

STATE HISTORICAL SOCIETY

	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	\$ 4,354,437	\$ 4,371,852	\$ 4,249,737	\$ 4,412,030	\$ 4,135,503	\$ 4,524,207	\$ 4,216,212
Other Funds	1,715,086	3,332,237	3,320,520	3,190,744	3,230,769	3,140,815	3,208,767
TOTAL	\$ 6,069,523	\$ 7,704,089	\$ 7,570,257	\$ 7,602,774	\$ 7,366,272	\$ 7,665,022	\$ 7,424,979
Capital Improvements:							
State General Fund	\$ 253,190	\$ 250,000	\$ 250,000	\$ 292,500	\$ 250,000	\$ 292,500	\$ 250,000
Other Funds	91,329	184,550	184,550	65,000	107,500	318,500	361,000
TOTAL	\$ 344,519	\$ 434,550	\$ 434,550	\$ 357,500	\$ 357,500	\$ 611,000	\$ 611,000
GRAND TOTAL	\$ 6,414,042	\$ 8,138,639	\$ 8,004,807	\$ 7,960,274	\$ 7,723,772	\$ 8,276,022	\$ 8,035,979
Percentage Change:							
Operating Expenditures							
State General Fund	(9.6) %	0.4 %	(2.4) %	0.9 %	(2.7) %	2.5 %	2.0 %
All Funds	(28.6)	26.9	24.7	(1.3)	(2.7)	0.8	0.8
FTE Positions	69.0	95.5	95.5	95.5	95.5	95.5	95.5
Non-FTE							
Perm.Uncl.Pos.	3.5	3.5	3.5	3.5	3.5	3.5	3.5
TOTAL	72.5	99.0	99.0	99.0	99.0	99.0	99.0

AGENCY OVERVIEW

The State Historical Society was founded in 1875 by Kansas newspaper editors and publishers in order to maintain records of the State's founding. Today, that mission has expanded to include identifying, collecting, preserving, and interpreting materials and information pertaining to Kansas history. The goal is to increase awareness and appreciation of Kansas history and how it relates to people's lives. In 1905, the State Historical Society became the official archival agency of the State and it is the State's trustee in administering state-owned historic sites. The agency administers both state and federal historic preservation programs and provides curricular materials on state history to K-12 schools.

MAJOR ISSUES FROM PRIOR YEARS

The **2007 Legislature** approved \$50,000, all from the State General Fund, for the continuation and further development of the Kansas Humanities Council Prime Time Family Reading Program in FY 2008. The Legislature also approved the addition of \$70,000 from the State General Fund to continue the Humanities Council's Kansans Tell Their Stories program in FY 2008.

The **2008 Legislature** approved \$149,500 from the State General Fund for a two-year project for the preservation of electronic records in FY 2009. The project created a strategic plan for an electronic state archive, a strategic information management plan, and a digital archives specialist.

The **2009 Legislature** passed 2009 Senate Concurrent Resolution (SCR) 1604, which encouraged the State Historical Society to develop plans for calendar year 2011 to

The Kansas State Historical Society budget contains pass-through funds for two other organizations: The Kansas Humanities Council, a not-for-profit organization, and the Kansas Heritage Center, which is operated through the Dodge City Unified School District (USD 443). The Kansas Humanities Council was created in 1972 and is governed by a 22-member board of directors, five of whom are appointed by the Governor, to provide outreach in support of cultural programs in Kansas. The Kansas Heritage Center's mission is to promote Kansas' heritage by collecting, creating, and publishing resource materials for use by students, teachers, and others interested in the history of Kansas, the Great Plains, and the "Old West."

commemorate the sesquicentennial (150th anniversary) of Kansas' admission to the Union. The Legislature also enacted Senate Sub. for HB 2365, which capped historic preservation tax credits at \$3.75 million for FY 2010 and FY 2011. In comparison, the Historical Society certified \$15.3 million in eligible state tax credits in FY 2009.

The **2010 Legislature** deleted \$134,530, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent from the Governor's recommendation for FY 2011.

The **2011 Legislature** deleted \$200,000, all from the State General Fund, to remove funding the Governor had added to pass through to a 501(c)(3) arts organization replacing the Arts Commission, for FY 2012. In addition, the Legislature deleted 17.0 vacant FTE positions, leaving 117.0 FTE positions. The

2011 Legislature added \$50,000, all from the State General Fund, for repair and replacement of lighting fixtures at the State Historical Society museum and headquarters building, for FY 2012.

The **2012 Legislature** added \$125,000, all from the State General Fund, for capital improvement projects for FY 2013. The Legislature also added \$125,000, all from the State General Fund, for operating expenditures for FY 2013. Additionally, the agency was required to eliminate FTE positions that had been unfilled for greater than 120 days as of June 30, 2012. This eliminated 20.0 FTE positions.

The **2013 Legislature** deleted \$24,199, all from the State General Fund, to maintain FY 2015 operating expenditures at the FY 2014 level; deleted \$65,000, all from special revenue funds, from the Shawnee Indian Mission restoration project for

FY 2015; added \$35,000, all from the special revenue funds, for the Hollenberg Station exterior siding preservation project for FY 2015; and added \$30,000, all from special revenue funds, for the Mine Creek exterior cleaning and resealing project for FY 2015.

The **2014 Legislature** passed HB 2643 which changed property tax collections in the state. Of relevance to this agency, HB 2643 lowered the mortgage registration tax and eliminated entirely the portion of that tax that funded the Heritage Trust Fund. The Heritage Trust was created by the 1990 Legislature, and funds grants for the preservation of historic buildings. The mortgage registration tax was replaced by a \$1 per page fee on the first and all subsequent pages of any deeds, mortgages, and other related instruments executed in the state. These fees are collected by the counties. Additionally the annual cap for payments to the Heritage Trust Fund from each county was lowered from \$100,000 to \$30,000.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** requests a revised estimate for operating expenditures in FY 2015 of \$7.7 million, including \$4.4 million from the State General Fund. This is an increase of \$122,115, or 2.7 percent, all from the State General Fund, above the amount approved by the 2014 Legislature. The increase is attributable to agency submitting its revised estimate prior to the Governor's December allotment. This request includes 95.5 FTE positions, the same as the approved number.

The agency requests a revised estimate for capital improvements expenditures of \$434,550, including \$250,000 from the State General Fund. This is an all funds decrease of \$30,450, or 6.5 percent, below the approved amount. This decrease is attributable to changes in available funding for projects. The revised estimate for State General Fund expenditures is the same as the approved amount.

FY 2015 Governor Recommendation

The **Governor** recommends operating expenditures of \$7.6 million, this is a decrease of \$11,717, or 0.2 percent, all from special revenue funds, below the approved amount. This decrease is attributable to the reduced KPERS employer contribution rates in the Governor's December allotment plan.

The Governor concurs with agency's revised estimate for capital improvements.

FY 2016 Agency Request

The **agency** requests operating expenditures of \$7.6 million, including \$4.4 million from the State General Fund for FY 2016. This is an all funds decrease of \$101,315, or 1.3 percent, and a State General Fund increase of \$40,178, or 0.9 percent, from the revised FY 2015 estimate. The all funds decrease is attributable to lower expenditures across all classes of operating expenditures, partially offset by an enhancement request for State General Fund moneys to provide weekend staffing for the Capitol Visitor Center (\$55,000).

The agency requests capital improvements expenditures of \$357,500, including \$292,500 from the State General Fund, for FY 2016. This is an all funds decrease of \$77,500, or 17.7 percent, and a State General Fund increase of \$42,500, or 17.0 percent, from the revised FY 2015 estimate. These changes are attributable to a decrease in anticipated outside funding for projects, partially offset by an enhancement request from the State General Fund to replace the State Archives roof (\$42,500).

Absent the enhancement, this request is a decrease of \$155,315, or 2.0 percent, below the revised FY 2015 estimate. This request includes 95.5 FTE positions, the same as the revised FY 2015 estimate.

Absent the enhancement, the request is a decrease of \$119,550, or 27.5 percent, below the revised FY 2015 estimate.

FY 2016 Governor Recommendation

The **Governor** recommends an operating budget of \$7.4 million, including \$4.1 million from the State General Fund. This is a decrease of \$236,502, or 3.1 percent, all funds, and \$276,527, or 6.3 percent, State General Fund, below the agency's request.

The Governor recommends a reduction of \$52,221, including \$37,246 from the State General Fund, to reduce employer contributions for state employee health insurance.

The Governor also recommends a reduction of \$184,281, all from the State General Fund, as a continuation of the 4.0 percent State General Fund reduction to Cabinet and other State General Funded agencies, implemented as an allotment in FY 2015.

FY 2017 Agency Request

The **agency** requests operating expenditures of \$7.7 million, including \$4.5 million from the State General Fund, for FY 2017. This is an all funds increase of \$62,248, or 0.8 percent, and a State General Fund increase of \$112,177, or 2.5 percent, above the agency's FY 2016 request. This increase is attributable to increased salary and wages expenditures, partially offset by reduced expenditures on other operating expenses.

The request includes the same enhancement for weekend staffing at the Capitol Visitor Center sought for FY 2016

FY 2017 Governor Recommendation

The **Governor** recommends an operating budget of \$7.4 million, including \$4.2 million from the State General Fund. This is a decrease of \$240,043, or 3.1 percent, all funds, and \$307,995, or 6.3 percent, State General Fund, below the agency's request.

The Governor recommends a reduction of \$52,398, including \$37,266 from the State General Fund, to reduce employer contributions for state employee health insurance.

The Governor also concurs with the agency's capital improvement request, except that the replacement of the State Archives roof be funded through the Historic Properties Fee Fund, rather than the State General Fund.

(\$55,000). This request includes 95.5 FTE positions, the same as the agency's FY 2016 request.

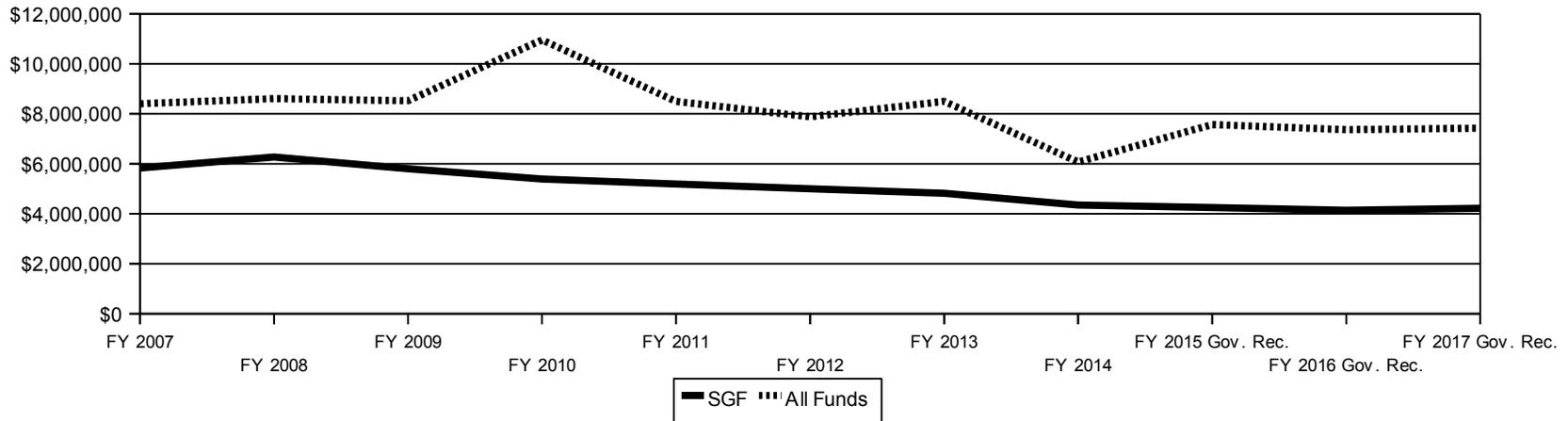
The agency requests capital improvements expenditures of \$611,000, including \$292,500 from the State General Fund, for FY 2017. This is an all funds increase \$253,500, or 70.9 percent, all from special revenue funds. This increase is attributable to anticipated private funding for rehabilitation and repairs at Kaw Mission. The State General Fund request is the same as the agency's FY 2016 request and includes the same enhancement request for the State Archives Roof (\$42,500).

The Governor also recommends a reduction of \$187,645, all from the State General Fund, as a continuation of the 4.0 percent State General Fund reduction to Cabinet and other State General Fund agencies, implemented as an allotment in FY 2015.

The Governor also concurs with the agency's capital improvement request, except that the replacement of the State Archives roof be funded through the Historic Properties Fee Fund, rather than the State General Fund.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 5,828,219	(0.6)%	\$ 8,403,535	(1.7)%	134.0
2008	6,274,378	7.7	8,606,810	2.4	134.0
2009	5,797,285	(7.6)	8,521,767	(1.0)	134.0
2010	5,385,039	(7.1)	10,958,203	28.6	134.0
2011	5,187,578	(3.7)	8,496,824	(22.5)	134.0
2012	5,003,465	(3.5)	7,877,267	(7.3)	117.0
2013	4,816,242	(3.7)	8,498,524	7.9	94.0
2014	4,354,437	(9.6)	6,069,523	(28.6)	69.0
2015 Gov. Rec.	4,249,737	(2.4)	7,570,257	24.7	95.5
2016 Gov. Rec.	4,135,503	(2.7)	7,366,272	(2.7)	95.5
2017 Gov. Rec.	4,216,212	2.0	7,424,979	0.8	95.5
Eleven-Year Change	\$ (1,612,007)	(27.7)%	\$ (978,556)	(11.6)%	(38.5)

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
By Program:									
Administration	\$ 1,988,114	\$ 1,867,289	\$ 1,892,037	\$ 24,748	1.3 %	\$ 1,767,491	\$ 1,698,831	\$ (68,660)	(3.9)%
Education and Museum	979,520	743,957	847,212	103,255	13.9	738,110	838,989	100,879	13.7
Information Tech. and State Archives	473,133	985,288	874,140	(111,148)	(11.3)	978,751	866,111	(112,640)	(11.5)
Historical Research Collections	1,215,859	993,191	917,732	(75,459)	(7.6)	984,730	907,642	(77,088)	(7.8)
Cultural Resources	1,412,897	3,114,364	3,071,653	(42,711)	(1.4)	3,101,175	3,054,699	(46,476)	(1.5)
TOTAL	\$ 6,069,523	\$ 7,704,089	\$ 7,602,774	\$ (101,315)	(1.3) %	\$ 7,570,257	\$ 7,366,272	\$ (203,985)	(2.7)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 4,376,084	\$ 4,760,238	\$ 4,713,002	\$ (47,236)	(1.0) %	\$ 4,627,876	\$ 4,479,440	\$ (148,436)	(3.2)%
Contractual Services	1,208,702	1,225,299	1,205,477	(19,822)	(1.6)	1,225,299	1,205,477	(19,822)	(1.6)
Commodities	164,831	197,750	171,800	(25,950)	(13.1)	197,750	171,800	(25,950)	(13.1)
Capital Outlay	142,290	72,800	67,000	(5,800)	(8.0)	72,800	67,000	(5,800)	(8.0)
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 5,891,907	\$ 6,256,087	\$ 6,157,279	\$ (98,808)	(1.6) %	\$ 6,123,725	\$ 5,923,717	\$ (200,008)	(3.3)%
Aid to Local Units	97,876	718,698	718,698	0	0.0	718,324	717,950	(374)	(0.1)
Other Assistance	79,740	729,304	726,797	(2,507)	(0.3)	728,208	724,605	(3,603)	(0.5)
TOTAL	\$ 6,069,523	\$ 7,704,089	\$ 7,602,774	\$ (101,315)	(1.3) %	\$ 7,570,257	\$ 7,366,272	\$ (203,985)	(2.7)%
Financing:									
State General Fund	\$ 4,354,437	\$ 4,371,852	\$ 4,412,030	\$ 40,178	0.9 %	\$ 4,249,737	\$ 4,135,503	\$ (114,234)	(2.7)%
Heritage Trust Fund	50,210	1,304,136	1,279,189	(24,947)	(1.9)	1,303,660	1,278,848	(24,812)	(1.9)
All Other Funds	1,664,876	2,028,101	1,911,555	(116,546)	(5.7)	2,016,860	1,951,921	(64,939)	(3.2)
TOTAL	\$ 6,069,523	\$ 7,704,089	\$ 7,602,774	\$ (101,315)	(1.3) %	\$ 7,570,257	\$ 7,366,272	\$ (203,985)	(2.7)%

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
By Program:								
Administration	\$ 1,892,037	\$ 1,929,944	\$ 37,907	2.0 %	\$ 1,698,831	\$ 1,733,195	\$ 34,364	2.0 %
Education and Museum	847,212	876,658	29,446	3.5	838,989	868,270	29,281	3.5
Information Tech. and State Archives	874,140	771,739	(102,401)	(11.7)	866,111	764,419	(101,692)	(11.7)
Historical Research Collections	917,732	955,115	37,383	4.1	907,642	944,823	37,181	4.1
Cultural Resources	3,071,653	3,131,566	59,913	2.0	3,054,699	3,114,272	59,573	2.0
TOTAL	\$ 7,602,774	\$ 7,665,022	\$ 62,248	0.8 %	\$ 7,366,272	\$ 7,424,979	\$ 58,707	0.8 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 4,713,002	\$ 4,859,504	\$ 146,502	3.1 %	\$ 4,479,440	\$ 4,622,401	\$ 142,961	3.2 %
Contractual Services	1,205,477	1,123,723	(81,754)	(6.8)	1,205,477	1,123,723	(81,754)	(6.8)
Commodities	171,800	170,300	(1,500)	(0.9)	171,800	170,300	(1,500)	(0.9)
Capital Outlay	67,000	66,000	(1,000)	(1.5)	67,000	66,000	(1,000)	(1.5)
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 6,157,279	\$ 6,219,527	\$ 62,248	1.0 %	\$ 5,923,717	\$ 5,982,424	\$ 58,707	1.0 %
Aid to Local Units	718,698	718,698	0	0.0	717,950	717,950	0	0.0
Other Assistance	726,797	726,797	0	0.0	724,605	724,605	0	0.0
TOTAL	\$ 7,602,774	\$ 7,665,022	\$ 62,248	0.8 %	\$ 7,366,272	\$ 7,424,979	\$ 58,707	0.8 %
Financing:								
State General Fund	\$ 4,412,030	\$ 4,524,207	\$ 112,177	2.5 %	\$ 4,135,503	\$ 4,216,212	\$ 80,709	2.0 %
Heritage Trust Fund	1,279,189	1,280,471	1,282	0.1	1,278,848	1,280,123	1,275	0.1
All Other Funds	1,911,555	1,860,344	(51,211)	(2.7)	1,951,921	1,928,644	(23,277)	(1.2)
TOTAL	\$ 7,602,774	\$ 7,665,022	\$ 62,248	0.8 %	\$ 7,366,272	\$ 7,424,979	\$ 58,707	0.8 %

BUDGET OVERVIEW

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$4,621,852 for the Kansas State Historical Society in FY 2015. An adjustment has subsequently been made to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made.

This adjustment changes the FY 2015 approved State General Fund to \$4,499,737. 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.

- A reduction of \$122,115, as the result of the Governor's December 9th State General Fund allotment.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 4,499,737	\$ 4,621,852	\$ 122,115	\$ 4,499,737	\$ 0
All Other Funds	3,547,237	3,516,787	(30,450)	3,505,070	(42,167)
TOTAL	<u>\$ 8,046,974</u>	<u>\$ 8,138,639</u>	<u>\$ 91,665</u>	<u>\$ 8,004,807</u>	<u>\$ (42,167)</u>
FTE Positions	95.5	95.5	0.0	95.5	0.0

The **agency** requests a revised FY 2015 estimate for operating expenditures, excluding capital improvements, of \$7.7 million, including \$4.4 million from the State General Fund. This

is an all funds increase of \$91,665, or 1.1 percent, and \$122,115, or 2.7 percent, State General Fund above the amount approved by the 2014 Legislature. The State General Fund

increase is attributable to agency submitting its revised estimate prior to the Governor's December allotment, partially offset by decreases in other funds expenditures.

This revised estimate includes the following items.

- **Salaries and Wages** expenditures of \$4.8 million, the same as the approved amount. This request includes 95.5 FTE positions, the same as the approved number.
- **Contractual Services** expenditures of \$1.2 million, an increase of \$15,270, or 1.3 percent, above the approved amount. This increase is attributable to increases in other contractual services (\$12,328) and SMART Development Fees (\$2,942).
- **Commodities** expenditures of \$197,750, the same as the approved amount.

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

- **Capital Outlay** expenditures of \$72,800, the same as the approved amount.
- **Aid to Local Units** of \$718,698, the same as the approved amount.
- **Other Assistance** of \$729,304, a decrease of \$15,270, or 2.1 percent, below the approved amount. This decrease is attributable to lower than expected payments for retirement incentives.

The **Governor** recommends \$8.0 million, including \$4.5 million from the State General Fund. This is a decrease of \$42,167, or 0.5 percent, all from special revenue funds, below the approved amount. This decrease is attributable to a decrease in available private funding for capital improvements projects (\$30,450) and the proposed reduction to the KPERs employer contribution rate (\$11,717).

The Governor's recommendation also includes a decrease to the agency's approved State General Fund appropriation of \$122,115, as a result of the Governor's December 9th allotment.

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	\$ (29,678)	\$ (29,678)	0.0
Reduce SGF funding by 4.0 percent	(92,437)	(92,437)	
TOTAL	\$ (122,115)	\$ (122,115)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of \$29,678 from the State General Fund, as a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and School Member 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 operations but is reflective of a reduction of expenditures. An additional \$11,717 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$41,395.

4.0 percent reduction to Cabinet-level and other SGF funded agencies

A reduction of \$92,437, as a result of the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies in FY 2015. This allotment will be managed by a temporary delay in hiring for two open positions (\$75,341), reducing capital outlay (\$7,000) and commodities (\$7,000) expenditures, and a reduction to pass through funding for the Kansas Humanities Counsel (\$1,096).

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 7,602,774	\$ 7,366,272	\$ (236,502)
FTE Positions	95.5	95.5	0.0
Change from FY 2015:			
<i>Dollar Change:</i>			
State General Fund	\$ 40,178	\$ (114,234)	
All Other Funds	(141,493)	(89,751)	
TOTAL	<u>\$ (101,315)</u>	<u>\$ (203,985)</u>	
<i>Percent Change:</i>			
State General Fund	0.9 %	(2.7) %	
All Other Funds	(4.2)	(2.7)	
TOTAL	<u>(1.3) %</u>	<u>(2.7) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures of \$7.6 million, including \$4.4 million from the State General Fund, for FY 2016. This is an all funds decrease of \$101,315, or 1.3 percent, and a State General Fund increase of \$40,178, or 0.9 percent, from the revised FY 2015 estimate. This overall decrease is attributable to decreased expenditures across all classes of operations expenditures, with the increase in State General

Fund expenditures attributable to replacement of an anticipated decrease in funding from other sources.

This request includes the following items.

- **Salaries and Wages** expenditures of \$4.7 million, a decrease of \$47,236, or 1.0 percent, below the revised FY 2015 estimate. This

decrease is largely attributable to decreased expenditures for classified regular employees due to positions being left unfilled (\$130,415) and is partially offset by increased expenditures for temporary employee wages (\$91,728), including the cost of the agency's enhancement request for Capitol Visitor Center weekend staffing (\$55,000). The request also includes 95.5 FTE positions, the same as the revised FY 2015 request.

- **Contractual Services** expenditures of \$1.2 million, a decrease of \$19,822, or 1.6 percent, below the revised FY 2015 estimate. This decrease is largely attributable to decreased expenditures for rent (\$51,065), information technology services (\$35,200), and repairs (\$80,050), offset by increased expenditures for utilities (\$27,513), SMART development fees (\$22,058) and other fees (\$29,000).
- **Commodities** expenditures of \$171,800, a decrease of \$25,950, or 13.1 percent, below the revised FY 2015 estimate. This decrease is largely attributable to decreased expenditures for office supplies (\$11,800) and vehicle parts (\$6,050).
- **Capital Outlay** expenditures of \$67,000, a decrease of \$5,800, or 8.0 percent, below the

revised FY 2015 estimate. This decrease is attributable to decreased expenditures for office equipment (\$3,000) and other fixtures (\$2,800).

- **Aid to Local Units** of \$718,698, the same as the revised FY 2015 estimate.
- **Other Assistance** of \$726,797, a decrease of \$2,507, or 0.3 percent, below the revised FY 2015 estimate. This decrease is attributable to decreased expenditures for the voluntary retirement incentive program.

The **Governor** recommends an operating budget of \$7.4 million, including \$4.1 million from the State General Fund. This is a decrease of \$236,502, or 3.1 percent, all funds, and \$276,527, or 6.3 percent, State General Fund, below the agency's request.

The Governor recommends a reduction of \$52,221, including \$37,246 from the State General Fund, to reduce employer contributions for state employee health insurance.

The Governor also recommends a reduction of \$184,281, all from the State General Fund, as a continuation of the 4.0 percent State General Fund reduction to Cabinet and other State General Fund agencies, implemented as an allotment in FY 2015.

Enhancements Detail

Enhancements	FY 2016 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
State Archives Roof	\$ 42,500	\$ 42,500	0.0	\$ 0	\$ 42,500	0.0
Capitol Visitor Center Weekend Staffing	55,000	55,000	0.0	0	55,000	0.0
TOTAL	\$ 97,500	\$ 97,500	0.0	\$ 0	\$ 97,500	0.0

The **agency** requests \$97,500, all from the State General Fund, for two enhancements for FY 2016.

- State Archives Roof.** The agency requests \$42,500 for FY 2016 to replace the roof of the State Archives. The agency is requesting a total of \$85,000 in enhancement funding for this project, split between FY 2016 and FY 2017. The agency reports that the roof of the State Archives was installed in 1995, and despite patching and other repairs is now leaking in hard rain storms. This funding would allow for the installation of a more energy efficient roofing system.
- Capitol Visitor Center Weekend Staffing.** The agency requests \$55,000 for FY 2016 to provide staffing to open the Capitol Visitor Center on weekends. Since the Capitol Visitor Center

opened in January 2014 it has been staffed for public tours and visits from 8:00 to 5:00, Monday to Friday. The agency reports significant demand for regular weekend visitor hours at the Capitol. In order to provide this service, the agency would need three staff members to be on duty during open hours. This enhancement would provide the necessary staffing to open the Capitol from 8:00 to 4:00 each Saturday and 1:00 to 4:00 on select Sundays. The agency also has noted that opening the Capitol on weekends would require the cooperation of the Capitol Police.

The **Governor** concurs with the agency's enhancement request except that the State Archives Roof replacement is funded through the Historic Properties Fee Fund and that staff for the Capitol Visitor Center is funded through the agency's General Fee Fund.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 7,665,022	\$ 7,424,979	\$ (240,043)
FTE Positions	95.5	95.5	0.0
Change from FY 2016:			
<i>Dollar Change:</i>			
State General Fund	\$ 112,177	\$ 80,709	
All Other Funds	(49,929)	(22,002)	
TOTAL	<u>\$ 62,248</u>	<u>\$ 58,707</u>	
<i>Percent Change:</i>			
State General Fund	2.5 %	2.0 %	
All Other Funds	(1.6)	(0.7)	
TOTAL	<u>0.8 %</u>	<u>0.8 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures of \$7.7 million, including \$4.5 million from the State General Fund, for FY 2017. This is an all funds increase of \$62,248, or 0.8 percent, and a State General Fund increase of \$112,177, or 2.5 percent, above the agency’s FY 2016 request. This increase is attributable to increased expenditures for salaries and wages, partially offset by lower expenditures for other operating expenditures.

This request includes the following items.

- **Salaries and wages** expenditures of \$4.9 million, an increase of \$146,502, or 3.1 percent, above the agency’s FY 2016 request. This increase is attributable to costs associated with the 27th pay period and increased KPERS employer contributions in FY 2017. This request

includes 95.5 FTE positions, the same as the agency's FY 2016 request.

- **Contractual Services** expenditures of \$1.1 million, a decrease of \$81,754, or 6.8 percent, below the agency's FY 2016 request. This decrease is largely attributable to decreased expenditures for rent (\$45,246) and service fees (\$27,000).
- **Commodities** expenditures of \$170,300, a decrease of \$1,500, or 0.9 percent, below the agency's FY 2016 request. This decrease is attributable to decreased expenditures for non-capital equipment (\$1,000) and vehicle parts (\$500).
- **Capital Outlay** expenditures of \$66,000, a decrease of \$1,000, or 1.5 percent, below the agency's FY 2016 request. This decrease is attributable to decreased expenditures for office equipment (\$1,000).

- **Aid to Local Units** of \$718,698, the same as the agency's FY 2016 request.
- **Other Assistance** of \$726,797, the same as the agency's FY 2016 request.

The **Governor** recommends an operating budget of \$7.4 million, including \$4.2 million from the State General Fund. This is a decrease of \$240,043, or 3.1 percent, all funds, and \$307,995, or 6.3 percent, State General Fund, below the agency's request.

The Governor recommends a reduction of \$52,398, including \$37,266 from the State General Fund, to reduce employer contributions for state employee health insurance.

The Governor also recommends a reduction of \$187,645, all from the State General Fund, as a continuation of the 4.0 percent State General Fund reduction to Cabinet and other State General Fund agencies, implemented as an allotment in FY 2015.

Enhancements Detail

Enhancements	FY 2017 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
State Archives Roof	\$ 42,500	\$ 42,500	0.0	\$ 0	\$ 42,500	0.0
Capitol Visitor Center Weekend Staffing	55,000	55,000	0.0	0	55,000	0.0
TOTAL	\$ 97,500	\$ 97,500	0.0	\$ 0	\$ 97,500	0.0

The **agency** requests \$97,500, all from the State General Fund, for two enhancements for FY 2017.

- **State Archives Roof.** The agency requests \$42,500 for FY 2017 to replace the roof of the State Archives. The agency is requesting a total of \$85,000 in enhancement funding for this project, split between FY 2016 and FY 2017. The agency reports that the roof of the State Archives was installed when the building was constructed in 1995, and despite patching and other repairs, is now leaking during hard rains. This funding would allow for the installation of a more energy efficient roofing system and prevent more significant damage to the building and the records inside.
- **Capitol Visitor Center Weekend Staffing.** The agency requests \$55,000 for FY 2017 to provide

staffing to open Capitol Visitor Center on weekends. Since the Capitol Visitor Center opened in January 2014 it has been staffed for public tours and visits from 8:00 to 5:00, Monday to Friday. The agency reports significant demand for regular weekend visitor hours at the Capitol. In order to provide this service, the agency would need three staff members to be on duty during open hours. This enhancement would provide the necessary staffing to open the Capitol from 8:00 to 4:00 each Saturday and 1:00 to 4:00 on select Sundays. The agency also has noted that opening the Capitol on weekends would require the cooperation of the Capitol Police.

The **Governor** concurs with the agency's enhancement request except that the State Archives Roof replacement is funded through the Historic Properties Fee Fund and that staff for the Capitol Visitor Center is funded through the agency's General Fee Fund.

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 \$20,546, including \$14,822 from the State General Fund, and affects 66 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 2017, 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 \$40,040, including \$28,375 from the State General Fund, and FY 2017 longevity payments total \$42,520, including \$29,936 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 \$52,221, including \$37,246 from the State General Fund for FY 2016. This is a reduction of \$52,398, including \$37,266 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.

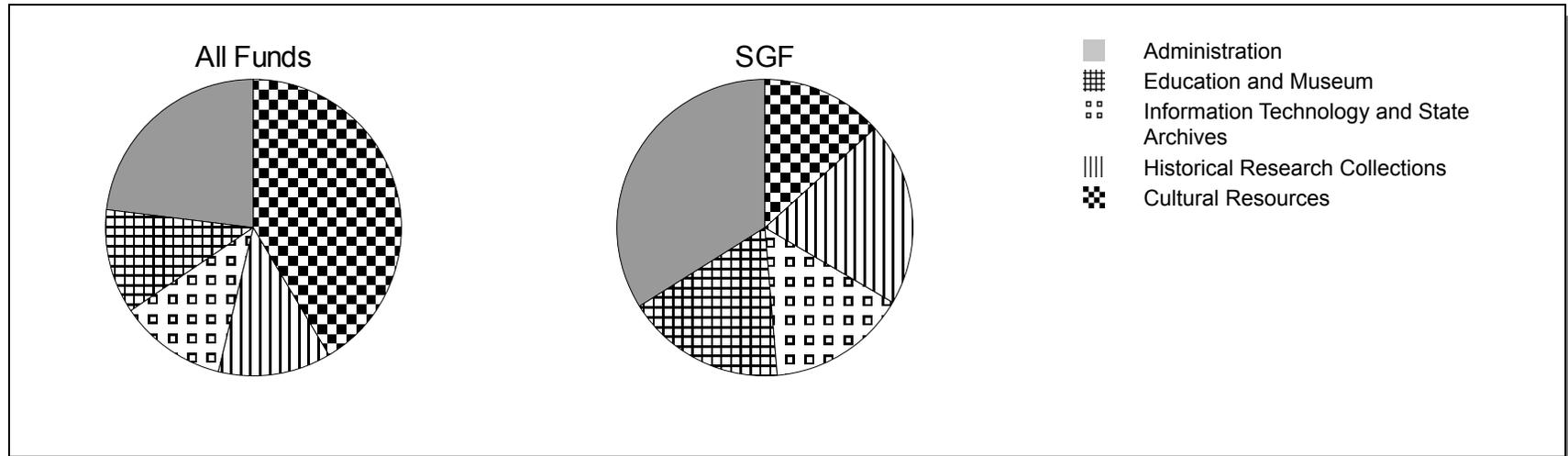
Funding Sources

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	58.0 %	56.1 %	59.0 %	56.8 %
Heritage Trust Fund	16.8	17.4	16.7	17.2
All Other Sources	25.1	26.5	24.3	26.0
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
Administration	\$ 1,698,831	23.1 %	\$ 1,402,286	33.9 %
Education and Museum	838,989	11.4	720,008	17.4
Information Technology and State Archives	866,111	11.8	631,756	15.3
Historical Research Collections	907,642	12.3	830,891	20.1
Cultural Resources	3,054,699	41.5	550,562	13.3
TOTAL	\$ 7,366,272	100.0 %	\$ 4,135,503	100.0 %

FTE POSITIONS BY PROGRAM FY 2014 – FY 2017

Program	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
Administration	13.5	39.0	39.0	39.0	39.0	39.0	39.0
Education and Museum	10.5	11.5	11.5	11.5	11.5	11.5	11.5
Information Technology and State Archives	10.0	11.0	11.0	11.0	11.0	11.0	11.0
Historical Research Collections	16.0	15.0	15.0	15.0	15.0	15.0	15.0
Cultural Resources	19.0	19.0	19.0	19.0	19.0	19.0	19.0
TOTAL	<u>69.0</u>	<u>95.5</u>	<u>95.5</u>	<u>95.5</u>	<u>95.5</u>	<u>95.5</u>	<u>95.5</u>

A. Administration

The goal of the Administration program is to create a working environment that allows the State Historical Society staff to function efficiently and creatively, to provide supportive services to all State Historical Society programs, and to provide for the environmental and physical security of the staff, patrons, and collections housed in the Kansas History Center. These services include human resources, fiscal operations,

maintenance custodial services, security, agency planning, administration, and communications. The aid to local units of government funding is budgeted for the Kansas Humanities Council and the Heritage Center in Dodge City. The Administration program also includes marketing and facilities management.

ADMINISTRATION
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
Expenditures:							
Salaries and Wages	\$ 902,312	\$ 931,238	\$ 832,910	\$ 938,050	\$ 747,784	\$ 968,065	\$ 774,256
Contractual Services	815,027	772,049	772,049	810,492	810,492	818,384	818,384
Commodities	89,584	82,000	82,000	67,000	67,000	67,000	67,000
Capital Outlay	92,753	6,000	6,000	3,000	3,000	3,000	3,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 1,899,676	\$ 1,791,287	\$ 1,692,959	\$ 1,818,542	\$ 1,628,276	\$ 1,856,449	\$ 1,662,640
Aid to Local Units	18,698	18,698	18,324	18,698	17,950	18,698	17,950
Other Assistance	69,740	57,304	56,208	54,797	52,605	54,797	52,605
TOTAL	<u>\$ 1,988,114</u>	<u>\$ 1,867,289</u>	<u>\$ 1,767,491</u>	<u>\$ 1,892,037</u>	<u>\$ 1,698,831</u>	<u>\$ 1,929,944</u>	<u>\$ 1,733,195</u>
Financing:							
State General Fund	\$ 1,781,616	\$ 1,569,506	\$ 1,470,993	\$ 1,593,831	\$ 1,402,286	\$ 1,624,488	\$ 1,401,349
All Other Funds	206,498	297,783	296,498	298,206	296,545	305,456	331,846
TOTAL	<u>\$ 1,988,114</u>	<u>\$ 1,867,289</u>	<u>\$ 1,767,491</u>	<u>\$ 1,892,037</u>	<u>\$ 1,698,831</u>	<u>\$ 1,929,944</u>	<u>\$ 1,733,195</u>
FTE Positions	13.5	39.0	39.0	39.0	39.0	39.0	39.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>13.5</u>	<u>39.0</u>	<u>39.0</u>	<u>39.0</u>	<u>39.0</u>	<u>39.0</u>	<u>39.0</u>

The **agency** requests FY 2016 operating expenditures of \$1.9 million, including \$1.6 million from the State General Fund. This is an all funds increase of \$24,748, or 1.3 percent, and a State General Fund increase of \$24,325, or 1.5 percent, above the revised FY 2015 estimate. This increase is primarily attributable to increased expenditures for contractual services.

This request includes the following items.

- **Salaries and wages** expenditures of \$938,050, an increase of \$6,812, or 0.7 percent, above the revised 2015 estimate. This increase is largely attributable to higher KPERS employer contribution rates. This request includes 39.0 FTE positions, the same as the revised FY 2015 estimate.

- **Contractual services** expenditures of \$810,492, an increase of \$38,443, or 5.0 percent, above the revised FY 2015 estimate. This increase is largely attributable to increased expenditures for utilities (\$32,713) and SMART Fees (\$22,058), partially offset by decreased information technology expenditures (\$27,200).
- **Commodities** expenditures of \$67,000, a decrease of \$15,000, or 18.3 percent, below the revised FY 2015 estimate. The decrease is largely attributable to decreased expenditures for building and grounds materials (\$5,000) and office supplies (\$7,000).
- **Capital outlay** expenditures of \$3,000, a decrease of \$3,000, or 50.0 percent, below the revised FY 2015 estimate. This decrease is attributable less expenditures on office equipment.
- **Aid to locals** of \$18,698, the same as the revised FY 2015 estimate, all of which is pass through funding for the Kansas Heritage Center.
- **Other assistance** expenditures of \$54,797, all of which is pass-through funding for the Kansas Humanities Council. This is a decrease of \$2,507, or 4.4 percent, below the revised FY 2015 estimate. The decrease is attributable to the end of voluntary retirement incentives expenditures in FY 2015.

The **Governor** recommends \$1.7 million, including \$1.4 million from the State General Fund for FY 2016. This is a

decrease of \$193,206, or 10.2 percent, all funds and \$191,545, or 12.0 percent, State General Fund below the agency's request. This decrease is largely attributable to the Governor's recommended 4.0 percent reduction to the agency's State General Fund allocation, most of which is applied to the Administration Program (\$181,341).

The **agency** requests FY 2017 operating expenditures of \$1.9 million, including \$1.6 million from the State General Fund. This is an all funds increase of \$37,907, or 2.0 percent, and a State General Fund increase of \$30,657, or 1.9 percent, above the agency's FY 2016 request. This increase is attributable to increased expenditures for salaries and wages and contractual services.

This request includes the following items.

- **Salaries and wages** expenditures of \$968,065, an increase of \$30,015, or 3.2 percent, above the agency's FY 2016 request. This increase is attributable to costs associated with the 27th pay period in FY 2017 and higher KPERS employer contribution rates.
- **Contractual services** expenditures of \$818,384, an increase of \$7,892, or 1.0 percent, above the agency's revised FY 2016 request. This increase is attributable to increased expenditures for utilities (\$14,292) and partially offset by reduced expenditures for in state travel (\$1,400) and repairs and servicing (\$5,000).
- **Commodities** expenditures of \$67,000, the same as the agency's FY 2016 request.

- **Capital outlay** expenditures of \$3,000, the same as the agency's FY 2016 request.
- **Aid to locals** of \$18,698, the same as the agency's FY 2016 request, all of which is pass through funding for the Kansas Heritage Center.
- **Other assistance** expenditures of \$54,797, the same as the agency's FY 2016 request, all of

which is pass-through funding for the Kansas Humanities Council.

The **Governor** recommends \$1.7 million, including \$1.4 million from the State General Fund for FY 2017. This is a decrease of \$196,749, or 10.2 percent, all funds and \$223,139, or 13.7 percent, State General Fund below the agency's request. This decrease is largely attributable to the Governor's recommended 4.0 percent reduction to the agency's State General Fund allocation, most of which is applied to the Administration Program (\$184,705).

B. Education and Museum

As part of the agency's FY 2014 reorganization, the education division and the museum division have been combined. The state-owned historic sites that were previously part of the museum have been shifted to the cultural resources division. The goal of the education and museum division is to interpret the people and events of Kansas history for students and the general public. The division will continue to provide curriculum support for the teaching of Kansas history and government in the K-12 classroom. The teaching of Kansas history is required by statute and state curriculum standards. There is an increased emphasis on reading in the school

curriculum, so materials developed meet this literacy need through Kansas history content. The division cares for the state's historical artifact collection, which includes such notable items as the Kansas Civil War battle flags, the gallows, and Custer's boots. The division interprets these artifacts to tell the story of Kansas through exhibits and programs. The Capital Visitor Center is also part of this division's responsibility. Funding for this division is shifting from its historical State General Fund base to a balance of user fees deposited in agency fee funds and the State General Fund.

**EDUCATION AND MUSEUM
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
Expenditures:							
Salaries and Wages	\$ 905,532	\$ 683,457	\$ 677,610	\$ 786,712	\$ 778,489	\$ 818,758	\$ 810,370
Contractual Services	44,299	29,000	29,000	24,000	24,000	21,400	21,400
Commodities	26,759	31,500	31,500	36,500	36,500	36,500	36,500
Capital Outlay	2,930	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 979,520	\$ 743,957	\$ 738,110	\$ 847,212	\$ 838,989	\$ 876,658	\$ 868,270
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 979,520	\$ 743,957	\$ 738,110	\$ 847,212	\$ 838,989	\$ 876,658	\$ 868,270
Financing:							
State General Fund	\$ 906,784	\$ 703,205	\$ 697,437	\$ 782,359	\$ 720,008	\$ 788,737	\$ 726,238
All Other Funds	72,736	40,752	40,673	64,853	118,981	87,921	142,032
TOTAL	\$ 979,520	\$ 743,957	\$ 738,110	\$ 847,212	\$ 838,989	\$ 876,658	\$ 868,270
FTE Positions	10.5	11.5	11.5	11.5	11.5	11.5	11.5
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	10.5	11.5	11.5	11.5	11.5	11.5	11.5

The **agency** requests FY 2016 operating expenditures of \$847,212, including \$782,359 from the State General Fund. This is an all funds increase of \$103,255, or 13.9 percent, and a State General Fund increase of \$79,154, or 11.3 percent, above the revised FY 2015 estimate. This increase is primarily attributable to increased expenditures for salaries and wages.

This request includes the following items.

- **Salaries and wages** expenditures of \$786,712, an increase of \$103,255, or 15.1 percent, above the revised FY 2015 estimate. This increase is attributable to increased expenditures for temporary museum staff as well as the agency's enhancement request for weekend staffing at the Capitol Visitor Center (\$55,000).

- **Contractual services** expenditures of \$24,000, a decrease of \$5,000, or 17.2 percent, below the revised FY 2015 estimate. This decrease is largely attributable to decreased expenditures for other contractual services (\$5,000) and freight costs (\$900) and partially offset by increased surety bond costs (\$1,500).
- **Commodities** expenditures of \$36,500, an increase of \$5,000, or 15.9 percent, above the revised FY 2015 estimate. This increase is largely attributable to increased expenditures for buildings and grounds materials (\$10,200) partially offset by decreased expenditures for other supplies (\$8,800).

The **Governor** recommends \$838,989, including \$720,008 from the State General Fund for FY 2016. This is a decrease of \$8,223, or 1.0 percent, all funds and \$62,351, or 8.0 percent, State General Fund below the agency's request. The all funds decrease is attributable to the Governor's recommended reduction to employer contributions for state employee health insurance.

The State General Fund decrease is largely attributable to the Governor recommending that the agency enhancement request for weekend hours at the Capitol Visitor Center be funded with special revenue funds instead of State General Fund.

The **agency** requests FY 2017 operating expenditures of \$876,658, including \$788,737 from the State General Fund. This is an all funds increase of \$29,446, or 3.5 percent, and a State General Fund increase of \$6,378, or 0.8 percent, above the agency's FY 2016 request. This increase is attributable to increased salaries and wages expenditures.

This request includes the following items.

- **Salaries and wages** expenditures of \$818,758, an increase of \$32,046, or 4.1 percent, above the agency's FY 2016 request and includes continued funding for the agency's enhancement request for weekend staffing at the Capitol Visitor's Center (\$55,000). The increase is attributable to costs associated with the 27th pay period and higher KPERs employer contributions.
- **Contractual services** expenditures of \$21,400, a decrease of \$2,600, or 10.8 percent, below the agency's FY 2016 request. This decrease is attributable to lower expenditures for museum projects and speakers fees.
- **Commodities** expenditures of \$36,500, the same as the agency's FY 2016 request.

The **Governor** recommends \$868,270, including \$726,238 from the State General Fund for FY 2017. This is a decrease of \$8,388, or 1.0 percent, all funds and \$62,499, or 7.9 percent, State General Fund below the agency's request. The all funds decrease is attributable to the Governor's recommended reduction to employer contributions for state employee health insurance.

The State General Fund decrease is largely attributable to the Governor recommending that the agency enhancement request for weekend hours at the Capitol Visitor Center be funded with special revenue funds instead of State General Fund.

C. Information Technology and State Archives

The information technology and state archives division was established as part of agency's FY 2014 reorganization. The new division combines the government records management and preservation responsibilities previously performed by the state archives with the information technology functions formerly attached to the administration division. In creating the division, the KSHS highlights the essential role of government records in ensuring Kansas government transparency and accountability, protecting the legal rights of Kansas citizens, and documenting Kansas history and culture. Including information technology in the division recognizes that Kansas government records are and will continue to be created in digital form and that managing, preserving, and providing access to electronic records requires close collaboration between archivists and information technology professionals.

The goals of the division are to collect, preserve, and make available Kansas government records with enduring value,

regardless of format; to deliver records management consulting services to Kansas state agencies and local units of government; to operate a cost effective records center; to efficiently administer the land survey reference reports program; and to provide the information technology infrastructure, applications development, and database management services required for the effective and efficient performance of all KSHS programs.

In an effort to reduce costs and better match demand for services, the agency plans to phase out the State Records Center beginning in FY 2016. The State Records Center holds non-current, but still active paper records for state agencies and is funded by payments from those agencies. The agency reports that a number of other agencies intend to stop using the State Records Center and that it will no longer be cost effective to continue offering this service.

**INFORMATION TECHNOLOGY AND STATE ARCHIVES
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
Expenditures:							
Salaries and Wages	\$ 387,909	\$ 717,788	\$ 711,251	\$ 678,655	\$ 670,626	\$ 659,800	\$ 652,480
Contractual Services	32,723	195,250	195,250	132,985	132,985	50,939	50,939
Commodities	8,900	21,250	21,250	11,500	11,500	10,000	10,000
Capital Outlay	43,601	51,000	51,000	51,000	51,000	51,000	51,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 473,133	\$ 985,288	\$ 978,751	\$ 874,140	\$ 866,111	\$ 771,739	\$ 764,419
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 473,133</u>	<u>\$ 985,288</u>	<u>\$ 978,751</u>	<u>\$ 874,140</u>	<u>\$ 866,111</u>	<u>\$ 771,739</u>	<u>\$ 764,419</u>
Financing:							
State General Fund	\$ 392,741	\$ 634,875	\$ 629,776	\$ 638,458	\$ 631,756	\$ 664,467	\$ 658,357
All Other Funds	80,392	350,413	348,975	235,682	234,355	107,272	106,062
TOTAL	<u>\$ 473,133</u>	<u>\$ 985,288</u>	<u>\$ 978,751</u>	<u>\$ 874,140</u>	<u>\$ 866,111</u>	<u>\$ 771,739</u>	<u>\$ 764,419</u>
FTE Positions	10.0	11.0	11.0	11.0	11.0	11.0	11.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>10.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>

The **agency** requests FY 2016 operating expenditures of \$874,140, including \$638,458 from the State General Fund. This is an all funds decrease of \$111,148, or 11.3 percent, and a State General Fund increase of \$3,583, or 0.6 percent, from the revised FY 2015 estimate. The decrease is spread across all classes of operating expenditures and is attributable to the winding down of the State Records Center.

- **Salaries and wages** expenditures of \$678,855, a decrease of \$39,133, or 5.5 percent, below the revised FY 2015 estimate. The request includes 11.0 FTE positions, the same as the revised FY 2015 estimate.

This request includes the following items.

- **Contractual services** expenditures of \$132,985, a decrease of \$62,265, or 31.9 percent, below the revised FY 2015 estimate.
- **Commodities** expenditures of \$11,500, a decrease of \$9,750, or 45.9 percent, below the revised FY 2015 estimate.
- **Capital outlay** expenditures of \$51,000, the same as the revised FY 2015 request.

The **Governor** recommends \$866,111, including \$631,756 from the State General Fund for FY 2016. This is a decrease of \$8,029, or 0.9 percent, all funds and \$6,702, or 1.0 percent, State General Fund below the agency's request. This decrease is attributable to the Governor's recommended reduction to employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$771,739, including \$664,467 from the State General Fund. This is an all funds decrease of \$102,401, or 11.7 percent, and a State General Fund increase of \$26,009, or 4.1 percent, above the agency's FY 2016 request. The all funds decrease is attributable to the winding down of the State Records Center, while the State General Fund increase is for costs associated with the 27th pay period in FY 2017.

D. Historical Research Collections

The goal of the historical research collections division is to preserve and make accessible Kansas newspapers and unpublished materials significant to Kansas history. This division was previously called the State Archives. The duties associated with the preservation and access to public records has been transferred to the information technology and public records

This request includes the following items.

- **Salaries and wages** expenditures of \$659,800, a decrease of \$18,855, or 2.8 percent, below the agency's FY 2016 request. The request includes 11.0 FTE positions, the same as the agency's FY 2016 request.
- **Contractual services** expenditures of \$50,939, a decrease of \$82,046, or 61.7 percent, below the agency's FY 2016 request.
- **Commodities** expenditures of \$10,000, a decrease of \$1,500, or 13.0 percent, below the agency's FY 2016 request.
- **Capital outlay** expenditures of \$51,000, the same as the agency's FY 2016 request.

The **Governor** recommends \$764,419, including \$658,357 from the State General Fund for FY 2017. This is a decrease of \$7,320, or 0.9 percent, all funds and \$6,110, or 0.9 percent, State General Fund below the agency's request. This decrease is attributable to the Governor's recommended reduction to employer contributions for state employee health insurance.

division. The historical research collections division collects manuscripts, photographs, maps, newspapers, and other documents and media that tell the stories of Kansas people, both past and present. As documents today are often created in a digital format, the challenge is to find new ways of collecting and preserving this information for future Kansans.

**HISTORICAL RESEARCH COLLECTIONS
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
Expenditures:							
Salaries and Wages	\$ 1,018,125	\$ 929,691	\$ 921,230	\$ 854,232	\$ 844,142	\$ 893,115	\$ 882,823
Contractual Services	170,037	36,500	36,500	36,500	36,500	36,000	36,000
Commodities	25,164	26,000	26,000	26,000	26,000	26,000	26,000
Capital Outlay	2,533	1,000	1,000	1,000	1,000	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 1,215,859	\$ 993,191	\$ 984,730	\$ 917,732	\$ 907,642	\$ 955,115	\$ 944,823
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 1,215,859	\$ 993,191	\$ 984,730	\$ 917,732	\$ 907,642	\$ 955,115	\$ 944,823
Financing:							
State General Fund	\$ 944,115	\$ 897,660	\$ 889,491	\$ 840,823	\$ 830,891	\$ 879,180	\$ 869,050
All Other Funds	271,744	95,531	95,239	76,909	76,751	75,935	75,773
TOTAL	\$ 1,215,859	\$ 993,191	\$ 984,730	\$ 917,732	\$ 907,642	\$ 955,115	\$ 944,823
FTE Positions	16.0	15.0	99.9	15.0	99.9	15.0	99.9
Non-FTE Uncl. Perm. Pos.	0.0	0.0	99.9	0.0	99.9	0.0	99.9
TOTAL	16.0	15.0	199.8	15.0	199.8	15.0	199.8

The **agency** requests FY 2016 operating expenditures of \$917,732, including \$840,823 from the State General Fund. This is an all funds decrease of \$75,459, or 7.6 percent, and a State General Fund decrease of \$56,837, or 6.3 percent, below the revised FY 2015 estimate. This decrease is primarily attributable to decreased expenditures for salaries and wages.

- **Salaries and wages** expenditures of \$854,232, a decrease of \$75,459, or 8.1 percent, below the revised FY 2015 estimate. This decrease is attributable to the reduction from 16.0 FTE positions to 15.0 FTE positions that will occur in FY 2015.

This request includes the following items.

- **Contractual services** expenditures of \$36,500, the same as the revised FY 2015 estimate.
- **Commodities** expenditures of \$26,000, the same as the revised FY 2015 estimate.
- **Capital outlay** expenditures of \$1,000, the same as the revised FY 2015 estimate.

The **Governor** recommends \$907,642, including \$830,891 from the State General Fund for FY 2016. This is a decrease of \$10,090, or 1.1 percent, all funds and \$9,932, or 1.2 percent, State General Fund below the agency's request. This decrease is attributable to the Governor's recommended reduction to employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$955,115, including \$879,180 from the State General Fund. This is an all funds increase of \$37,383, or 4.1 percent, and a State General Fund increase of \$38,357, or 4.6 percent, above the agency's FY 2016 request. This increase is attributable to increased salaries and wages expenditures.

This request includes the following items.

- **Salaries and wages** expenditures of \$893,115, an increase of \$38,883, or 4.6 percent, above the

E. Cultural Resources

The goal of the Cultural Resources program is to preserve the state's archeological, architectural, and historic resources while at the same time assisting communities and property owners in economic development through assistance in rehabilitating and repurposing historic structures. The division

agency's FY 2016 request. This increase is attributable to costs associated with the 27th pay period in FY 2017 and higher KPERS employer contribution rates. The request includes 15.0 FTE positions, the same as the agency's FY 2016 request.

- **Contractual services** expenditures of \$36,000, a decrease of \$500, or 1.4 percent, below the agency's FY 2016 request. This decrease is attributable to lower expenditures for repairs (\$1,240).
- **Commodities** expenditures of \$26,000, the same as the agency's FY 2016 request.
- **Capital outlay** eliminated, a reduction of \$1,000, or 100 percent, below the agency's FY 2016 request.

The **Governor** recommends \$944,823, including \$869,050 from the State General Fund for FY 2017. This is a decrease of \$10,292, or 1.1 percent, all funds and \$10,130, or 1.2 percent, State General Fund below the agency's request. This decrease is attributable to the Governor's recommended reduction to employer contributions for state employee health insurance.

also preserves and operates 16 state-owned historic sites. The historic sites were moved to the cultural resources division during the agency's FY 2014 reorganization.

The division is funded in part through federal allocations. Enacted by U.S. Congress in 1966, and amended in 1970 and

1980, the National Preservation Act provides for a National Register of Historic Places to include districts, sites, buildings, structures, and objects significant in American History, archeology, and culture. Such places may have national, state, or local significance. The act provides funding for the State Historic Preservation Office (SHPO), and the director of the cultural resources division is the deputy of the SHPO.

The state of Kansas has also adopted legislation that protects the state's cultural resources. The state provides incentives to property owners to rehabilitate their historic structures. These incentives include grants and tax credits. The State Historical Societal has grant-making authority over

moneys in the Historic Preservation Fund (federally financed) and Heritage Trust Fund (financed by mortgage document fees). The federal government offers additional tax credits for historic preservation to income producing properties. Many developers use both state and federal tax credits in combination to create jobs in Kansas.

The State of Kansas has owned state historic sites since 1899 with the acquisition of Pawnee Indian Museum in Republic. State statutes determine the legislative process for obtaining additional sites. The most recent addition is Red Rocks: Home of the William Allen White Family in Emporia that was obtained by the legislature in 2001.

CULTURAL RESOURCES
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
Expenditures:							
Salaries and Wages	\$ 1,162,206	\$ 1,498,064	\$ 1,484,875	\$ 1,455,353	\$ 1,438,399	\$ 1,519,766	\$ 1,502,472
Contractual Services	146,616	192,500	192,500	201,500	201,500	197,000	197,000
Commodities	14,424	37,000	37,000	30,800	30,800	30,800	30,800
Capital Outlay	473	14,800	14,800	12,000	12,000	12,000	12,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 1,323,719	\$ 1,742,364	\$ 1,729,175	\$ 1,699,653	\$ 1,682,699	\$ 1,759,566	\$ 1,742,272
Aid to Local Units	79,178	700,000	700,000	700,000	700,000	700,000	700,000
Other Assistance	10,000	672,000	672,000	672,000	672,000	672,000	672,000
TOTAL	<u>\$ 1,412,897</u>	<u>\$ 3,114,364</u>	<u>\$ 3,101,175</u>	<u>\$ 3,071,653</u>	<u>\$ 3,054,699</u>	<u>\$ 3,131,566</u>	<u>\$ 3,114,272</u>
Financing:							
State General Fund	\$ 329,181	\$ 566,606	\$ 562,040	\$ 556,559	\$ 550,562	\$ 567,335	\$ 561,218
All Other Funds	1,083,716	2,547,758	2,539,135	2,515,094	2,504,137	2,564,231	2,553,054
TOTAL	<u>\$ 1,412,897</u>	<u>\$ 3,114,364</u>	<u>\$ 3,101,175</u>	<u>\$ 3,071,653</u>	<u>\$ 3,054,699</u>	<u>\$ 3,131,566</u>	<u>\$ 3,114,272</u>
FTE Positions	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Non-FTE Uncl. Perm. Pos.	3.5	3.5	3.5	3.5	3.5	3.5	3.5
TOTAL	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>	<u>22.5</u>

The **agency** requests FY 2016 operating expenditures of \$3.1 million, including \$556,559 from the State General Fund. This is an all funds decrease of \$42,711, or 1.4 percent, and a State General Fund decrease of \$10,047, or 1.8 percent, below the revised FY 2015 estimate. This decrease is primarily attributable to decreased expenditures for salaries and wages

This request includes the following.

- **Salaries and wages** expenditures of \$1.5 million, a decrease of \$42,711, or 2.9 percent, below the revised FY 2015 estimate. This request includes 19.0 FTE positions, the same as the approved number. The agency reports that this request will allow for maintenance of existing staffing levels.

- **Contractual services** expenditures of \$201,500, an increase of \$9,000, or 4.7 percent, above the revised FY 2015 estimate. This increase is attributable to increased expenditures for printing and advertising (\$19,500) and repairs and service (\$17,000), partially offset by decreased expenditures for printing and binding (\$21,000).
- **Commodities** expenditures of \$30,800, a decrease of \$6,200, or 16.8 percent, below the revised FY 2015 estimate. This decrease is attributable to decreased expenditures for vehicle parts (\$3,300) and office printing supplies (\$3,000).
- **Capital outlay** expenditures of \$12,000, a decrease of \$2,800, or 18.9 percent, below the revised FY 2015 estimate. This decrease is attributable to reduced expenditures for fixtures.
- **Aid to locals** of \$700,000, the same as the revised FY 2015 estimate. This entire amount is for the Historic Preservation Fund.
- **Other assistance** expenditures of \$672,000, the same as the revised FY 2015 estimate. This entire amount is for the Heritage Trust Fund.

The **Governor** recommends \$3.1 million, including \$550,562 from the State General Fund for FY 2016. This is a decrease of \$16,954, or 0.6 percent, all funds and \$5,997, or 1.1 percent, State General Fund below the agency's request. This decrease is largely attributable to the Governor's recommended reduction to employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$3.1 million, including \$567,335 from the State General Fund. This is an all funds increase of \$59,913, or 2.0 percent, and a State General Fund increase of \$10,776, or 1.9 percent, above the agency's FY 2016 request. This increase is attributable to increased expenditures for salaries and wages.

This request includes the following items.

- **Salaries and wages** expenditures of \$1.5 million, an increase of \$64,413, or 4.4 percent, above the agency's FY 2016 request. The increase is attributable to costs associated with the 27th pay period in FY 2017 and higher KPERS employer contribution rates. The request also includes 19.0 FTE positions, the same as the agency's FY 2016 request.
- **Contractual services** expenditures of \$197,000, a decrease of \$4,500, or 2.2 percent, below the agency's FY 2016 request. This decrease is attributable to decreased expenditures for in state travel (\$2,000) and professional service fees (\$2,500).
- **Commodities** expenditures of \$30,800, the same as the agency's FY 2016 request.
- **Capital outlay** expenditures of \$12,000, the same as the agency's FY 2016 request.
- **Aid to locals** of \$700,000, the same as the agency's FY 2016 request. This entire amount is for the Historic Preservation Fund.

- **Other assistance** expenditures of \$672,000, the same as the agency's FY 2016 request. This entire amount is for the Heritage Trust Fund.

The **Governor** recommends \$3.1 million, including \$561,218 from the State General Fund for FY 2017. This is a

decrease of \$17,294, or 0.6 percent, all funds and \$6,117, or 1.1 percent, State General Fund below the agency's request. This decrease is largely attributable to the Governor's recommended reduction to 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
Emergency Repairs	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Cottonwood Ranch	30,000	30,000	15,000	15,000	25,000	25,000
Hollenberg Station	55,000	55,000	0	0	0	0
Shawnee Indian Mission	32,650	32,650	0	0	0	0
Red Rocks	40,000	40,000	0	0	0	0
Constitution Hall	26,900	26,900	0	0	0	0
Grinter Place	0	0	50,000	50,000	0	0
Archives Roof	0	0	42,500	42,500	42,500	42,500
Kaw Mission	0	0	0	0	293,500	293,500
TOTAL	\$ 434,550	\$ 434,550	\$ 357,500	\$ 357,500	\$ 611,000	\$ 611,000
Financing:						
State General Fund	\$ 250,000	\$ 250,000	\$ 292,500	\$ 250,000	\$ 292,500	\$ 250,000
All Other Funds	184,550	184,550	65,000	107,500	318,500	361,000
TOTAL	\$ 434,550	\$ 434,550	\$ 357,500	\$ 357,500	\$ 611,000	\$ 611,000

Current Year Agency Estimate

FY 2015 – Current Year. The agency requests a revised all funds estimate for capital improvements of \$434,550, including \$250,000 from the State General Fund, in FY 2015. This is an all funds decrease of \$30,450, or 6.5 percent, below the

approved amount. The State General Fund estimate is the same as the approved amount. The decrease is attributable to a decrease in available outside funding for projects.

Current Year Governor Recommendation

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

Budget Year Agency Request

FY 2016 – Budget Year. The agency requests \$357,500, including \$292,500 from the State General Fund, for capital improvements for FY 2016. This is an all funds decrease of \$77,050, or 17.7 percent, and a State General Fund increase of \$42,500, or 17.0 percent, from the revised FY 2015 estimate. The all funds decrease is attributable to an anticipated decrease in outside funding and the State General Fund increase is

attributable to the agency's enhancement request for replacement of the State Archives roof.

Absent the enhancement, the request is an all funds decrease of \$119,550, or 27.5 percent, below the revised FY 2015 estimate.

Budget Year Governor Recommendation

The **Governor** concurs with the agency's request, except that the replacement of the State Archives roof is funded

through the Historic Properties Fee Fund, rather than the State General Fund.

Budget Year Agency Request

FY 2017 – Budget Year. The agency requests \$611,000, including \$292,500 from the State General Fund, for capital improvements for FY 2017. This is an all funds increase of \$253,500, or 70.9 percent, above the agency's FY 2016 request. The State General Fund request is the same as the

agency's FY 2016 request, and includes the same enhancement request for the State Archives roof (\$42,500). The all funds increase is attributable to an anticipated increase in outside funding for rehabilitation and repair at Kaw Mission.

Budget Year Governor Recommendation

The **Governor** concurs with the agency's request, except that the replacement of the State Archives roof is funded through the Historic Properties Fee Fund, rather than the State General Fund.

Measure	PERFORMANCE MEASURES				
	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of Teachers Trained in Kansas History Curriculum	700	1,497	500	500	500
Number of visitors to the Kansas Museum of History, State Capitol, and Historic Sites	100,000	131,614	130,000	135,000	140,000
Number of Properties on the National Register of Historic Places	1,485	1,552	1,565	1,575	1,580