

# KANSAS STATE SCHOOL FOR THE DEAF

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	\$ 8,516,871	\$ 8,865,625	\$ 8,783,160	\$ 8,973,791	\$ 8,804,615	\$ 9,243,766	\$ 9,072,698
Other Funds	1,159,209	672,730	671,559	709,642	708,377	813,245	811,956
TOTAL	\$ 9,676,080	\$ 9,538,355	\$ 9,454,719	\$ 9,683,433	\$ 9,512,992	\$ 10,057,011	\$ 9,884,654
Capital Improvements:							
State General Fund	\$ 31,607	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	1,192,982	2,732,608	2,732,608	934,574	934,574	812,553	812,553
TOTAL	\$ 1,224,589	\$ 2,732,608	\$ 2,732,608	\$ 934,574	\$ 934,574	\$ 812,553	\$ 812,553
<b>GRAND TOTAL</b>	<b>\$ 10,900,669</b>	<b>\$ 12,270,963</b>	<b>\$ 12,187,327</b>	<b>\$ 10,618,007</b>	<b>\$ 10,447,566</b>	<b>\$ 10,869,564</b>	<b>\$ 10,697,207</b>
Percentage Change:							
Operating Expenditures							
State General Fund	(0.9) %	4.1 %	3.1 %	1.2 %	0.2 %	3.0 %	3.0 %
All Funds	5.4	(1.4)	(2.3)	1.5	0.6	3.9	3.9
FTE Positions	143.5	143.5	143.5	143.5	143.5	143.5	143.5
Non-FTE							
Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0	0	0.0
TOTAL	143.5	143.5	143.5	143.5	143.5	143.5	143.5

## AGENCY OVERVIEW

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The mission of the Kansas State School for the Deaf (KSSD) is to provide both deaf and hard-of-hearing (D/HH) students total accessibility to language, communication, and educational excellence in a visual environment. The School established three programs to assist with its mission: Administrative Services, Instructional Services, and Support Services. KSSD is a state agency under the control and supervision of the State Board of Education.

The School offers a comprehensive curriculum for D/HH students ages 21 and under. Both American Sign Language and

English are integral parts of the total school program. KSSD provides related services to make educational programs available to students with additional disabilities, including health services, counseling, physical therapy, occupational therapy, and speech and language therapy. KSSD also provides sign language interpreting, audiological, community resource and family services. In addition, KSSD operates the Auditory Training Unit program which provides equipment and consultative services for hearing impaired children in public school districts.

### MAJOR ISSUES FROM PRIOR YEARS

**2009 Session.** The Governor created the Facilities Closure and Realignment Commission by Executive Order 09-01. The Commission was charged to study and evaluate closure, realignment, and alternative uses of various state facilities in order to find efficiencies and cost savings in state government. Specifically, the Commission was charged to study the Kansas School for the Deaf, Kansas State School for the Blind, the Beloit Juvenile Correctional Facility, State Developmental Disability Hospitals and Rainbow Mental Health Facility. The Executive Order required the Commission to submit recommendations regarding these, and any other facilities studied, to the Governor and the Legislature.

The Commission studied combining the Kansas State School for the Blind and Kansas School for the Deaf on one campus, specifically the Olathe campus for the School for the Deaf. Due to initial capital improvement expenditures required to meet the needs of students from the School for the Blind, the Commission recommended that the campuses not be co-

located and the School for the Blind and Deaf maintain the respective campuses, but share services where possible, this included sharing one administrative staff, including the superintendent position, food services, health services, and any other services possible in order to reduce expenditures. Currently, the schools are under one administration team consisting of one Superintendent, one Director of Operations, one Food Service Manager, one Maintenance/Security Manager, one Human Resource Director, and one Financial Director. Overall combined net savings for the consolidation of administrative services was estimated to be \$174,498.

**2012 Session.** The Legislature eliminated 70.0 percent of vacant positions that had been unfilled for greater than 120 days as of June, 30, 2012, which resulted in the deletion of 7.0 FTE positions for this agency. The Legislature also approved the addition of funding for undermarket pay for FY 2013.

2012 HB 2777 allowed the Kansas School for the Blind and the Kansas School for the Deaf to receive payment from school districts for providing services to students at each of the schools.

**2013 Session.** The Legislature added language authorizing the Superintendent of the School for the Blind and School for

the Deaf to transfer State General Fund appropriations between the two schools for FY 2013, FY 2014, and FY 2015.

**2014 Session.** A Governor's Executive Directive added \$115,824, all from the State General Fund, to alleviate problems with federal special education maintenance of effort issues.

## **BUDGET SUMMARY AND KEY POINTS**

### **FY 2015 Agency Estimate**

The **agency** requests a revised FY 2015 operating budget of \$12.3 million (including Capital Improvements), and all funds increase of \$43,000, or 0.4 percent, above the amount approved amount. The revised estimate includes State General Fund expenditures of \$8.9 million, \$36,000, or 0.4 percent, above the amount approved by the 2014 Legislature. Full-time

equivalent (FTE) employees of 143.5 remains the same as the approved number.

The Capital Improvement budget contains the following projects: Roth Dormitory renovation (\$1,354,574); Campus life and safety improvements (\$668,816); Rehabilitation and repairs (\$633,996); and Debt service (\$75,222).

### **FY 2015 Governor Recommendation**

The **Governor** recommends a revised all funds budget of \$12.2 million, including \$8.8 million from the State General Fund. The Governor deleted \$83,186 in all funds and \$82,465 from the State General Fund, as a result of the Governor's State

General Fund allotment reducing the Kansas Public Employee Retirement System employer contribution rate. In addition, the Governor deleted a \$450 State General Fund reappropriation.

### **FY 2016 Agency Request**

The **agency** requests \$10.6 million in all funds (including Capital Improvements) for FY 2016, including \$9.0 million in State General Funds. The all funds request is \$1.7 million less, or 13.5 percent, than the FY 2015 revised estimate. This decrease primarily is due to a decrease in the estimate for

capital improvements. The State General Fund request is \$108,000, or 1.2 percent, more than the FY 2015 revised request.

The Capital Improvement budget contains the following projects: Campus life and safety improvements (\$450,206); Campus building and boilers and HVAC upgrades (\$20,000);

Rehabilitation and repairs (\$386,000); and Debt service (\$78,386).

### **FY 2016 Governor Recommendation**

The **Governor** recommends FY 2016 budget of \$10.4 million in all funds, including \$8.8 million from the State General Fund. The Governor recommended funding the agency's enhancement request for the statutory teacher salary increase in the amount of \$69,365 all from the State General Fund. The

Governor recommended a reduction of \$96,110, including \$94,845 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor did not recommend the agency's enhancement request to add three days to teachers' contracts.

### **FY 2017 Agency Request**

The **agency** requests \$10.9 million (including Capital Improvements) in all funds for FY 2017, including \$9.2 million from the State General Fund. The all funds request is \$252,000, or 2.4 percent, more than the FY 2016 request. The State General Fund request is \$9.2 million, or \$270,000, or 3.0 percent, more than the FY 2016 request. This State General

Fund increase is due to increasing KPERS employer contribution rates and enhancements requests.

The Capital Improvement budget contains the following projects: Campus life and safety improvements (\$300,907); Boiler and HVAC upgrades (\$140,000); Rehabilitation and repairs (\$290,000); and Debt service (\$81,646).

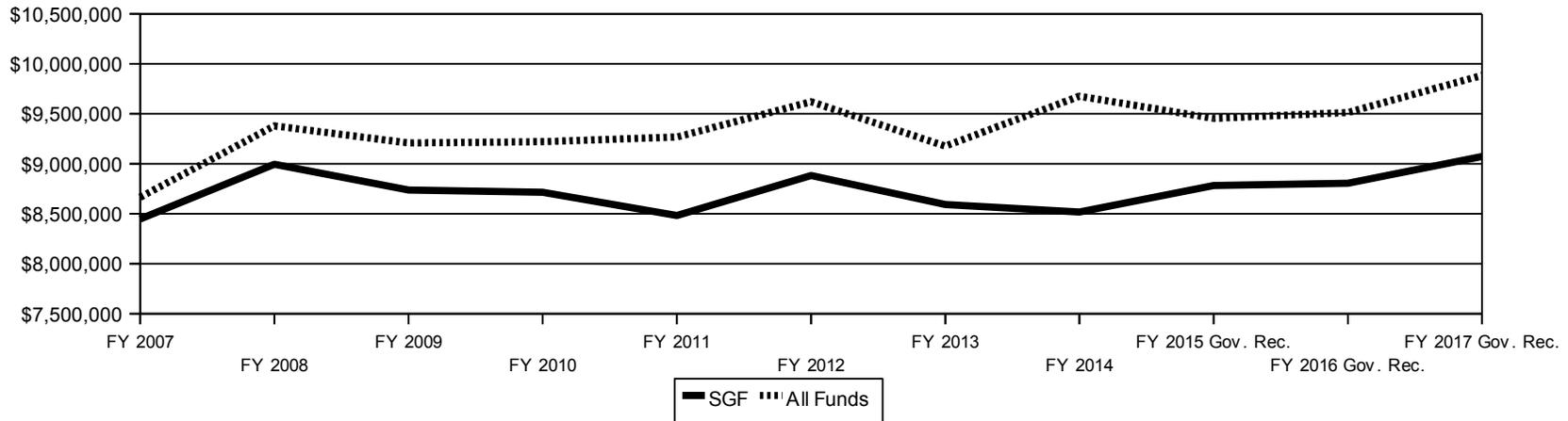
### **FY 2017 Governor Recommendation**

The **Governor** recommends a FY 2017 budget of \$10.7 million, including \$9.1 million from the State General Fund. The Governor recommended the agency's enhancement request for the statutory teacher salary increase in the amount of \$72,916, all from the State General Fund. The Governor recommended a

reduction of \$97,738, including \$96,449 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor did not recommend the agency's enhancement request to add three days to teachers' contracts.

# BUDGET TRENDS

## OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 8,446,943	5.8 %	\$ 8,665,401	(1.2) %	173.5
2008	8,996,675	6.5	9,379,505	8.2	173.5
2009	8,738,090	(2.9)	9,208,081	(1.8)	173.5
2010	8,715,450	(0.3)	9,221,105	0.1	173.5
2011	8,481,984	(2.7)	9,267,731	0.5	173.5
2012	8,883,378	4.7	9,620,594	3.8	150.5
2013	8,592,616	(3.3)	9,177,399	(4.6)	143.5
2014	8,516,871	(0.9)	9,676,080	5.4	143.5
2015 Gov. Rec.	8,783,160	3.1	9,454,719	(2.3)	143.5
2016 Gov. Rec.	8,804,615	0.2	9,512,992	0.6	143.5
2017 Gov. Rec.	9,072,698	3.0	9,884,654	3.9	143.5
Eleven-Year Change	\$ 625,755	7.4 %	\$ 1,219,253	14.1 %	(30.0)

**Summary of Operating Budget FY 2014 - FY 2016**

	Actual 2014	Agency Estimate				Governor's Recommendation			
		Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	Percent Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	Percent Change from FY 15
<b>By Program:</b>									
Administration	\$ 222,742	\$ 250,410	\$ 226,017	\$ (24,393)	(9.7) %	\$ 248,135	\$ 224,269	\$ (23,866)	(9.6)%
Instructional Services	7,118,559	7,154,123	7,186,706	32,583	0.5	7,086,812	7,037,072	(49,740)	(0.7)
Support Services	2,313,709	2,115,772	2,255,806	140,034	6.6	2,101,722	2,236,747	135,025	6.4
Debt Service	21,070	18,050	14,904	(3,146)	(17.4)	18,050	14,904	(3,146)	(17.4)
<b>TOTAL</b>	<b>\$ 9,676,080</b>	<b>\$ 9,538,355</b>	<b>\$ 9,683,433</b>	<b>\$ 145,078</b>	<b>1.5 %</b>	<b>\$ 9,454,719</b>	<b>\$ 9,512,992</b>	<b>\$ 58,273</b>	<b>0.6 %</b>
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 7,912,755	\$ 8,095,261	\$ 8,310,343	\$ 215,082	2.7 %	\$ 8,011,625	\$ 8,139,902	\$ 128,277	1.6 %
Contractual Services	968,519	951,536	918,695	(32,841)	(3.5)	951,536	918,695	(32,841)	(3.5)
Commodities	339,561	349,512	357,495	7,983	2.3	349,512	357,495	7,983	2.3
Capital Outlay	425,289	117,000	75,000	(42,000)	(35.9)	117,000	75,000	(42,000)	(35.9)
Debt Service	21,070	18,050	14,904	(3,146)	(17.4)	18,050	14,904	(3,146)	(17.4)
Subtotal - Operations	\$ 9,667,194	\$ 9,531,359	\$ 9,676,437	\$ 145,078	1.5 %	\$ 9,447,723	\$ 9,505,996	\$ 58,273	0.6 %
Aid to Local Units	--	--	--	0	--	--	--	0	0.0
Other Assistance	8,886	6,996	6,996	0	0.0	6,996	6,996	0	0.0
<b>TOTAL</b>	<b>\$ 9,676,080</b>	<b>\$ 9,538,355</b>	<b>\$ 9,683,433</b>	<b>\$ 145,078</b>	<b>1.5 %</b>	<b>\$ 9,454,719</b>	<b>\$ 9,512,992</b>	<b>\$ 58,273</b>	<b>0.6 %</b>
<b>Financing:</b>									
State General Fund	\$ 8,516,871	\$ 8,865,625	\$ 8,973,791	\$ 108,166	1.2 %	\$ 8,783,160	\$ 8,804,615	\$ 21,455	0.2 %
All Other Funds	1,159,209	672,730	709,642	36,912	5.5	671,559	708,377	36,818	5.5
<b>TOTAL</b>	<b>\$ 9,676,080</b>	<b>\$ 9,538,355</b>	<b>\$ 9,683,433</b>	<b>\$ 145,078</b>	<b>1.5 %</b>	<b>\$ 9,454,719</b>	<b>\$ 9,512,992</b>	<b>\$ 58,273</b>	<b>0.6 %</b>

**Summary of Operating Budget FY 2016 - FY 2017**

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
<b>By Program:</b>								
Administration	\$ 226,017	\$ 233,176	\$ 7,159	3.2 %	\$ 224,269	\$ 231,459	\$ 7,190	3.2 %
Instructional Services	7,186,706	7,487,846	301,140	4.2	7,037,072	7,336,526	299,454	4.3
Support Services	2,255,806	2,324,363	68,557	3.0	2,236,747	2,305,043	68,296	3.1
Debt Service	14,904	11,626	(3,278)	(22.0)	14,904	11,626	(3,278)	(22.0)
<b>TOTAL</b>	<b>\$ 9,683,433</b>	<b>\$ 10,057,011</b>	<b>\$ 373,578</b>	<b>3.9 %</b>	<b>\$ 9,512,992</b>	<b>\$ 9,884,654</b>	<b>\$ 371,662</b>	<b>3.9 %</b>
<b>By Major Object of Expenditure:</b>								
Salaries and Wages	\$ 8,310,343	\$ 8,686,381	\$ 376,038	4.5 %	\$ 8,139,902	\$ 8,514,024	\$ 374,122	4.6 %
Contractual Services	918,695	922,609	3,914	0.4	918,695	922,609	3,914	0.4
Commodities	357,495	354,399	(3,096)	(0.9)	357,495	354,399	(3,096)	(0.9)
Capital Outlay	75,000	75,000	0	0.0	75,000	75,000	0	0.0
Debt Service	14,904	11,626	(3,278)	(22.0)	14,904	11,626	(3,278)	(22.0)
Subtotal - Operations	\$ 9,676,437	\$ 10,050,015	\$ 373,578	3.9 %	\$ 9,505,996	\$ 9,877,658	\$ 371,662	3.9 %
Aid to Local Units	--	--	0	--	--	--	0	0.0
Other Assistance	6,996	6,996	0	0.0	6,996	6,996	0	0.0
<b>TOTAL</b>	<b>\$ 9,683,433</b>	<b>\$ 10,057,011</b>	<b>\$ 373,578</b>	<b>3.9 %</b>	<b>\$ 9,512,992</b>	<b>\$ 9,884,654</b>	<b>\$ 371,662</b>	<b>3.9 %</b>
<b>Financing:</b>								
State General Fund	\$ 8,973,791	\$ 9,243,766	\$ 269,975	3.0 %	\$ 8,804,615	\$ 9,072,698	\$ 268,083	3.0 %
All Other Funds	709,642	813,245	103,603	14.6	708,377	811,956	103,579	14.6
<b>TOTAL</b>	<b>\$ 9,683,433</b>	<b>\$ 10,057,011</b>	<b>\$ 373,578</b>	<b>3.9 %</b>	<b>\$ 9,512,992</b>	<b>\$ 9,884,654</b>	<b>\$ 371,662</b>	<b>3.9 %</b>

# BUDGET OVERVIEW

## A. FY 2015 – Current Year

### Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$8,865,175 for the School for the Deaf in FY 2015. The following adjustments subsequently have been made to that amount.

- An increase of \$450, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.

- A reduction of \$82,465, as a result of the Governor’s December 9<sup>th</sup> State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to \$8,783,160. That amount is reflected in the table below as the currently approved FY 2015 State General Fund amount. The agency’s budget was submitted prior to the December allotment, so the agency’s revised budget estimates do not incorporate the allotment.

	<b>CHANGE FROM APPROVED BUDGET</b>				
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 8,783,160	\$ 8,865,625	\$ 82,465	\$ 8,783,160	\$ 0
All Other Funds	3,662,819	3,405,338	(257,481)	3,404,167	(258,652)
TOTAL	<u>\$ 12,445,979</u>	<u>\$ 12,270,963</u>	<u>\$ (175,016)</u>	<u>\$ 12,187,327</u>	<u>\$ (258,652)</u>
FTE Positions	143.5	143.5	0.0	143.5	0.0

The **agency** requested \$12.3 million in all funds in its revised FY 2015 budget request, including \$8.9 million in State General Funds. The total request was an all funds reduction of

\$175,016. The State General fund request was \$82,465, or 0.9 percent, more than the approved budget for FY 2015.

The request is detailed below by category of expenditure.

- **Salaries and Wages** expenditures of \$8.1 million is \$173,931 less than the approved amount, due to an increased shrinkage rate in the revised budget request.
- **Contractual Services** revised budget is the same as the approved budget.
- **Commodities** is \$86 more than the approved amount.

- **Capitol Outlay** is the same as the approved amount.
- **Other Assistance** is the same as the approved amount.

The **Governor** concurs with the agency request except for a reduction of \$83,636, including \$82,465 from the State General Fund, as a result of the Governor’s State General Fund allotment reducing the Kansas Public Employee Retirement System employer contribution. The Governor also deleted a reappropriation of \$450, all from the State General Fund.

### Governor’s Allotments

The consensus revenue estimating process was completed on November 10, 2014, subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling \$280.0 million which reduced

expenditures by \$60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional \$219.9 million. The adjustments included in the \$219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS			
Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERs Employer Contribution Rate	\$ (82,015)	\$ (82,015)	0.0
Lapse Reappropriation	(450)	(450)	0.0
<b>TOTAL</b>	<b>\$ (82,465)</b>	<b>\$ (82,465)</b>	<b>0.0</b>

**Kansas Public Employees Retirement System (KPERS)  
Reduction:**

A reduction of \$82,015, as a result of the Governor's State General Fund allotment reducing the Kansas Public Employee Retirement System employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency expenditures but is reflective of a reduction of expenditures from the State General Fund. An additional \$1,171 from Special

revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$83,186.

**Reappropriations Lapse:**

A reduction of \$450 as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of \$450 for the agency. This allotment will decrease available funding in the agency's operating budget.

**B. FY 2016 – Budget Year**

<b>FY 2016 OPERATING BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 9,683,433	\$ 9,512,992	\$ (170,441)
<b>FTE Positions</b>	143.5	143.5	0.0
<b>Change from FY 2015:</b>			
<i>Dollar Change:</i>			
State General Fund	\$ 108,166	\$ 21,455	
All Other Funds	36,912	36,818	
TOTAL	<u>\$ 145,078</u>	<u>\$ 58,273</u>	
<i>Percent Change:</i>			
State General Fund	1.2 %	0.2 %	
All Other Funds	5.5	5.5	
TOTAL	<u>1.5 %</u>	<u>0.6 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$9.7 million in all funds for FY 2016, including \$9.0 million from the State General Fund. This is an increase of \$145,078, or 1.4 percent, from the FY 2015 revised estimate in all funds. The State General Fund increase is \$108,000, or a 1.2 percent, above the FY 2015 revised estimate. Enhancement requests totaling \$143,696 are the primary reasons for the increased request: \$67,052 for statutorily-required pay increases for staff and \$76,644 for

recovery of three teacher contract days for professional development. However, State General Funds budgeted for contractual services and commodities decreased by \$100,000, because according to agency staff, budget amounts were designed to more closely match actual FY 2014 expenditures and stay within the State General Fund allocation and rely more on fee funds for operation expenditures, other than salaries and

wages. In addition, the federal State Personnel Development Grant covers a larger portion of contractual services.

The request is detailed below by category of expenditure.

- **Salaries and Wages** expenditures of \$8,310,343 in the revised request, \$215,000 more than the approved amount. This is primarily due to \$144,000 in enhancement requests and a lowered rate of shrinkage.
- **Contractual Services** is budgeted at \$918,695, which is \$33,000 less than the FY 2015 revised budget. This category's expenditures primarily include payment for all utilities.
- **Commodities** are budgeted at \$357,495, which is \$8,000 more than the FY 2015 revised budget. This category pays for various supplies, with the largest expenditures being food.

- **Capitol Outlay** expenditures are budgeted at \$75,000, which is \$42,000 less than the FY 2015 revised estimate. This category includes expenditures for furnishing the six apartments for the Roth building and hearing aids funded *via* a federal grant.
- **Other Assistance** is budgeted at \$7,000, the same amount as the FY 2015 revised request.

The **Governor** recommends a FY 2016 budget of \$9.5 million, including \$8.8 million from the State General Fund. The Governor recommends a reduction of \$170,411, including \$169,176 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor recommended funding \$69,365, all from the State General Fund for the statutory teacher salary increase. The Governor did not recommend the agency enhancement request for three additional days added to the teachers' contract.

**Enhancements Detail**

Enhancements	FY 2016 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Statutory Teacher Salary Increase	\$ 67,052	\$ 67,052	0.0	\$ 69,365	\$ 69,365	0.0
Addition of Three Days to Teacher Contract	76,644	76,644	0.0	0	0	0.0
<b>TOTAL</b>	<b>\$ 143,696</b>	<b>\$ 143,696</b>	<b>0.0</b>	<b>\$ 69,365</b>	<b>\$ 69,365</b>	<b>0.0</b>

The **agency** requests \$67,052, all from the State General Fund, in additional compensation for teachers and licensed personnel, in compliance with the statutory requirement that those personnel be paid at the rate not less than the rate paid USD 233, Olathe, employees.

In addition, a State General Fund request of \$76,644 is made to restore three professional development days to teachers' contracts.

The **Governor** recommends \$69,365, all from the State General Fund, for the statutory teacher salary increase (the amount of this enhancement was revised between the agency's budget submission and the Governor's recommendation), but the Governor did not recommend funding the three additional days.

**C. FY 2017 – Budget Year**

<b>FY 2017 OPERATING BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 10,057,011	\$ 9,884,654	\$ (172,357)
<b>FTE Positions</b>	143.5	143.5	0.0
<b>Change from FY 2016:</b>			
<i>Dollar Change:</i>			
State General Fund	\$ 269,975	\$ 268,083	
All Other Funds	103,603	103,579	
TOTAL	<u>\$ 373,578</u>	<u>\$ 371,662</u>	
<i>Percent Change:</i>			
State General Fund	3.0 %	3.0 %	
All Other Funds	14.6	14.6	
TOTAL	<u>3.9 %</u>	<u>3.9 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$10.1 million in all funds for FY 2017, including \$9.2 million from the State General Fund. This is an all funds increase \$373,578, or 3.9 percent; and a State General Fund increase of \$269,975, or 3.0 percent. Enhancement requests described below in the amount of \$147,535 comprise the largest share of the State General Fund requested increase; the remainder of the increase results from increases in KPERs employer contribution rates, other benefit increases, the 27<sup>th</sup>

payroll, and a decrease in the estimated budget for commodities.

The request is detailed below by category of expenditure.

- **Salaries and Wages** expenditures of \$8.7 million, \$376,000 more than the FY 2016

request, primarily because of enhancement requests and the 27<sup>th</sup> payroll.

- **Contractual Services** budgeted at \$923,000, which is \$3,900 more than the FY 2016 request.
- **Commodities** budgeted at \$354,000, which is \$3,100 less than the FY 2016 request.
- **Capitol Outlay** is budgeted at \$75,000, the same as the FY 2016 request.

- **Other Assistance** budgeted at \$7,000, the same as the FY 2016 request.

The **Governor** recommends an all funds budget of \$9.9 million, including \$9.1 million from the State General Fund. The Governor recommends a reduction in the agency request by \$172,357, including \$171,068 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor recommended funding the statutory teacher salary increase of \$72,916, all from the State General Fund. The Governor did not recommend funding for three additional days.

### Enhancements Detail

Enhancements	FY 2017 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Statutory Teacher Salary Increase	\$ 69,447	\$ 69,447	0.0	\$ 72,916	\$ 72,916	0.0
Addition of Three Days to Teacher Contract	78,088	78,088	0.0	0	0	0.0
<b>TOTAL</b>	<b>\$ 147,535</b>	<b>\$ 147,535</b>	<b>0.0</b>	<b>\$ 72,916</b>	<b>\$ 72,916</b>	<b>0.0</b>

The **agency** requests \$69,447, all from the State General Fund, in additional compensation for teachers and licensed personnel, in compliance with the statutory requirement that those personnel be paid at the rate not less than the rate paid USD 233, Olathe, employees. In addition, a State General Fund request of \$78,088 is made to restore three professional development days to teachers' contracts.

The **Governor** recommends funding of \$72,916, all from the State General Fund (the amount of this enhancement was revised between the agency's budget submission and the Governor's recommendation), for the statutory teacher salary increase. The Governor did not recommend funding the three additional contract days.

## Governor's Recommended Salary and Wage Adjustments

**State Employee Pay Increases.** The 2014 Legislature approved funding of \$11.3 million, including \$4.5 million from the State General Fund, in FY 2015 for a \$250 bonus for all full-time employees except elected officials who were employed on December 6, 2013, and which was paid December 6, 2014. **For this agency, the FY 2015 bonus totals \$35,568, including \$35,079 from the State General Fund, and affects 114 employees.**

**Longevity Bonus Payments.** For FY 2016 and FY 2017, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2016 payments is \$7.2 million, including \$2.8 million from the State General Fund. For FY 2015, the estimated cost for the payments is \$7.7 million, including \$3.0 million from the State General Fund. **For this agency, FY 2016 longevity payments total \$7,880, including \$7,758 from the State General Fund, and FY 2017 longevity payments total \$9,480, including \$9,333 from the State General Fund.**

**Group Health Insurance.** The Governor recommends Group Health and Hospitalization employer contributions of \$282.8 million, including \$108.2 million from the State General Fund, for FY 2016 and \$289.2 million, including \$110.7 million from the State General Fund, for FY 2017. For FY 2016 and FY 2017, the Governor recommends reducing the employer contributions for group health insurance by 8.5 percent. **For this agency this is a reduction of \$96,110, including \$94,845 from the State General Fund for FY 2016. This is a reduction of \$97,738, including \$96,449 from the State General Fund, for FY 2017.**

**Kansas Public Employees Retirement System (KPERs) Rate Adjustments.** The FY 2015 employer retirement contribution for KPERs regular and school members was scheduled to be 11.27 percent, an increase of 1.0 percent from 10.27 in FY 2014. The Governor reduced the employer contribution rate from 11.27 percent to 8.65 percent for the second half of FY 2015, for an effective contribution rate of 9.96 percent as part of the Governor's allotment plan. For FY 2016, the Governor recommends the retirement rate increase by 2.41 percent from 9.96 percent to 12.37 percent. For FY 2017, the Governor recommends the retirement rate increase by 1.2 percent from 12.37 percent to 13.57 percent. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

In addition, the employer contribution for the KPERs death and disability insurance rate will be increased to 1.0 percent, from 0.85 percent, for FY 2016 and for FY 2017.

The Governor further proposes offering \$1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution rates of the State/School Group. The Kansas Public Employee Retirement System estimates this plan could reduce employer contributions by \$68.43 million in FY 2016 and \$132.85 in FY 2017. The Kansas Development Finance Authority estimates that the bond service would be \$90.3 million in FY 2016 through FY 2017, assuming the Kansas credit ratings are not downgraded.

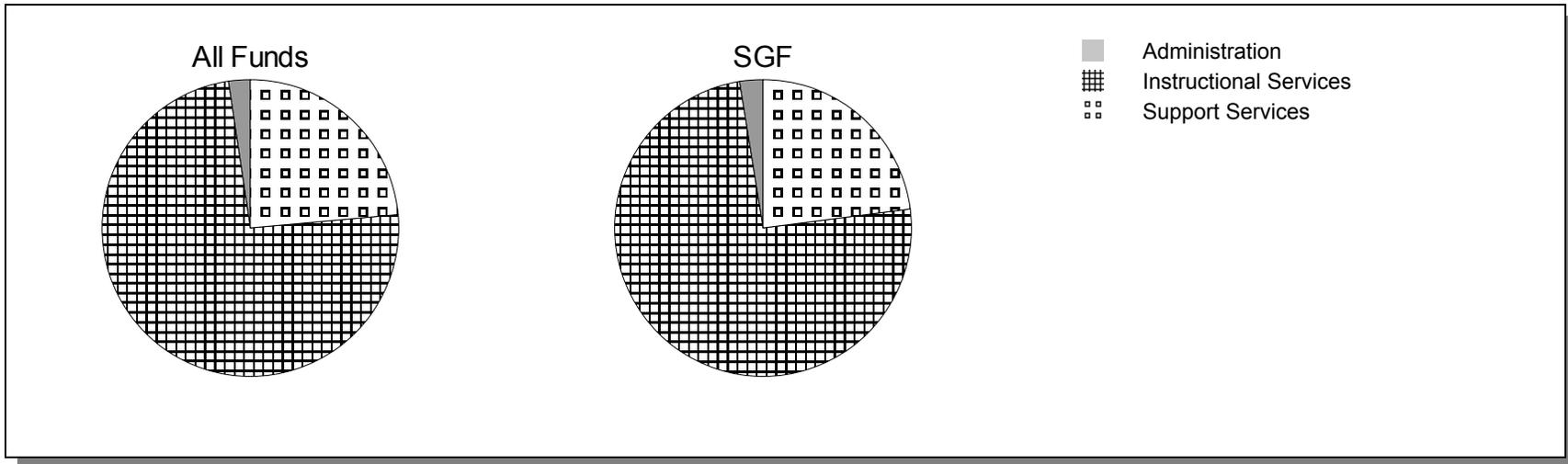
## Funding Sources

Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	92.7 %	92.6 %	91.9 %	91.8 %
All Other Funds	7.3	7.4	8.1	8.2
TOTAL	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

**Note:** Percentages may not add due to rounding.

# PROGRAM DETAIL

## EXPENDITURES BY PROGRAM-- GOVERNOR'S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Administrative Services	\$ 224,269	2.4 %	\$ 224,269	2.6 %
Instructional Services	7,037,072	74.1	6,549,114	74.5
Support Services	2,236,747	23.5	2,016,328	22.9
<b>TOTAL</b>	<b>\$ 9,498,088</b>	<b>100.0 %</b>	<b>\$ 8,789,711</b>	<b>100.0 %</b>

**FTE POSITIONS BY PROGRAM FY 2014 – FY 2017**

<u>Program</u>	<u>Actual FY 2014</u>	<u>Agency Est. FY 2015</u>	<u>Gov. Rec. FY 2015</u>	<u>Agency Req. FY 2016</u>	<u>Gov. Rec. FY 2016</u>	<u>Agency Req. FY 2017</u>	<u>Gov. Rec. FY 2017</u>
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Instructional Services	111.5	111.5	111.5	113.5	113.5	113.5	113.5
Support Services	30.0	30.0	30.0	28.0	28.0	28.0	28.0
TOTAL	<u>143.5</u>	<u>143.5</u>	<u>143.5</u>	<u>143.5</u>	<u>143.5</u>	<u>143.5</u>	<u>143.5</u>

**A. Administrative Services**

The Administrative Services program coordinates overall management and operations of the Kansas State School for the Deaf (KSSD), including instructional, residential, and support services. The program is also responsible for coordinating

programs and activities which impact the Kansas State Department of Education, AdvancED requirements, budget preparation, and implementation of the School Improvement Plan.

**ADMINISTRATIVE SERVICES PROGRAM  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
<b>Expenditures:</b>							
Salaries and Wages	\$ 186,003	\$ 196,164	\$ 193,889	\$ 193,041	\$ 191,293	\$ 200,710	\$ 198,993
Contractual Services	24,872	44,155	44,155	25,830	25,830	25,320	25,320
Commodities	118	3,095	3,095	150	150	150	150
Capital Outlay	2,863	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--
Subtotal - Operations	\$ 213,856	\$ 243,414	\$ 241,139	\$ 219,021	\$ 217,273	\$ 226,180	\$ 224,463
Aid to Local Units	--	--	--	--	--	--	--
Other Assistance	8,886	6,996	6,996	6,996	6,996	6,996	6,996
TOTAL	<u>\$ 222,742</u>	<u>\$ 250,410</u>	<u>\$ 248,135</u>	<u>\$ 226,017</u>	<u>\$ 224,269</u>	<u>\$ 233,176</u>	<u>\$ 231,459</u>
<b>Financing:</b>							
State General Fund	\$ 211,929	\$ 250,410	\$ 248,135	\$ 226,017	\$ 224,269	\$ 233,176	\$ 231,459
All Other Funds	10,813	--	--	--	--	--	--
TOTAL	<u>\$ 222,742</u>	<u>\$ 250,410</u>	<u>\$ 248,135</u>	<u>\$ 226,017</u>	<u>\$ 224,269</u>	<u>\$ 233,176</u>	<u>\$ 231,459</u>
FTE Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Non-FTE Uncl. Perm. Pos.	--	--	--	--	--	--	--
TOTAL	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>

The **agency** FY 2016 budget request is \$24,393 less than the revised FY 2015 estimate, or a 9.7 percent decrease. According to the agency, the reduction of \$21,000 for attorney fees in FY 2016 was due to the need for fewer attorney consultations than in FY 2015, that were due to various necessary legal consultations. Those should be limited in coming fiscal years and only necessary for teacher negotiations and minor issues, according to agency staff. The FY 2017

request is \$7,159 more than the FY 2016 request, or 3.2 percent.

The **Governor** recommends an all funds budget of \$224,269, all from the State General Fund for FY 2016, which is \$1,748 less than the agency recommendation. For FY 2017, the Governor recommends a budget of \$231,176, all from the State General Fund, \$1,717 less than the agency request. The

differences are attributable to the Governor's to reduction in employer contributions for state employee health insurance.

## ***B. Instructional Services***

To fulfill its mission to provide Deaf and Hard of Hearing (D/HH) students total accessibility to language, communication, and educational excellence in a visual environment, KSSD has divided the Instructional Services into three sub-programs:

- Instructional Services - teachers and para-professionals;
- Related Services - psychologists, audiologists, counselors, therapists, and health care professionals; and
- Residential Services - dormitory teachers.

The program offers small classes for D/HH students, as required by special education regulations. To ensure adequate supervision, dormitory groups are also small. The students' Individualized Education Plans (IEP) dictate the diagnostic, therapy, and support services needed for each child. Extracurricular athletic, academic, social, and the extended school year (summer school) programs are provided for those children whose IEP specify such activities. Since one-half of the staff at KSSD is deaf, the School highly values sign language proficiency. All personnel must either be proficient, or working toward becoming proficient, in sign language skills.

**INSTRUCTIONAL SERVICES PROGRAM  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
<b>Expenditures:</b>							
Salaries and Wages	\$ 6,485,214	\$ 6,554,699	\$ 6,487,388	\$ 6,693,760	\$ 6,487,388	\$ 7,000,884	\$ 6,849,564
Contractual Services	275,774	347,744	347,744	281,020	281,020	278,970	27,897
Commodities	133,072	134,680	134,680	136,926	136,926	132,992	132,992
Capital Outlay	224,499	117,000	117,000	75,000	75,000	75,000	75,000
Debt Service	--	--	--	--	--	--	--
Subtotal - Operations	\$ 7,118,559	\$ 7,154,123	\$ 7,086,812	\$ 7,186,706	\$ 6,980,334	\$ 7,487,846	\$ 7,085,453
Aid to Local Units	--	--	--	--	--	--	--
Other Assistance	--	--	--	--	--	--	--
TOTAL	<u>\$ 7,118,559</u>	<u>\$ 7,154,123</u>	<u>\$ 7,086,812</u>	<u>\$ 7,186,706</u>	<u>\$ 6,980,334</u>	<u>\$ 7,487,846</u>	<u>\$ 7,085,453</u>
<b>Financing:</b>							
State General Fund	\$ 6,637,461	\$ 6,669,971	\$ 6,603,831	\$ 6,697,483	\$ 6,549,114	\$ 6,895,858	\$ 6,745,827
All Other Funds	481,098	484,152	482,981	489,223	487,958	591,988	590,699
TOTAL	<u>\$ 7,118,559</u>	<u>\$ 7,154,123</u>	<u>\$ 7,086,812</u>	<u>\$ 7,186,706</u>	<u>\$ 7,037,072</u>	<u>\$ 7,487,846</u>	<u>\$ 7,336,526</u>
FTE Positions	111.5	111.5	111.5	113.5	113.5	113.5	113.5
Non-FTE Uncl. Perm. Pos.	--	--	--	--	--	--	--
TOTAL	<u>111.5</u>	<u>111.5</u>	<u>111.5</u>	<u>113.5</u>	<u>113.5</u>	<u>113.5</u>	<u>113.5</u>

The **agency** requests \$7.2 million in all funds, including \$6.7 million in State General Funds, for the FY 2015 revised request. This is a decrease of \$229,037 in all funds, or 3.1 percent, from the FY 2015 approved budget. The difference in the approved FY 2015 budget from the State General Fund is an increase of \$18,851 or 0.3 percent. The agency increased its State General Fund shrinkage rate by \$260,000 from the FY 2015 approved budget. The FY 2015 revised budget added \$248,000 from the State General Fund to the contractual budget category. Agency

staff indicated this budgeting approach allowed the agency to budget within State General Fund allocations.

Regarding the FY 2016 and 2017 FTE position estimate, the agency's revised support services budget for those two years decreases its FTE by two positions and added those two FTE positions to the instructional program, as shown above. These two include a social studies instructor that had been part time

and a language facilitator to assist students with developing bilingual skills.

The **Governor** recommends a FY 2016 budget of \$7.0 million, including \$6.5 million from the State General Fund. The Governor did not recommend the enhancement request to add an additional three days to the teachers' contracts; however, the Governor did recommend an additional \$69,365 from the State General Funds for the statutory teachers' salary increase. In FY

### ***C. Support Services***

The Support Services program is responsible for maintaining a safe, clean, and comfortable environment for KSSD students. The program provides the necessary

2017, the Governor recommended \$7.3 million, including \$6.7 million from the State General Fund. The Governor did not recommend the enhancement request for the additional three days; however, the Governor did recommend adding \$72,916 from the State General Fund for statutory teacher salary increases. The Governor recommend a reduction to reduce employer contributions for state employee health insurance, the primary reason for the differences in the agency request and the Governor's recommendation in both fiscal years.

housekeeping, utilities, transportation, and maintenance services for the School.

**SUPPORT SERVICES PROGRAM  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
<b>Expenditures:</b>							
Salaries and Wages	\$ 1,241,538	\$ 1,344,398	\$ 1,330,348	\$ 1,423,542	\$ 1,404,483	\$ 1,484,787	\$ 1,465,467
Contractual Services	667,873	559,637	559,637	611,845	611,845	618,319	618,319
Commodities	206,371	211,737	211,737	220,419	220,419	221,257	221,257
Capital Outlay	197,927	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--
Subtotal - Operations	<u>\$ 2,313,709</u>	<u>\$ 2,115,772</u>	<u>\$ 2,101,722</u>	<u>\$ 2,255,806</u>	<u>\$ 2,236,747</u>	<u>\$ 2,324,363</u>	<u>\$ 2,305,043</u>
Aid to Local Units	--	--	--	--	--	--	--
Other Assistance	--	--	--	--	--	--	--
TOTAL	<u><u>\$ 2,313,709</u></u>	<u><u>\$ 2,115,772</u></u>	<u><u>\$ 2,101,722</u></u>	<u><u>\$ 2,255,806</u></u>	<u><u>\$ 2,236,747</u></u>	<u><u>\$ 2,324,363</u></u>	<u><u>\$ 2,305,043</u></u>
<b>Financing:</b>							
State General Fund	\$ 1,646,411	\$ 1,927,194	\$ 1,913,144	\$ 2,035,387	\$ 2,016,328	\$ 2,103,106	\$ 2,083,786
All Other Funds	667,298	188,578	188,578	220,419	220,419	221,257	211,257
TOTAL	<u><u>\$ 2,313,709</u></u>	<u><u>\$ 2,115,772</u></u>	<u><u>\$ 2,101,722</u></u>	<u><u>\$ 2,255,806</u></u>	<u><u>\$ 2,236,747</u></u>	<u><u>\$ 2,324,363</u></u>	<u><u>\$ 2,295,043</u></u>
FTE Positions	30.0	30.0	30.0	28.0	28.0	28.0	28.0
Non-FTE Uncl. Perm. Pos.	--	--	--	--	--	--	--
TOTAL	<u><u>30.0</u></u>	<u><u>30.0</u></u>	<u><u>30.0</u></u>	<u><u>28.0</u></u>	<u><u>28.0</u></u>	<u><u>28.0</u></u>	<u><u>28.0</u></u>

The **agency** FY 2016 request increased \$140,034, or 6.6 percent, all funds above the FY 2015 revised estimate by primarily resulting from increased benefit costs. The FY 2017 all funds budget request is \$69,000, or 3.0 percent, more than the FY 2016 request due to increases in employer contribution to KPERS and the 27<sup>th</sup> payroll.

The **Governor** recommends a FY 2016 budget of \$2.2 million in FY 2016 and \$2.3 million in FY 2017. Differences in the agency request and the Governor's recommendation are attributable to the Governor's reduction in employer contributions for state employee health insurance.

# CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS						
	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Rehabilitation and Repair	\$ 633,996	\$ 633,996	\$ 386,000	\$ 386,000	\$ 290,000	\$ 290,000
Roth Building Repairs	1,354,574	1,354,574	--	--	--	--
Campus Life Safety and Security (fire and mass notification and secure entrances)	668,816	668,816	450,206	450,206	300,907	300,907
Debt Service Principal	75,222	75,222	78,368	78,368	81,646	81,646
HVAC Upgrade	--	0	20,000	20,000	140,000	140,000
<b>TOTAL</b>	<b>\$ 2,732,608</b>	<b>\$ 2,732,608</b>	<b>\$ 934,574</b>	<b>\$ 934,574</b>	<b>\$ 812,553</b>	<b>\$ 812,553</b>
<b>Financing:</b>						
State General Fund	\$ --	\$ 0	\$ --	\$ 0	\$ --	\$ 0
All Other Funds	2,732,608	2,732,608	934,574	934,574	812,553	812,553
<b>TOTAL</b>	<b>\$ 2,732,608</b>	<b>\$ 2,732,608</b>	<b>\$ 934,574</b>	<b>\$ 934,574</b>	<b>\$ 812,553</b>	<b>\$ 812,553</b>

## Current Year Agency Estimate

**FY 2015 – Current Year.** The agency requests a revised FY 2015 estimate of \$2.7 million, all from the State Institutions Building Fund. The revised estimate is \$265,000 and what percent more than the approved budget because of reappropriations from FY14 for projects not finished in that fiscal year.

The Capital Improvement budget contains the following projects: Roth Dormitory renovation (\$1,354,574); Campus life and safety improvements (\$668,816); Rehabilitation and repairs (\$633,996); and Debt service (\$75,222).

## **Current Year Governor Recommendation**

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

## **Budget Year Agency Request**

**FY 2016 – Budget Year.** The agency requests \$934,574 from the State Institutions Building Fund for FY 2016 capital improvements. This estimate is lower \$1.8 million, or 65.8 percent than the prior year, primarily because the Roth Building repairs will be completed. The agency plans to begin upgrading of old HVAC and boiler systems in FY 2016, taking place over a planned period of time. The agency states that this upgrade should yield energy savings with minimal disruption.

The Capital Improvement budget contains the following projects: Campus life and safety improvements (\$450,206); Campus building and boilers and HVAC upgrades (\$20,000); Rehabilitation and repairs (\$386,000); and Debt service (\$78,386).

## **Budget Year Governor Recommendation**

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

## **Budget Year Agency Request**

**FY 2017 – Budget Year.** The agency requests \$813,000 in State Institutions Building Funds for FY 2017 capital improvements. This estimate is lower by \$122,000 and 13.0 percent than the prior year, primarily because work on securing entrances will be less. The agency plans to begin upgrading of old HVAC and boiler systems in FY 2016, taking place over a

planned period of time. The agency states that this upgrade should yield energy savings with minimal disruption.

The Capital Improvement budget contains the following projects: Campus life and safety improvements (\$300,907); Boiler and HVAC upgrades (\$140,000); Rehabilitation and repairs (\$290,000); and Debt service (\$81,646).

## **Budget Year Governor Recommendation**

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

<b>PERFORMANCE MEASURES</b>					
<u>Measure</u>	<u>Gov. Rec. for FY 2014</u>	<u>Actual FY 2014</u>	<u>Gov. Rec. FY 2015</u>	<u>Gov. Rec. FY 2016</u>	<u>Gov. Rec. FY 2017</u>
Percent of students scoring proficient or higher on the state assessment in math	95	95.0%	95.0%	95.0%	95.0%
Percent of subject areas with curriculum aligned with the current state standards	100	100.0%	100.0%	100.0%	100.0%
Percent of students scoring proficient or higher on the state assessment in reading	100	100.0%	100.0%	100.0%	100.0%