

STATE LIBRARY

	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	\$ 4,274,292	\$ 4,251,916	\$ 4,155,742	\$ 4,605,834	\$ 4,060,209	\$ 4,653,310	\$ 4,060,098
Other Funds	2,451,706	1,858,290	1,854,560	2,429,737	2,423,364	2,483,219	2,476,795
TOTAL	\$ 6,725,998	\$ 6,110,206	\$ 6,010,302	\$ 7,035,571	\$ 6,483,573	\$ 7,136,529	\$ 6,536,893
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 6,725,998	\$ 6,110,206	\$ 6,010,302	\$ 7,035,571	\$ 6,483,573	\$ 7,136,529	\$ 6,536,893
Percentage Change:							
Operating Expenditures							
State General Fund	(8.6) %	(0.5) %	(2.8) %	8.3 %	(2.3) %	1.0 %	(0.0) %
All Funds	(3.6)	(9.2)	(10.6)	15.1	7.9	1.4	0.8
FTE Positions	17.0	18.0	18.0	18.0	18.0	18.0	18.0
Non-FTE							
Perm.Uncl.Pos.	13.0	14.0	14.0	15.0	14.0	15.0	14.0
TOTAL	30.0	32.0	32.0	33.0	32.0	33.0	32.0

AGENCY OVERVIEW

The State Library has served the state since 1855 and has existed in its present form since 1963 with the passage of the State Library Act, KSA 75-2534. The State Library provides and promotes library and information services to legislators, state government officials, and all Kansans. The State Library conducts programs to promote literacy and reading for everyone. The agency is headed by the State Librarian who is appointed by the Governor. The State Librarian serves as a member *ex officio* (not entitled to vote) on the State Library of Kansas Board and serves as the secretary (KSA 75-2546).

The State Library serves as a catalyst to improve statewide library services through grants-in-aid to public libraries and seven regional systems of cooperating libraries. The State Library administers grant and aid programs, statewide library resource sharing, state and federal document depository service, and the Kansas Center for the Book. The State Library also runs the State Data Center which works with the U.S. Census Bureau and other agencies to improve the quality, accuracy, and completeness of census data estimates.

MAJOR ISSUES FROM PRIOR YEARS

The **2009 Legislature** added a proviso in 2009 Senate Sub. for HB 2737 that directed the State Library to stop any planned statewide courier program and no expenditures from either the State General Fund or other funds will be spent on the courier program. Through budget reductions, the Homework Kansas online tutoring program was suspended indefinitely.

The State Library operates two programs that provide and support library services:

Administration: This program provides reference and information services to the Legislature and state government; provides administrative support, personnel, financial, and accounting services for the State Library; provides consulting services to improve and strengthen library services throughout the state; administers state and federal aid for libraries; facilitates access to statewide online library resources; supports statewide inter-library loan and inter-library cooperation and communication; and administers the library's web presence.

Services to the Blind and Handicapped: This program provides a range of services for Kansas residents who cannot read conventional printed materials due to visual or physical impairments.

The **2010 Legislature** deleted \$110,150, all from the State General Fund, to achieve a State General Fund reduction of approximately 2.5 percent for FY 2011.

The **2011 Legislature** deleted \$219,711, all from the State General Fund. One vacant FTE position was eliminated which decreased the agency's FTE limitation from 25.0 in FY 2011 to 24.0 in FY 2012.

The **2012 Legislature** added \$800,000, all from the State General Fund, to fund research databases through the State Library for FY 2013. This funding was originally included in the Board of Regents budget.

The **2013 Legislature** added \$800,000, all from the State General Fund, to fund statewide database subscriptions. Furthermore, the Legislature added \$89,369, all from the State General Fund, and 1.0 FTE position for implementation of the Children's Internet Protection Act for FY 2014. The 2013 Legislature deleted \$388,099, all from the State General Fund, for a reduction in operating expenditures for FY 2014. Funding for salaries and wages was reduced by \$186,301 in FY 2014 and by \$186,612 in FY 2015.

BUDGET SUMMARY AND KY POINTS

FY 2015 Agency Estimate

The **agency requests** a revised FY 2015 all funds budget of \$6.1 million, including \$4.3 million from the State General Fund. The revised budget includes a more accurate amount of federal grant funds resulting in the difference in all other funds - \$211,222. The agency's revised State General Fund estimate is \$96,174 more than the approved; this is because of the Governor's December allotment.

The revised estimate includes 18.0 FTE positions and 14 non-FTE unclassified positions. The approved FTE count was 24 positions; however, the agency changed six vacant FTE positions to unclassified positions, reducing the FTE count to a total of 18.

FY 2015 Governor Recommendation

The **Governor** recommends a FY 2015 all funds budget of \$6.0 million, including \$4.2 million from the State General Fund. The Governor's recommendation reduced \$96,174 from the agency's State General Fund expenditures for the December

allotment in agency operations, as well as reducing the agency's all other funds' expenditures by \$3,730 for the KPERs rate reduction.

FY 2016 Agency Request

The **agency** requests \$7.0 million, all funds, for FY 2016, including \$4.6 million in State General Funds. This is an all

funds increase of \$925,000, or 15.1 percent, more than the revised FY 2015 revised estimate and a State General Fund

increase of \$354,000, or 8.3 percent, more than the FY 2015 revised estimate.

The agency's request for enhancements comprise the increase in the State General Fund request over the FY 2015 request. The all other funds increase is due to an anticipated increase in the federal Library Services and Technology Act (LSTA) grant.

FY 2016 Governor Recommendation

The **Governor** recommends an all funds budget of \$6.5 million, including \$4.1 million from the State General Fund. The Governor did not recommend funding for the enhancement request. In addition, the Governor recommended reducing the

The estimate includes 18.0 FTE positions and 15 non-FTE unclassified positions, an increase of 1 non-FTE position above the FY 2015 request. This additional position is part of the agency's enhancement request.

State General Fund request by a total of \$185,290 for an 8.5 percent employer contribution for state employee health insurance reduction (\$15,470) and a 4.0 percent allotment reduction in agency operations(\$169,820).

FY 2017 Agency Request

The **agency** requests \$7.1 million in all funds, and \$4.7 million in State General Funds, for the FY 2017 estimate. The all funds estimate is an increase of \$101,000, or 1.4 percent, more than the FY 2016 request. The State General Funds estimate is an increase of \$47,000, or 1.0 percent, more than the FY 2016 estimate. These increases are due to increases in KPERS'

employer contributions and expenses associated with the 27th payroll period in FY 2017. Increases also include an enhancement request.

The estimate includes 18.0 FTE positions and 15 non-FTE unclassified positions, the same as the FY 2016 request.

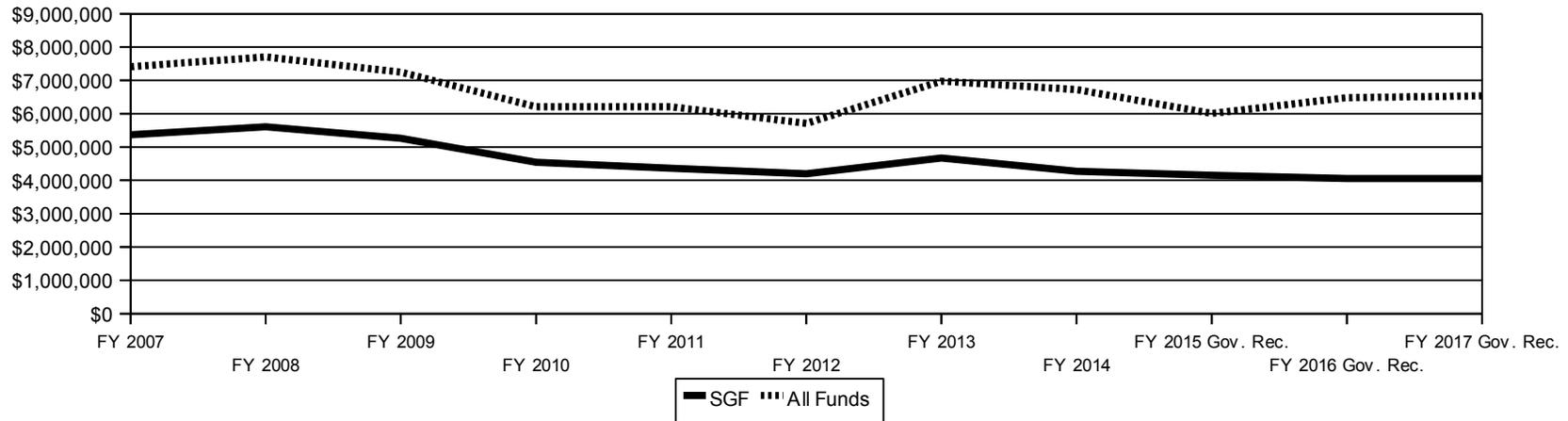
FY 2017 Governor Recommendation

The **Governor** recommends an all funds budget of \$6.5 million, including \$4.1 million from the State General Fund. The Governor did not recommend funding for the agency's enhancement request. In addition, the Governor recommended

State General Fund reductions of \$185,401, including an 8.5 percent employer contribution for state employee health insurance reduction (\$15,581) and a 4.0 percent allotment reduction in agency operations (\$169,820).

BUDGET TRENDS

OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 5,364,540	7.0 %	\$ 7,412,117	12.1 %	27.0
2008	5,609,286	4.6	7,705,914	4.0	26.0
2009	5,264,183	(6.2)	7,248,872	(5.9)	25.0
2010	4,545,907	(13.6)	6,209,463	(14.3)	25.0
2011	4,363,021	(4.0)	6,208,406	(0.0)	24.0
2012	4,200,598	(3.7)	5,712,323	(8.0)	24.0
2013	4,674,521	11.3	6,979,921	22.2	24.0
2014	4,274,292	(8.6)	6,725,998	(3.6)	30.0
2015 Gov. Rec.	4,155,742	(2.8)	6,010,302	(10.6)	18.0
2016 Gov. Rec.	4,060,209	(2.3)	6,483,573	7.9	18.0
2017 Gov. Rec.	4,060,098	(0.0)	6,536,893	0.8	18.0
Eleven-Year Change	\$ (1,304,442)	(24.3)%	\$ (875,224)	(11.8)%	(9.0)

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
By Program:									
Administration	\$ 6,184,698	\$ 5,520,042	\$ 6,431,640	\$ 911,598	16.5 %	\$ 5,429,528	\$ 5,897,122	\$ 467,594	8.6 %
Services to the Blind and Handicapped	541,300	590,164	603,931	13,767	2.3	580,774	586,451	5,677	1.0
TOTAL	\$ 6,725,998	\$ 6,110,206	\$ 7,035,571	\$ 925,365	15.1 %	\$ 6,010,302	\$ 6,483,573	\$ 473,271	7.9 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 1,582,794	\$ 1,610,589	\$ 1,684,068	\$ 73,479	4.6 %	\$ 1,595,723	\$ 1,612,212	\$ 16,489	1.0 %
Contractual Services	1,983,268	2,591,207	2,353,231	(237,976)	(9.2)	2,506,169	1,873,089	(633,080)	(25.3)
Commodities	434,297	328,694	344,608	15,914	4.8	328,694	344,608	15,914	4.8
Capital Outlay	92,404	37,658	101,400	63,742	169.3	37,658	101,400	63,742	169.3
Debt Service	--	--	--	0	0.0	--	--	0	--
Subtotal - Operations	\$ 4,092,763	\$ 4,568,148	\$ 4,483,307	\$ (84,841)	(1.9) %	\$ 4,468,244	\$ 3,931,309	\$ (536,935)	(12.0) %
Aid to Local Units	2,552,433	1,477,998	2,552,264	1,074,266	72.7	1,477,998	2,552,264	1,074,266	72.7
Other Assistance	80,802	64,060	--	(64,060)	(100.0)	64,060	--	(64,060)	(100.0)
TOTAL	\$ 6,725,998	\$ 6,110,206	\$ 7,035,571	\$ 925,365	15.1 %	\$ 6,010,302	\$ 6,483,573	\$ 473,271	7.9 %
Financing:									
State General Fund	\$ 4,274,292	\$ 4,251,916	\$ 4,605,834	\$ 353,918	8.3 %	\$ 4,155,742	\$ 4,060,209	\$ (95,533)	(2.3) %
All Other Funds	2,451,706	1,858,290	2,429,737	571,447	30.8	1,854,560	2,423,364	568,804	30.7
TOTAL	\$ 6,725,998	\$ 6,110,206	\$ 7,035,571	\$ 925,365	15.1 %	\$ 6,010,302	\$ 6,483,573	\$ 473,271	7.9 %

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	\$ 6,431,640	\$ 6,524,225	\$ 92,585	1.4 %	\$ 5,897,122	\$ 5,942,173	\$ 45,051	0.8 %
Services to the Blind and Handicapped	603,931	612,304	8,373	1.4	586,451	594,720	8,269	1.4
TOTAL	\$ 7,035,571	\$ 7,136,529	\$ 100,958	1.4 %	\$ 6,483,573	\$ 6,536,893	\$ 53,320	0.8 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 1,684,068	\$ 1,751,550	\$ 67,482	4.0 %	\$ 1,612,212	\$ 1,678,932	\$ 66,720	4.1 %
Contractual Services	2,353,231	2,394,107	40,876	1.7	1,873,089	1,867,089	(6,000)	(0.3)
Commodities	344,608	337,208	(7,400)	(2.1)	344,608	337,208	(7,400)	(2.1)
Capital Outlay	101,400	101,400	0	0.0	101,400	101,400	0	0.0
Debt Service	--	--	0	0.0	--	--	0	-
Subtotal - Operations	\$ 4,483,307	\$ 4,584,265	\$ 100,958	2.3 %	\$ 3,931,309	\$ 3,984,629	\$ 53,320	1.4 %
Aid to Local Units	2,552,264	2,552,264	0	0.0	2,552,264	2,552,264	0	0.0
Other Assistance	--	--	0	0.0	--	0	0	--
TOTAL	\$ 7,035,571	\$ 7,136,529	\$ 100,958	1.4 %	\$ 6,483,573	\$ 6,536,893	\$ 53,320	0.8 %
Financing:								
State General Fund	\$ 4,605,834	\$ 4,653,310	\$ 47,476	1.0 %	\$ 4,060,209	\$ 4,060,098	\$ (111)	(0.0)%
All Other Funds	2,429,737	2,483,219	53,482	2.2	2,423,364	2,476,795	53,431	2.2
TOTAL	\$ 7,035,571	\$ 7,136,529	\$ 100,958	1.4 %	\$ 6,483,573	\$ 6,536,893	\$ 53,320	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 \$4,251,916 for the State Library in FY 2015. One adjustment subsequently has 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 \$4,155,742. The 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 \$96,174, as the result of the Governor's (date) 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	\$ 4,155,742	\$ 4,251,916	\$ 96,174	\$ 4,155,742	\$ 0
All Other Funds	2,069,512	1,858,290	(211,222)	1,854,560	(214,952)
TOTAL	<u>\$ 6,225,254</u>	<u>\$ 6,110,206</u>	<u>\$ (115,048)</u>	<u>\$ 6,010,302</u>	<u>\$ (214,952)</u>
FTE Positions	24.0	18.0	(6.0)	18.0	(6.0)

The **agency** requests a revised FY 2015 estimate of \$6.1 million from all funds, and \$4.3 million from the State General Fund. This is a State General Fund increase of \$96,174, or 2.3 percent, due to the Governor's allotment reduction in agency

operations. The request is a special revenue fund reduction of \$211,222, or 10.2 percent, from the FY 2015 approved budget. The agency budgeted more from the federal LSTA grant than was received as well as shifting funding to aid to local units of

government from the contractual category because, according to agency officials, some expenditures were miscoded in the prior year.

The agency request 18 full-time equivalent employees. The agency changed six full-time equivalent positions (upon vacancy) to non-FTE unclassified permanent employee positions.

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

The **Governor** recommends a FY 2015 budget of \$6.0 million, including \$4.2 million from the State General Fund. The Governor's allotment reduced the State General Fund budget by \$11,136 for the KPERS rate reduction and \$85,038 for a 2.0 percent allotment reduction, for a total reduction of \$96,174.

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	\$ (11,136)	\$ (11,136)	0.0
Reduce SGF funding by 2.0 percent	(85,038)	(85,038)	0.0
TOTAL	<u>\$ (96,174)</u>	<u>\$ (96,174)</u>	<u>0.0</u>

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

A reduction \$11,136 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 \$3,730 from Special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$14,866.

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

A reduction of \$85,038, as a result of the Governor's State General Fund allotment of 4.0 percent over the last six months or 2.0 percent for the whole fiscal year to Cabinet and other State General Funded agencies in FY 2015. This allotment will be managed by reduced contractual expenditures as well as decreases in commodities and capital outlay expenditures in the remainder of FY 2015.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 7,035,571	\$ 6,483,573	\$ (551,998)
FTE Positions	18.0	18.0	0.0
Change from FY 2015:			
<i>Dollar Change:</i>			
State General Fund	\$ 353,918	\$ (95,533)	
All Other Funds	571,447	568,804	
TOTAL	<u>\$ 925,365</u>	<u>\$ 473,271</u>	
<i>Percent Change:</i>			
State General Fund	8.3 %	(2.3) %	
All Other Funds	30.8	30.7	
TOTAL	<u>15.1 %</u>	<u>7.9 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** request for FY 2016 is \$7.0 million, including \$4.6 million from the State General Fund. The agency requested enhancements totaling \$360,000 for a shared library catalog, one staff member to support the migration of the library collection to the shared catalog, and for increased database expenditures.

The **Governor** recommends a budget of \$6.5 million, including \$4.1 from the State General Fund. The Governor did not recommend funding for the enhancements. The Governor's reduced the all funds budget by \$191,663, including an 8.5 percent employer contribution for state employee health insurance reduction (\$21,843); and a 4.0 percent allotment reduction in agency operations (\$169,820).

Enhancements Detail

Enhancements	FY 2016 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Shared Library Catalog	\$ 287,346	\$ 287,346	0.0	\$ 0	\$ 0	0.0
Non-FTE, permanent to support migration to shared catalog	50,013	50,013	1.0	0	0	0.0
Increased database costs	22,976	22,976	0.0	0	0	0.0
TOTAL	\$ 360,335	\$ 360,335	1.0	\$ 0	\$ 0	0.0

The **agency** requests a total of \$360,335 in State General Funds for the following enhancements.

The **Governor** did not recommend funding for the enhancements.

- \$287,346 to support the development of Kansas' first shared library catalog. (Currently, Kansas libraries require a library-specific card to borrow items. A shared system would allow Kansans to borrow items from across the state with one card.)
- \$50,013 to support one additional non-full-time equivalent, permanent employee. According to the agency, the position would support the migration of Kansas library collections to the shared catalog.
- \$22,976 to pay for the increase in expenditures of the statewide database subscriptions.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 7,136,529	\$ 6,536,893	\$ (599,636)
FTE Positions	18.0	18.0	0.0
Change from FY 2016:			
<i>Dollar Change:</i>			
State General Fund	\$ 47,476	\$ (111)	
All Other Funds	53,482	53,431	
TOTAL	<u>\$ 100,958</u>	<u>\$ 53,320</u>	
<i>Percent Change:</i>			
State General Fund	1.0 %	(0.0) %	
All Other Funds	2.2	2.2	
TOTAL	<u>1.4 %</u>	<u>0.8 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$7.1 million in all funds and \$4.7 million in State General Funds, for FY 2017. The all funds difference from the FY 2016 request is \$101,000, or 1.4 percent and the State General Fund increase over FY 2016 is \$47,000, or a 1.0 percent increase. The all other funds increase is due to an anticipated increase in the State Library Fund. The State General Fund requested increase is due to the enhancement request described below.

The **Governor** recommends a FY 2017 budget of \$6.5 million, including \$4.1 million from the State General Fund. The Governor did not recommend funding for any enhancements. The Governor reduced the all funds budget below the agency request by \$191,825, including an 8.5 percent employer contribution for state employee health insurance reduction (\$22,005); and a 4.0 percent allotment reduction in agency operations (\$169,820).

Enhancements Detail

Enhancements	FY 2017 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Shared Library Catalog	\$ 317,902	\$ 317,902	0.0	\$ 0	\$ 0	0.0
Non-FTE, permanent to support migration to shared catalog	50,613	50,613	1.0	0	0	0.0
Increased database costs	39,296	0	0.0	0	0	0.0
TOTAL	\$ 407,811	\$ 368,515	1.0	\$ 0	\$ 0	0.0

The **agency** requests a total of \$407,811 in State General Funds for the following enhancements.

- \$317,902 to support the development of Kansas' first shared library catalog.
- \$50,613 to support one additional full-time equivalent employee. According to the agency, the position would support the migration of Kansas library collections to the shared catalog.
- \$39,296 to pay for the increase in expenditures of the statewide database subscriptions.

The **Governor** did not recommend funding for enhancements.

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 \$8,154, including \$6,417 from the State General Fund, and affects 26 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 \$11,000, including \$7,802 from the State General Fund, and FY 2017 longevity payments total \$10,520, including \$7,457 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 \$21,843, including \$15,470 from the State General Fund for FY 2016. This is a reduction of \$22,005, including \$15,581 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	65.5 %	62.6 %	65.2 %	62.1 %
Grants to States	29.8	26.8	29.3	31.9
State Library Fund	3.3	2.7	4.2	4.6
Other Funds	1.4	7.9	1.3	1.4
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.

State Library Fund

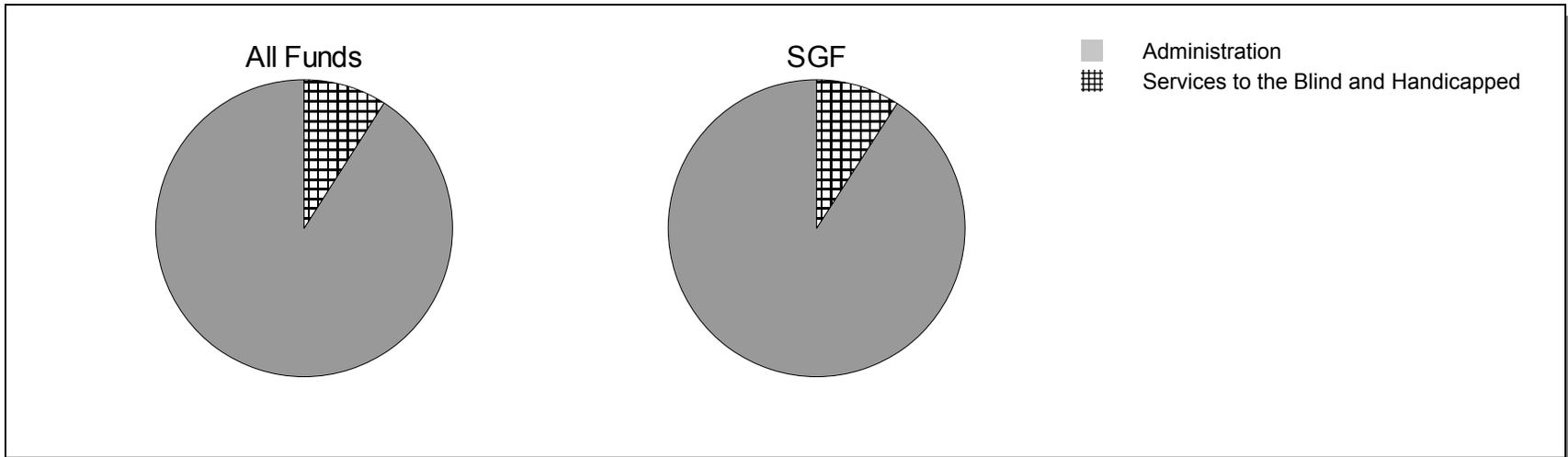
The State Library maintains a fee fund to collect contributions intended for a specific purpose, such as database fees. The Library subscribes to a suite of databases that all Kansans can use. These databases include a range of resources including: legal, history and genealogy, health,, business and technology, and learning and school resources.

The cost of subscriptions to these databases is approximately \$1.2 million annually. The Library's budget includes \$800,000 to be used for these subscriptions. The remainder of the cost is funded by local libraries' contributions and the Federal Library Services & Technology Act grant funding.

<u>Resource Estimate</u>	<u>Actual FY 2014</u>	<u>Agency Estimate FY 2015</u>	<u>Governor Rec. FY 2015</u>	<u>Agency Request FY 2016</u>	<u>Gov. Rec. FY 2016</u>	<u>Agency Request FY 2017</u>	<u>Gov. Rec. FY 2017</u>
Beginning Balance	\$ 184,889	\$ 245,886	\$ 245,886	\$ 244,555	\$ 244,555	\$ 171,356	\$ 171,356
Revenue	192,281	160,613	160,613	160,613	160,613	160,613	160,613
Transfers in	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds Available	\$ 377,170	\$ 406,499	\$ 406,499	\$ 405,168	\$ 405,168	\$ 331,969	\$ 331,969
Less: Expenditures	131,284	161,944	161,944	233,812	233,812	297,824	297,824
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$ 245,886</u>	<u>\$ 244,555</u>	<u>\$ 244,555</u>	<u>\$ 171,356</u>	<u>\$ 171,356</u>	<u>\$ 34,145</u>	<u>\$ 34,145</u>
Ending Balance as Percent of Expenditures	187.3%	151.0%	151.0%	73.3%	73.3%	11.5%	11.5%

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	\$ 5,897,122	91.0 %	\$ 3,689,519	90.9 %
Services to the Blind and Handicapped	586,451	9.0	370,690	9.1
TOTAL	\$ 6,483,573	100.0 %	\$ 4,060,209	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	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Services to the Blind and Handicapped	5.0	5.0	5.0	5.0	5.0	5.0	5.0
TOTAL	17.0	18.0	18.0	18.0	18.0	18.0	18.0

A. Administration

The Administration program provides services including reference and information services to the Legislature and state government; provides administration support, personnel, and financial and accounting services; provides consultant services to improve and strengthen library services throughout the state;

administers state and federal aid for libraries; facilitates access to statewide online library resources; supports statewide interlibrary loan and interlibrary cooperation and communication; and administers the State Library's website.

**ADMINISTRATION 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
Expenditures:							
Salaries and Wages	\$ 1,203,117	\$ 1,249,675	\$ 1,238,060	\$ 1,317,217	\$ 1,250,563	\$ 1,368,539	\$ 1,301,227
Contractual Services	1,913,068	2,462,157	2,383,258	2,212,270	1,744,406	2,259,146	1,744,406
Commodities	433,506	319,126	319,126	339,121	339,121	333,508	333,508
Capital Outlay	92,404	37,658	37,658	101,400	101,400	101,400	101,400
Debt Service	--	--	--	--	--	--	--
Subtotal - Operations	\$ 3,642,095	\$ 4,068,616	\$ 3,978,102	\$ 3,970,008	\$ 3,435,490	\$ 4,062,593	\$ 3,480,541
Aid to Local Units	2,461,801	1,387,366	1,387,366	2,461,632	2,461,632	2,461,632	2,461,632
Other Assistance	80,802	64,060	64,060	--	--	--	--
TOTAL	\$ 6,184,698	\$ 5,520,042	\$ 5,429,528	\$ 6,431,640	\$ 5,897,122	\$ 6,524,225	\$ 5,942,173
Financing:							
State General Fund	\$ 3,860,107	\$ 3,878,991	\$ 3,791,387	\$ 4,219,459	\$ 3,689,519	\$ 4,263,993	\$ 3,686,535
All Other Funds	2,324,591	1,641,051	1,638,141	2,212,181	2,207,603	2,260,232	2,255,638
TOTAL	\$ 6,184,698	\$ 5,520,042	\$ 5,429,528	\$ 6,431,640	\$ 5,897,122	\$ 6,524,225	\$ 5,942,173
FTE Positions	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Non-FTE Uncl. Perm. Pos.	10.0	11.0	11.0	12.0	11.0	12.0	11.0
TOTAL	22.0	24.0	24.0	25.0	24.0	25.0	24.0

For FY 2016, the **agency** requests \$6.4 million, including \$4.2 from the State General Fund. The request is \$912,000 more than the FY 2015 revised request. The difference in the FY 2015 request and the FY 2016 request is due to enhancement requests from the State General Fund for a shared library catalog, related staffing, and database cost increases. The increased request in special revenue funds is due to increased budgeting related to the federal LSTA grant which would be spent in aid to local grants.

The **Governor** recommends a FY 2016 budget of \$5.9 million in all funds, including \$3.7 million from the State General Fund. The Governor did not recommend funding the agency enhancement requests. In addition, the Governor reduced employer contributions related to health insurance as well as a 4.0 percent allotment reduction in agency operations.

The FY 2017 **agency** request is \$6.5 million, including \$4.3 from the State General Fund. This is an all funds increase of 1.4 percent, and a State General Fund increase of 1.1 percent. The all funds increase over the FY 2016 budget is \$93,000 for enhancements related to the shared catalog, related staffing, and database cost increases.

B. Services to the Blind and Handicapped

The State Library provides services for the blind and handicapped through the Talking Books Service program, located on the Emporia State University campus. These services promote and provide a diversity of reading materials for

The **Governor** recommended an all funds budget of \$5.9 million in FY 2017, including \$3.7 million from the State General Fund. Again, the Governor did not recommend funding for the agency enhancement request. The Governor recommended reductions in employer contribution for state employee health insurance and a 4.0 percent allotment in agency operations.

visually impaired citizens of Kansas. This includes materials in Braille and recorded formats that can be requested and delivered to the patron's home.

**SERVICES TO THE BLIND AND HANDICAPPED 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
Expenditures:							
Salaries and Wages	\$ 379,677	\$ 360,914	\$ 357,663	\$ 366,851	\$ 361,649	\$ 383,011	\$ 377,705
Contractual Services	70,200	129,050	122,911	140,961	128,683	134,961	122,683
Commodities	791	9,568	9,568	5,487	5,487	3,700	3,700
Capital Outlay	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--
Subtotal - Operations	\$ 450,668	\$ 499,532	\$ 490,142	\$ 513,299	\$ 495,819	\$ 521,672	\$ 504,088
Aid to Local Units	90,632	90,632	90,632	90,632	90,632	90,632	90,632
Other Assistance	--	--	--	--	--	--	--
TOTAL	<u>\$ 541,300</u>	<u>\$ 590,164</u>	<u>\$ 580,774</u>	<u>\$ 603,931</u>	<u>\$ 586,451</u>	<u>\$ 612,304</u>	<u>\$ 594,720</u>
Financing:							
State General Fund	\$ 414,185	\$ 372,925	\$ 364,355	\$ 386,375	\$ 370,690	\$ 389,317	\$ 373,563
All Other Funds	127,115	217,239	216,419	217,556	215,761	222,987	221,157
TOTAL	<u>\$ 541,300</u>	<u>\$ 590,164</u>	<u>\$ 580,774</u>	<u>\$ 603,931</u>	<u>\$ 586,451</u>	<u>\$ 612,304</u>	<u>\$ 594,720</u>
FTE Positions	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Non-FTE Uncl. Perm. Pos.	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>

The FY 2016 **agency** request is \$604,000, including \$386,000 from the State General Fund. This is a \$14,000 increase from the FY 2015 revised request, due to increased expenditures for Talking Books. These increases are 2.3 percent in all funds, and 3.6 percent in State General Funds. The FY 2017 request is for \$612,000, including \$389,000 from the State General Fund. This is an \$8,000, or 1.4 percent increase in all funds, or a 0.8 percent increase in State General Funds.

The **Governor** recommends an all funds budget of \$586,000, including \$371,000 from the State General Fund for FY 2016. The Governor's recommendation was \$17,584 in all funds less than the agency request. This amount is attributable to the Governor's recommended reduction in employer contribution for state employee health insurance and the 4.0 percent allotment in agency operations.

The **Governor** recommends an all funds budget of \$595,000 for FY 2017, including \$374,000 from the State General Fund. Again, the difference in the agency request and the Governor's recommendation (\$17,584) is attributable to the

Governor's recommended reduction in employer contribution for state employee health insurance and the 4.0 percent allotment in agency operations.

PERFORMANCE MEASURES					
<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>
Number of children participating in summer reading programs	94,000	94,000	94,000	94,000	94,000
Number of libraries participating in summer reading programs	302	302	307	305	305
Number of users of Talking Books Services	5,828	5,828	5,900	6,000	6,000
Number of searches K-12 Databases	9,081,400	9,081,400	10,080,000	11,190,000	12,530,000