less: Expenditures | 45,158,462 | 37,899,544 | 34,513,829 | 34,514,053 | - | 41,753,002 | 41,753,150 |
| Lapse of Encumbrance | - | - | - | - | - | - | - |
| Allotment | - | - | - | - | - | - | - |
| Lapse | - | - | - | - | - | - | - |
| Transfer Out to State General Fund | 12,562,625 | 8,825,527 | 9,218,834 | 9,218,834 | - | - | - |
| ENDING BALANCE | <u>\$ 1,732,663</u> | <u>\$ (2,992,408)</u> | <u>\$ -</u> | <u>\$ (224)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

* The approved amount in FY 2017 includes \$7,237,635 from the federal Temporary Assistance for Needy Families block grant to the Children's Cabinet to provide grants to programs which meet the block grant requirements. Also included is language specifying the Children's Cabinet will make recommendations for expenditures with decisions to be made by the Governor for FY 2017. Further language also gave the Children's Cabinet the authority to decide on appropriate agency placement of all programs (with the exception of tiny-K Infants and Toddlers Program which is to remain at KDHE) including the Cabinet itself. The Children's Cabinet elected to transfer the Cabinet to the administrative oversight of the Department of Education effective July 1, 2016.

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

Staff Note: The FY 2016 and FY 2017 approved budgets includes transfers from the KEY Fund of \$460,593 to the Attorney General and \$200,000 to the Judicial Branch.

Staff Note: The Governor's May 18, 2016 allotment included the transfer of \$3,353,194 from the Children's Cabinet to the State General Fund for FY 2017. This transfer did not reduce the expenditure authority and therefore the amount is not reflected in the above approved expenditures but is reflected in the revenue portion.

Staff Note: The Governor's recommendation for FY 2018 and FY 2019 replaces the majority of funding from the KEY and CIF funds with State General Fund dollars. The Governor's recommendation for FY 2018 and FY 2019 also moves the Children's Mental Health Initiative from the Department for Aging and Disability Services to the Kansas Department of Health and Environment.

The Senate recommendation does not securitize the proceeds of the tobacco settlement agreement and includes the expenditures of \$246,556 in FY 2018 and \$246,249 in FY 2019 from the Kansas Endowment for Youth Fund at the Department of Education for administration of Children's Cabinet programs. The recommendation also includes a transfer of \$460,593 in both FY 2018 and FY 2019 from the Kansas Endowment for Youth Fund to the Attorney General and \$200,000 in both FY 2018 and FY 2019 to the Judicial Branch.

ECONOMIC DEVELOPMENT INITIATIVES FUND

FY 2016 - 2019

2017 Session

Senate Adjustments in Senate Sub. for SB 189 as of 3/23/2017

| Agency/Program | Governor's Rec. FY 2017 | Senate Comm. Adj. FY 2017 | Senate Rec. FY 2017 | Governor's Rec. FY 2018 | Senate Comm. Adj. 2018 | Senate Rec. 2018 | Governor's Rec. FY 2019 | Senate Comm. Adj. 2019 | Senate Rec. 2019 |
|--|--|--|------------------------------------|--|---------------------------------------|---------------------------------|--|---------------------------------------|---------------------------------|
| Department of Commerce | | | | | | | | | |
| Operating Grant | \$ 8,363,928 | \$ 10,232 | \$ 8,374,160 | \$ 7,945,856 | \$ 30,596 | \$ 7,976,452 | \$ 7,508,029 | \$ 45,284 | \$ 7,553,313 |
| Older Kansans Employment Program | 264,058 | 38 | 264,096 | 242,400 | 115 | 242,515 | 242,377 | 163 | 242,540 |
| Rural Opportunity Zones Program | 1,294,394 | 780 | 1,295,174 | 1,620,608 | 2,331 | 1,622,939 | 2,050,141 | 3,316 | 2,053,457 |
| Senior Community Service Employment Prog. | 14,011 | 19 | 14,030 | 7,565 | 57 | 7,622 | 7,565 | 82 | 7,647 |
| Strong Military Bases Program | 195,531 | 71 | 195,602 | 194,836 | 211 | 195,047 | 194,793 | 300 | 195,093 |
| Governor's Council of Economic Advisors | 186,373 | 88 | 186,461 | 192,953 | 263 | 193,216 | 192,905 | 393 | 193,298 |
| Innovation Growth Program | - | - | - | - | - | - | - | - | - |
| Kansas Creative Arts Industries Commission | 194,574 | 245 | 194,819 | 187,709 | 733 | 188,442 | 187,561 | 1,043 | 188,604 |
| Public Broadcasting Grants | 500,000 | - | 500,000 | 500,000 | - | 500,000 | 500,000 | - | 500,000 |
| Subtotal - Commerce | \$ 11,012,869 | \$ 11,473 | \$ 11,024,342 | \$ 10,891,927 | \$ 34,306 | \$ 10,926,233 | \$ 10,883,371 | \$ 50,581 | \$ 10,933,952 |
| Board of Regents & Universities | | | | | | | | | |
| Vocational Education Capital Outlay | \$ 2,547,726 | \$ - | \$ 2,547,726 | \$ 2,547,726 | \$ - | \$ 2,547,726 | \$ 2,547,726 | \$ - | \$ 2,547,726 |
| Technology Innovation & Internship | 219,888 | - | 219,888 | 179,284 | - | 179,284 | 179,284 | - | 179,284 |
| EPSCoR | 993,265 | - | 993,265 | 993,265 | - | 993,265 | 993,265 | - | 993,265 |
| Community College Competitive Grants | 500,000 | - | 500,000 | 500,000 | - | 500,000 | 500,000 | - | 500,000 |
| KSU - ESARP | 294,947 | 99 | 295,046 | 294,348 | 311 | 294,659 | 294,608 | 438 | 295,046 |
| Subtotal - Regents & Universities | \$ 4,555,826 | \$ 99 | \$ 4,555,925 | \$ 4,514,623 | \$ 311 | \$ 4,514,934 | \$ 4,514,883 | \$ 438 | \$ 4,515,321 |
| Department of Agriculture | | | | | | | | | |
| Agriculture Marketing Program | \$ 1,048,981 | \$ 1,999 | \$ 1,050,980 | \$ 1,041,713 | \$ 7,590 | \$ 1,049,303 | \$ 1,036,293 | \$ 14,687 | \$ 1,050,980 |
| Department of Wildlife, Parks & Tourism | | | | | | | | | |
| Administration | \$ 1,798,885 | \$ 2,618 | \$ 1,798,885 | \$ 1,762,465 | \$ 7,760 | \$ 1,770,225 | \$ 1,754,462 | \$ 17,522 | \$ 1,771,984 |
| Tourism Division | 1,666,432 | 1,611 | 1,669,050 | 1,671,699 | 4,818 | 1,676,517 | 1,667,428 | 10,156 | 1,677,584 |
| Parks Program | 993,245 | 3,100 | 996,345 | 1,484,906 | 9,369 | 1,494,275 | 1,475,237 | 21,108 | 1,496,345 |
| Subtotal Wildlife and Parks | \$ 4,458,562 | \$ 7,329 | \$ 4,465,891 | \$ 4,919,070 | \$ 21,947 | \$ 4,941,017 | \$ 4,897,127 | \$ 48,786 | \$ 4,945,913 |
| 2% Salary Increase for State Employees | \$ - | \$ - | \$ - | \$ - | \$ 157,546 | \$ 157,546 | \$ - | \$ 157,284 | \$ 157,284 |
| Total Expenditures | \$ 21,076,238 | \$ 20,900 | \$ 21,097,138 | \$ 21,367,333 | \$ 221,700 | \$ 21,589,033 | \$ 21,331,674 | \$ 271,776 | \$ 21,603,450 |
| Transfers to Other Funds | | | | | | | | | |
| State Housing Trust Fund | \$ 2,000,000 | \$ - | \$ 2,000,000 | \$ 2,000,000 | \$ - | \$ 2,000,000 | \$ 2,000,000 | \$ - | \$ 2,000,000 |
| State General Fund | 22,972,579 | - | 22,972,579 | 19,200,000 | - | 19,200,000 | 19,200,000 | - | 19,200,000 |
| Subtotal - Transfers | \$ 24,972,579 | \$ - | \$ 24,972,579 | \$ 21,200,000 | \$ - | \$ 21,200,000 | \$ 21,200,000 | \$ - | \$ 21,200,000 |
| TOTAL TRANSFERS AND EXPENDITURES | \$ 46,048,817 | \$ 20,900 | \$ 46,069,717 | \$ 42,567,333 | \$ 221,700 | \$ 42,789,033 | \$ 42,531,674 | \$ 271,776 | \$ 42,803,450 |

| | Governor's Rec. FY 2017 | Senate Comm. Adj. FY 2017 | Senate Rec. FY 2017 | Governor's Rec. FY 2018 | Senate Comm. Adj. 2018 | Senate Rec. 2018 | Governor's Rec. FY 2019 | Senate Comm. Adj. 2019 | Senate Rec. 2019 |
|----------------------------------|--|--|------------------------------------|--|---------------------------------------|---------------------------------|--|---------------------------------------|---------------------------------|
| EDIF Resource Estimate | | | | | | | | | |
| Beginning Balance | \$ 3,630,051 | \$ 3,630,051 | \$ 3,630,051 | \$ 88,234 | \$ 67,334 | \$ 67,334 | \$ 27,901 | \$ (214,699) | \$ (214,699) |
| Gaming Revenues | 42,432,000 | 42,432,000 | 42,432,000 | 42,432,000 | 42,432,000 | 42,432,000 | 42,432,000 | 42,432,000 | 42,432,000 |
| Other Income* | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Total Available | \$ 46,137,051 | \$ 46,137,051 | \$ 46,137,051 | \$ 42,595,234 | \$ 42,574,334 | \$ 42,574,334 | \$ 42,534,901 | \$ 42,294,320 | \$ 42,294,320 |
| Less: Expenditures and Transfers | 46,048,817 | 46,069,717 | 46,069,717 | 42,567,333 | 42,789,033 | 42,789,033 | 42,531,674 | 42,803,450 | 42,803,450 |
| ENDING BALANCE | \$ 88,234 | \$ 67,334 | \$ 67,334 | \$ 27,901 | \$ (214,699) | \$ (214,699) | \$ 3,227 | \$ (509,130) | \$ (509,130) |

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

NOTE: The Senate Committee adjustments are attributable to adding funds to restore Kansas Public Employee Retirement System employer contributions to the approved level in FY 2017.

Expanded Lottery Act Revenues Fund FY 2016 - FY 2019

| | FY 2016 Actual | FY 2017 Governor's Rec. | FY 2017 Senate Adjustments | FY 2018 Governor's Rec. | FY 2018 Senate Adjustments | FY 2019 Governor's Rec. | FY 2019 Senate Adjustments |
|--|----------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|
| Department of Administration (Debt Service) | | | | | | | |
| KPERS Bonds | \$ 33,387,787 | \$ 33,057,308 | \$ - | \$ 35,698,913 | \$ - | \$ 35,701,595 | \$ - |
| Statehouse Renovation | 2,635,144 | 91,008 | - | - | - | - | - |
| Public Broadcasting Council Bonds | 103,061 | 440,862 | - | 440,057 | - | 437,375 | - |
| <i>Subtotal</i> | <u>\$ 36,125,992</u> | <u>\$ 33,589,178</u> | <u>\$ -</u> | <u>\$ 36,138,970</u> | <u>\$ -</u> | <u>\$ 36,138,970</u> | <u>\$ -</u> |
| Transfers to Other Funds | | | | | | | |
| Kan-Grow Engineering Funding | \$ 10,500,000 | \$ 10,500,000 | \$ - | \$ 10,500,000 | \$ - | \$ 10,500,000 | \$ - |
| KPERS Actuarial Liability | 29,574,659 | 35,430,948 | - | 39,883,000 | - | 40,084,000 | - |
| <i>Subtotal</i> | <u>\$ 40,074,659</u> | <u>\$ 45,930,948</u> | <u>\$ -</u> | <u>\$ 50,383,000</u> | <u>\$ -</u> | <u>\$ 50,584,000</u> | <u>\$ -</u> |
| TOTAL TRANSFERS AND EXPENDITURES | \$ 76,200,651 | \$ 79,520,126 | \$ - | \$ 86,521,970 | \$ - | \$ 86,722,970 | \$ - |
| ELARF Resource Estimate | | | | | | | |
| Beginning Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Gaming Revenues | 80,226,159 | 83,004,000 | - | 90,266,000 | - | 90,668,000 | - |
| Transfer from State General Fund | - | - | - | - | - | - | - |
| Released Encumbrances / Lapses | - | - | - | - | - | - | - |
| Privilege Fees | 5,500,000 | - | - | - | - | - | - |
| <i>Subtotal</i> | <u>\$ 85,726,159</u> | <u>\$ 83,004,000</u> | <u>\$ -</u> | <u>\$ 90,266,000</u> | <u>\$ -</u> | <u>\$ 90,668,000</u> | <u>\$ -</u> |
| Less: Expenditures and Transfers | \$ 76,200,651 | 79,520,126 | - | 86,521,970 | - | 86,722,970 | - |
| ENDING BALANCE | \$ 9,525,508 | \$ 3,483,874 | \$ - | \$ 3,744,030 | \$ - | \$ 3,945,030 | \$ - |
| Transfer to State General Fund* | \$ 9,525,508 | \$ 3,483,874 | \$ - | \$ 3,744,030 | \$ - | \$ 3,945,030 | \$ - |

*Note: 2015 House Sub. for SB 112 authorized the transfer of the unencumbered balance of the Expanded Lottery Act Revenues Fund to the State General Fund for FY 2016 and FY 2017.

**STATE WATER PLAN FUND
FY 2016 - 2019**

Sen. Adjustments in SB 189 as of 3/27/2017

| Agency/Program Expenditures | Governor's Rec. FY 2017 | Senate Comm. Adj. FY 2017 | Governor's Rec. FY 2018 | Senate Comm. Adj. FY 2018 | Governor's Rec. FY 2019 | Senate Comm. Adj. FY 2019 |
|---|--|--|--|--|--|--|
| Department of Agriculture | | | | | | |
| Interstate Water Issues | \$ 488,995 | \$ 730 | \$ 385,369 | \$ 2,044 | \$ 482,543 | \$ 4,457 |
| Water Use Study | 163,298 | - | 64,368 | - | 72,600 | - |
| Basin Management | 912,673 | 1,022 | 404,003 | 3,146 | 603,895 | 6,913 |
| Water Resources Cost Share | 2,122,665 | - | 1,727,387 | - | 1,948,289 | - |
| Nonpoint Source Pollution Assistance | 1,994,463 | 202 | 1,502,429 | 480 | 1,857,200 | 1,150 |
| Aid to Conservation Districts | 2,092,637 | - | 2,000,000 | - | 2,092,637 | - |
| Conservation Reserve Enhancement Program | 249,423 | 263 | 176,312 | 829 | 198,496 | 1,504 |
| Watershed Dam Construction | 576,434 | - | 511,076 | - | 550,000 | - |
| Water Quality Buffer Initiative | 356,901 | - | 88,662 | - | 200,000 | - |
| Riparian & Wetland Program | 159,095 | - | 135,343 | - | 152,651 | - |
| Lake Restoration | 281,312 | - | - | - | - | - |
| <i>TOTAL- Agriculture</i> | <u>\$ 9,397,896</u> | <u>\$ 2,217</u> | <u>\$ 6,994,949</u> | <u>\$ 6,499</u> | <u>\$ 8,158,311</u> | <u>\$ 14,024</u> |
| Kansas Department of Health and Environment - Environment Division | | | | | | |
| Contamination Remediation | \$ 687,575 | \$ 726 | \$ 600,665 | \$ 2,159 | \$ 685,461 | \$ 2,840 |
| Total Maximum Daily Load Initiatives | 278,013 | 294 | 215,241 | 873 | 275,158 | 1,149 |
| Nonpoint Source Program | 304,096 | 672 | 236,548 | 1,992 | 296,359 | 2,621 |
| Watershed Restoration and Protection Strategy | 555,884 | - | 555,000 | - | 555,884 | - |
| <i>TOTAL- KDHE-Environment</i> | <u>\$ 1,825,568</u> | <u>\$ 1,692</u> | <u>\$ 1,607,454</u> | <u>\$ 5,024</u> | <u>\$ 1,812,862</u> | <u>\$ 6,610</u> |
| Kansas Water Office | | | | | | |
| Assessment and Evaluation | \$ 639,755 | \$ - | \$ 500,000 | \$ - | \$ 450,000 | \$ - |
| GIS Database Development | 112,306 | - | 50,000 | - | - | - |
| MOU - Storage Operations and Maintenance | 289,889 | - | 363,699 | - | 350,000 | - |
| Technical Assistance to Water Users | 486,302 | - | 325,000 | - | 325,000 | - |
| Streamgaging | 431,282 | - | 350,000 | - | 431,282 | - |
| Streambank Stabilization | 400,000 | - | - | - | - | - |
| <i>TOTAL- Kansas Water Office</i> | <u>\$ 2,359,534</u> | <u>\$ -</u> | <u>\$ 1,588,699</u> | <u>\$ -</u> | <u>\$ 1,556,282</u> | <u>\$ -</u> |
| University of Kansas - Geological Survey | \$ 26,841 | \$ - | \$ 26,841 | \$ - | \$ 26,841 | \$ - |
| Grand Total Expenditures | <u>\$ 13,609,839</u> | <u>\$ 3,909</u> | <u>\$ 10,217,943</u> | <u>\$ 11,523</u> | <u>\$ 11,554,296</u> | <u>\$ 20,634</u> |
| Revenues | | | | | | |
| Beginning Balance | \$ 582,946 | \$ 582,946 | \$ 1 | \$ 1 | \$ 24,835 | \$ 24,835 |
| Adjustments/Receipts | | | | | | |
| Transfer to Department of Administration | \$ (916,550) | \$ (916,550) | \$ (1,260,426) | \$ (1,260,426) | \$ (1,260,426) | \$ (1,260,426) |
| State General Fund Transfer | - | - | - | - | - | - |
| Economic Development Fund Transfer | - | - | - | - | - | - |
| Prior Year Released Encumbrances | - | - | - | - | - | - |
| Other Service Charges | 27,892 | 27,892 | 27,892 | 27,892 | 27,892 | 27,892 |
| Municipal Water Fees | 3,509,018 | 3,509,018 | 2,838,217 | 2,838,217 | 3,267,271 | 3,267,271 |
| Industrial Water Fees | 1,212,943 | 1,212,943 | 934,928 | 934,928 | 1,120,701 | 1,120,701 |
| Stock Water Fees | 425,921 | 425,921 | 415,975 | 415,975 | 464,256 | 464,256 |
| Pesticide Registration Fees | 1,336,353 | 1,336,353 | 1,334,523 | 1,334,523 | 1,334,523 | 1,334,523 |
| Fertilizer Registration Fees | 3,554,503 | 3,554,503 | 3,224,145 | 3,224,145 | 3,568,921 | 3,568,921 |
| Pollution Fines and Penalties | 250,000 | 250,000 | 155,000 | 155,000 | 165,000 | 165,000 |
| Sand Royalty Receipts | 99,000 | 99,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| Clean Drinking Water Fees | 3,531,723 | 3,531,723 | 2,539,046 | 2,539,046 | 2,820,674 | 2,820,674 |
| Total Available | <u>\$ 13,613,749</u> | <u>\$ 13,613,749</u> | <u>\$ 10,254,301</u> | <u>\$ 10,254,301</u> | <u>\$ 11,578,647</u> | <u>\$ 11,578,647</u> |
| Total Expenditures | \$ 13,609,839 | \$ 13,613,748 | \$ 10,217,943 | \$ 10,229,466 | \$ 11,554,296 | \$ 11,574,930 |
| ENDING BALANCE | \$ 3,910 | \$ 1 | \$ 36,358 | \$ 24,835 | \$ 24,351 | \$ 3,717 |

NOTE: The Senate Committee adjustments are all attributable to adding funds to restore Kansas Public Employee Retirement System employer contributions to the approved level. All FY 2017 adjustments are reflective of the rescission bill, Sen. Sub. for HB 2052.

STATE WATER PLAN FUND REVENUE SOURCES AND STATUTORY AUTHORITY

The State Water Plan Fund is a statutory fund (KSA 82a-951) that was created by the 1989 Legislature for the purpose of implementing the State Water Plan Fund. Subject to appropriation acts, the State Water Plan Fund may be used for the establishment and implementation of water related projects or programs and related technical assistance. State Water Plan Fund moneys may not be used to fund FTE positions or for recreational projects that do not meet the goals or objectives of the State Water Plan (KSA 82a-903).

Revenue for the State Water Plan Fund is generated by a water protection fee levied on public, industrial, and stockwater users; a per-ton tax on fertilizer; a registration fee on pesticides; certain fines levied by suppliers; and annual transfers of \$6.0 million from the State General Fund and \$2.0 million from the Economic Development Initiatives Fund (EDIF). The State General Fund transfer was not made at all in FY 2010 or in FYs 2012-2017, and a partial transfer was made in FY 2009 and FY 2011. The Legislature made a partial transfer from EDIF in FY 2015 and suspended the EDIF transfer in FY 2014 and in FYs 2016-2017. Beginning in FY 2008, the majority (101 of 106) of the Clean Drinking Water Fee receipts are deposited in the State Water Plan Fund. Of the funding received from the Clean Drinking Water Fee, 85.0 percent is to be used to renovate and protect lakes which are used directly as a source of water for public water supply systems. The remaining 15.0 percent is to be used to provide on-site technical assistance for public water supply systems.