BUDGET ANALYSIS

FISCAL YEARS 2016-2017

Submitted to the 2015 Kansas Legislature

Volume I

Governor's Budget Overview
Public Safety
Agriculture and Natural Resources
Transportation

Kansas Legislative Research Department
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Overview of the Fiscal Year 2016 Governor's Budget Report

In this Budget Overview, various summaries of state expenditures and the plan for their financing are reviewed. The summary data were obtained from the FY 2016 Governor's Budget Report. The Legislative Research Department utilizes the classification of expenditures by function of government and by major purpose of expenditure to coincide with the Division of the Budget and the Division of Accounts and Reports. The Department has made some changes in the classification of expenditures in order to be consistent with its prior reports to the Legislature.

The summary data in this overview compare actual expenditures for FY 2014, the Governor's revised estimate for FY 2015 and the Governor's recommendation for FY 2016 and FY 2017.

SUMMARY OF CHANGES TO ESTIMATED FY 2015 EXPENDITURES

The Governor's revised FY 2015 recommendation is a net increase of $121.3 million, or 0.8 percent, from all funding sources, and a State General Fund increase of $45.4 million, or 0.7 percent, above the amount approved by the 2014 Legislature after adjustments.

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. To address the shortfall, the Governor issued an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement.

Among the significant items in the Governor's December 9th State General Fund allotment are the following items:

- Reduction of $52.0 million, as a result of decreasing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 10.42 percent to 8.65 percent for the last six months of FY 2015;

- Reduction of $6.3 million, as a result of a decrease in the total FY 2015 State General Fund reappropriation;

- Reduction of $7.1 million, as a result of a 4.0 percent decrease in the last six months or 2.0 percent for the whole fiscal year to Cabinet and selected other State General Funded agencies in FY 2015;

- Reduction of $2.9 million for bond refinancing; and

- Reduction of $5.4 million due to the delay of the Meyer building expansion at the Larned State Hospital.

Other major adjustments in the Governor's Budget Report for FY 2015 include:

- Revised social services caseload estimates increase by $106.6 million from all funding sources and by $46.2 from the State General Fund above the budget approved by the 2014 Legislature. The increase is largely attributable to the addition of $13.1 million, all from the State General Fund, for adequate cash flow for the foster care program due to an issue with the federal Title IV-E foster care funding source while waiting on a decision on the issue from the federal Administration for Children and Families regarding expenditures. The estimate in FY 2015 also includes KanCare Medical costs associated with the Affordable Care Act Insurers Fee included in the capitated rate payment and $6.3 million for payments to the Managed Care Organizations for mental health assessments for both the current year and prior years, which had not been previously included in the capitation payments.

- K-12 Education funding increases by $58.8 million, all from the State General Fund, based on increased equity resources identified in the November 2014 revised school finance estimates which maintained Base State Aid Per Pupil (BBSAPP) at $3,852.

- A revenue reduction of $12.0 million to adopt the K-12 capital improvement bond and interest transfer adjustments.

- Additional transfers of $150.7 from the State Highway Fund to other state agencies and the State General Fund.

- Transfer of $14.5 million from the Kansas Endowment for Youth fund to the State General Fund and a transfer of $500,000 from the Children's Initiative Fund (CIF) to the State General Fund. The CIF to State General Fund transfer is in addition to the $1.0 million transfer that was approved by the 2014 Legislature.

- Transfer from the State General Fund to the Expanded Lottery Act Revenue Fund (ELARF) of $8,515,052 to cover the shortfall between the 2014 Legislature approved total ELARF expenditures and transfers of $86,263,052, and anticipated revenues to the fund of $77,748,000 in FY 2015. The estimated ending balance in the ELARF at the end of FY 2015 is zero.

- Addition of $2.5 million from the State General Fund for Department of Administration - Office of Information Technology Services to reimburse the federal government for various expenditures.

TOTAL STATE EXPENDITURES FOR FY 2016

Summary of Expenditures from All Funds

The Governor's recommendation for FY 2016 expenditures from all funding sources total $15.3 billion, a decrease of $298.6 million, or 1.9 percent, below the FY 2015 revised estimate. For FY 2017 expenditures from all funding sources total $15.8 billion, an increase of $421.8 million, or 2.8 percent, above the FY 2016 recommendation.

Expenditures by Major Purpose

State Operations. ***Actual agency operating costs for salaries and wages, contractual services, commodities and capital outlay.***

The Governor's FY 2016 recommendation for state operations decreases by $56.2 million, or 1.2 percent, below the revised FY 2015 estimate. The most significant reductions were for KPERS Policy changes related to issuing bonds, and extending the current amortization period of payments to KPERS ($58.6 million) and consolidating state information technology systems ($11.2 million). Reductions also include Adjutant General ($9.3) for salaries and wages, Kansas Water Office ($3.4) for contractual services, and Department of Revenue ($3.0) for contractual services. This is partially offset by increases in Department Children and Families ($7.3 million), Kansas State University ($3.2 million), and Health and Environment – Health ($3.0) all in contractual services.

FY 2017, the recommendation for state operations increases by $32.1 million, or 0.7 percent, above the revised FY 2016 recommendation. The largest increases were $76.6 million for the 27th payroll, $5.0 million for KPERS, $16.5 million in the Lottery predominantly for increased regular lottery sales, $8.4 million in other salary increases, $8.6 million at the University of Kansas for other operating expenditures, $3.4 million at the University of Kansas Medical Center for other operating expenditures, $2.1 million in the Kansas Water Office for reservoir dredging, and $1.8 million in the Judicial Branch for E-Courts implementation.

This is partially offset by several reductions, the most significant for KPERS policy changes ($60.9 million), contractual service in Health and Environment – Health ($20.1 million) and Kansas Department of Transportation ($8.9 million), Department of Administration Debt Service Interest ($2.0 million), Kansas State University Contractual Services and Capital Outlay ($3.2 million).

Aid to Local Units. ***Aid payments to counties, cities, school districts, and other local government entities. May be from state or federal funds.***

The Governors FY 2016 recommendation decreases Aid to Local units payments by $1.9 million, or less than 0.1 percent, below the FY 2015 revised estimate.

For FY 2017, the recommendation is $5,107.6 for Aid to Local units payments, an increase of $34.0 million, or 0.7 percent, above the FY 2016 recommendation. The largest increase is in the State Department of Education ($54.3 million). This is partially offset by a decrease of $2.3 million for disaster relief funding in the Adjutant General's budget and $18.0 million in Department of Revenue.

Other Assistance, Grants, and Benefits. ***Payments made to or on behalf of individuals as aid, including public assistance benefits, unemployment benefits, and tuition grants.***

For FY 2016, the Governor's recommendation increases Other assistance by $13.5 million, or 0.3 percent, above the revised FY 2015 estimate. The largest increases are in the Department of Health and Environment ($112.1 million), Kansas Lottery for Expanded Lottery Act revenues ($3.3 million). The increases are largely due to consensus caseload estimate increases attributable to a slight population growth and increased due to the inclusion of the Federal Insurer's fee and an increase in the Federal Medical Assistance Percentage. This is partially offset by projected reductions of $55.1 million in unemployment benefit payments in the budget of the Department of Labor. The decrease is attributable to a decrease in initial and continued unemployment claims. There are also reductions of $12.3 million in the Department of Commerce and $14.0 million for the Kansas Department of Transportation projects.

For FY 2017, the Governor's recommendation decreases Other assistance by $55.7 million, or 1.1 percent, below the revised FY 2016 recommendation. The largest decrease was in the Department of Health and Environment of $18.6 million in medical program. This is partially offset by a projected reduction of $43.9 million in unemployment benefit payments in the budget of the Department of Labor. The decrease is attributable to a decrease in initial and continued unemployment claims.

Capital Improvements. ***Cash or debt service payments for projects involving new construction, remodeling and additions, rehabilitation and repair, razing, and the principal portion of debt service for a capital expense.***

The Governor's FY 2016 recommendation for Capital improvements are recommended to decrease by $254.0 million, or 27.4 percent, below the revised FY 2015 level. The largest decrease is in the budget of the Department of Transportation ($204.4 million), related to a decrease in federal funds and projected decreases in planned road construction contract lettings for FY 2016. Expenditures in the Department of Transportation budget fluctuate in their funding request due to its best estimate at a given point in time as to projects being let, and its subsequent funding streams.

The Governor's FY 2017 recommendation for Capital improvements are recommended to increase by $411.2 million, or 61.0 percent, above the revised FY 2016 level. The largest increase is in the budget of the Department of Transportation ($433.5 million), related to a an increase in planned road construction contract lettings for FY 2017. Expenditures in the Department of Transportation budget fluctuate in their funding request due to its best estimate at a given point in time as to projects being let, and its subsequent funding streams.

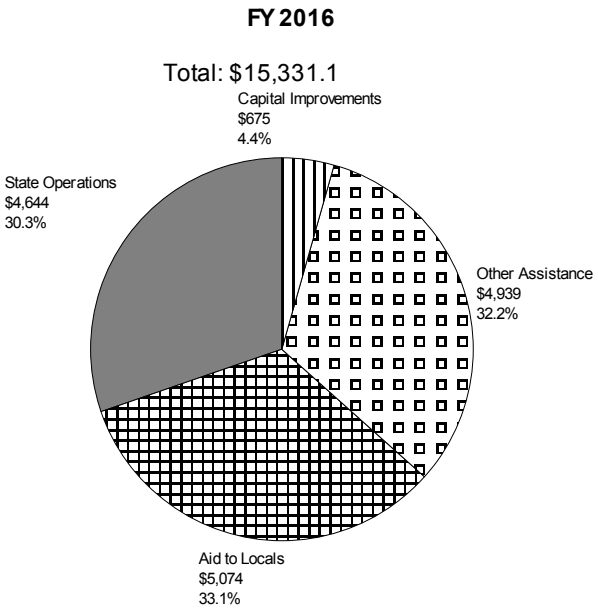
EXPENDITURES FROM ALL FUNDS BY MAJOR PURPOSE
(in Millions of Dollars)

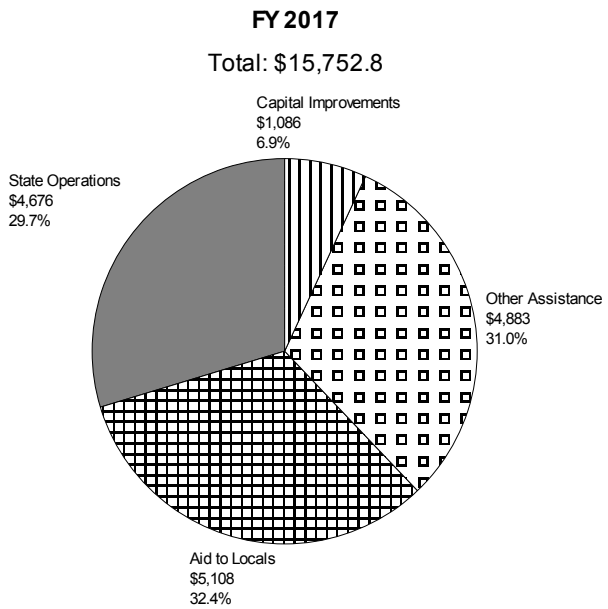
	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Change $	Change %	Gov. Rec. FY 2017	Change $	Change %
State Operations	$ 4,613.6	$ 4,700.4	$ 4,644.1	$ (56.3)	(1.2)%	$ 4,676.2	$ 32.1	0.7 %
Aid to Local Units	4,311.1	5,075.4	5,073.6	(1.8)	(0.0)	5,107.6	34.0	0.7
Other Assistance	4,577.7	4,925.4	4,938.9	13.5	0.3	4,883.2	(55.7)	(1.1)
Total Operations	$ 13,502.3	$ 14,701.2	$ 14,656.6	$ (44.6)	(0.3)%	$ 14,667.1	$ 10.5	0.1 %
Capital Improvements	1,232.2	928.5	674.5	(254.0)	(27.4)	1,085.7	411.2	61.0
TOTAL	**$ 14,734.5**	**$ 15,629.7**	**$ 15,331.1**	**$ (298.6)**	**(1.9)%**	**$ 15,752.8**	**$ 421.7**	**2.8 %**

Note: Totals may not add due to rounding.

Of the total budget recommendation for FY 2016, 30.3 percent is for state operations, 33.1 percent is for state aid to local units of government, 32.2 percent is for other assistance, grants, and benefits, and 4.0 percent is for capital improvements and for FY 2017, 29.7 percent is for state operations, 32.4 percent is for state aid to local units of government, 31.0 percent is for other assistance, grants, and benefits, and 6.9 percent is for capital improvements. The following pie charts displays the major categories of all funds expenditures in FY 2016 and FY 2017.

EXPENDITURES FROM ALL FUNDS BY MAJOR PURPOSE
Governor's Recommendation
(Millions of Dollars)





Expenditures by Function of Government

The following table and pie chart summarize expenditures from all funds by function of government. Functions of government reflect the six classifications into which similar agencies are grouped that share similar basic purposes of state government. The functions include: General Government; Human Services; Education; Public Safety; Agriculture and Natural Resources; and Transportation. The education function is the largest component with 47.0 percent of the total expenditures.

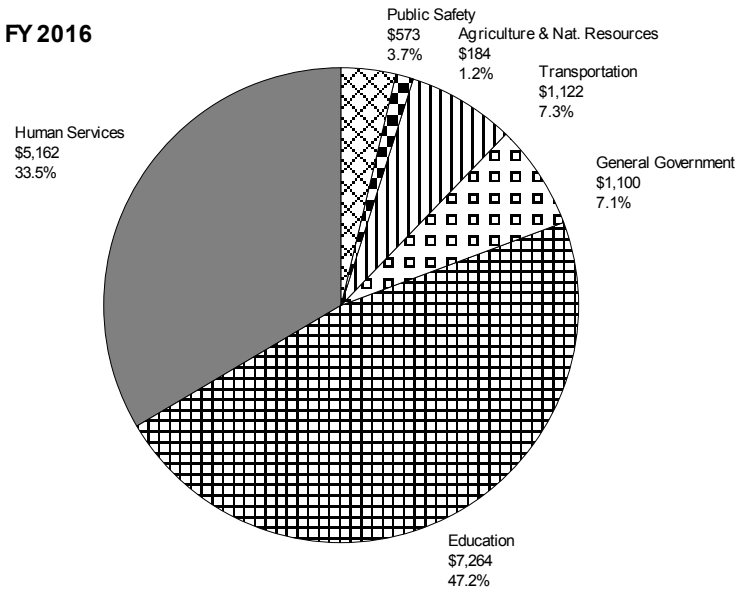
The two largest functions of government—education and human services—comprise 81.0 percent of the recommended expenditures for FY 2016 and 78.0 percent of the recommended expenditures for FY 2017.

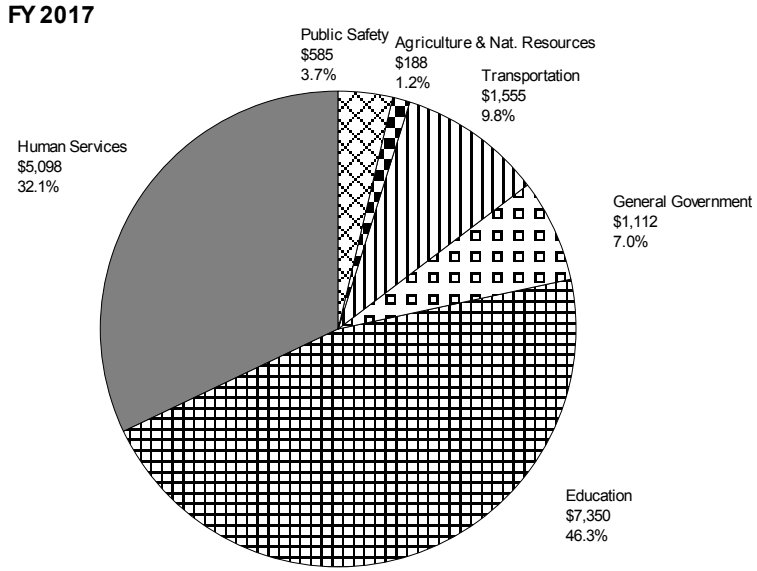
EXPENDITURES FROM ALL FUNDS BY FUNCTION OF GOVERNMENT
(in Millions of Dollars)

	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Change $	Change %	Gov. Rec. FY 2017	Change $	Change %
General Government	$ 1,101.7	$ 1,096.9	$ 1,099.4	$ 2.5	0.2 %	$ 1,111.7	$ 12.3	1.1 %
Human Services	4,742.8	5,075.2	5,162.2	87.0	1.7	5,098.4	(63.8)	(1.2)
Education	6,429.0	7,339.8	7,264.1	(75.7)	(1.0)	7,349.5	85.4	1.2
Public Safety	594.3	584.5	573.4	(11.1)	(1.9)	584.6	11.2	2.0
Agriculture & Nat. Res.	186.7	192.3	183.9	(8.4)	(4.4)	188.0	4.1	2.2
Transportation	1,680.0	1,344.7	1,121.6	(223.1)	(16.6)	1,555.0	433.4	38.6
KPERS and IT Savings	0.0	(3.8)	(73.6)	(69.8)	1,836.8	(134.5)	(60.9)	82.7
TOTAL	**$ 14,734.5**	**$ 15,629.6**	**$ 15,331.0**	**$ (298.6)**	**(1.9)%**	**$ 15,752.7**	**$ 421.7**	**2.8 %**

Note: Totals may not add due to rounding.

EXPENDITURES FROM ALL FUNDS BY FUNCTION OF GOVERNMENT
Governor's Recommendation (Millions of Dollars)





NOTE: Does not include savings from KPERS employer contribution reduction of $58.6 million in FY 2016 and $119.5 million in FY 2017 and Statewide IT savings of $15.0 million in FY 2016 and FY 2017

Summary Plan for Financing

Total state expenditures are financed by the resources contained in approximately 1,300 distinct funds. The following table summarizes total state expenditures. The table separates the plan for financing into operating purposes and capital improvements. The State General Fund operating amount shown in the table for FY 2016 is based on current resources of the fund. The net decrease in State General Fund operating expenditures from FY 2015 to FY 2016 is $103.2 million, or 0.7 percent, and the increase from FY 2016 to 2017 is $69.1 million or 0.5 percent. The Governor's recommendations do, however, include both positive and negative adjustments for individual agencies.

SUMMARY OF THE PLAN FOR FINANCING STATE EXPENDITURES
(in Millions of Dollars)

	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Change $	Change %	Gov. Rec. FY 2017	Change $	Change %
Operating Expenditures:								
State General Fund	$ 5,952.2	$ 6,321.9	$ 6,379.1	$ 57.2	0.9 %	$ 6,389.8	$ 10.7	0.2 %
All Other Funds	7,550.1	8,379.2	8,277.5	(101.7)	(1.2)	8,277.3	(0.2)	(0.0)
Total Operating	$ 13,502.3	$ 14,701.1	$ 14,656.6	$ (44.5)	(0.3)%	$ 14,667.1	$ 10.5	0.1 %
Capital Improvements:								
State General Fund	$ 30.6	27.7	29.3	1.6	5.8	29.6	0.3	1.0
All Other Funds	1,201.6	900.8	645.2	(255.6)	(28.4)	1,056.1	410.9	63.7
Total Capital Impr.	$ 1,232.2	$ 928.5	$ 674.5	$ (254.0)	(27.4)%	$ 1,085.7	$ 411.2	61.0 %
TOTAL EXPENDITURES	**$ 14,734.5**	**$ 15,629.6**	**$ 15,331.1**	**$ (298.5)**	**(1.9)%**	**$ 15,752.8**	**$ 421.7**	**2.8 %**

Note: Totals may not add due to rounding.

The State General Fund, to which most state tax receipts are credited, is the predominant source of financing for state expenditures. The State General Fund finances 43.0 percent of estimated FY 2015 expenditures. In FY 2016, the State General Fund finances 43.5 percent of the recommended expenditures and 43.6 in FY 2017.

Schedule 7 in *The Governor's Budget Report (Volume 1)* summarizes actual and estimated receipts of federal funds. Estimated FY 2015 receipts are $3.426 billion, a decrease of $534.7 million, or 15.6 percent, below FY 2014 actual receipts. The FY 2016 estimate of $3.287 billion is $139.1 million, or 4.2 percent, below FY 2015 estimated receipts. For FY 2017, the federal receipts estimate is $3.281 billion which represents a $5.8 million, or 0.2 percent, decrease from the FY 2016 estimate. Four agencies—the Department of Health and Environment, the Department for Children and Families, the Department of Education, and the Department of Transportation—account for 76.0 percent of FY 2016 estimated federal receipts.

Federal receipts for fiscal years 2016 and 2017 are dependent on future actions of the federal government. Past experience indicates that the final outcome of those actions will not be known prior to adjournment of the 2015 Legislature.

Expenditures for State Operations

Expenditures for state operations, i.e., for purposes other than local aid, other assistance, and capital improvements, comprise 30.3 percent of total recommended expenditures for FY 2016 and 29.7 percent for FY 2017. The table below divides state operations expenditures into the following components: salaries and wages; contractual services (communications, rent, travel); commodities (food, supplies, stationery); capital outlay (equipment and furniture, not building and highway construction projects); and debt service interest payments.

SUMMARY OF EXPENDITURES FROM ALL FUNDS STATE OPERATIONS BY MAJOR COMPONENT
(in Millions of Dollars)

	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Change $	Change %	Gov. Rec. FY 2017	Change $	Change %
Salaries and Wages	$ 2,679.3	$ 2,783.7	$ 2,716.1	$ (67.6)	(2.4)%	$ 2,745.5	$ 29.4	1.1 %
Contractual Services	1,457.0	1,426.5	1,411.8	(14.7)	(1.0)	1,411.4	(0.4)	(0.0)
Commodities	196.7	207.3	202.4	(4.9)	(2.4)	204.7	2.3	1.1
Capital Outlay	118.2	116.5	114.8	(1.7)	(1.5)	116.1	1.3	1.1
Debt Service Interest	162.4	166.4	199.0	32.6	19.6	198.5	(0.5)	(0.3)
TOTAL	**$ 4,613.6**	**$ 4,700.4**	**$ 4,644.1**	**$ (56.3)**	**(1.2)%**	**$ 4,676.3**	**$ 32.2**	**0.7 %**

Note: Totals may not add due to rounding.

Salaries and wages expenditures, including fringe benefits, comprise almost two-thirds of the recommended state operations budget for FY 2016 (58.5 percent) and represent a $67.6 million, or 2.4 percent, decrease below the FY 2015 estimate. For FY 2017 (58.7 percent) and represents a $29.4 million, or 1.1 percent, increase above the FY 2016 estimate.

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.

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 percent 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 KPERS death and disability insurance rate is scheduled to increase to 1.0 percent for FY 2014 (from 0.769 percent in FY 2013) and to continue at 1.0 percent for FY 2015. The Governor's recommendations decrease this percentage to 0.85 percent. 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.

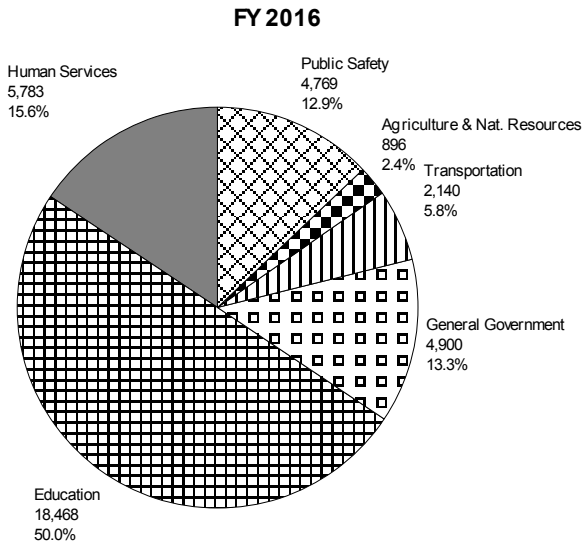
GOVERNOR'S STATE EMPLOYEE SALARY ADJUSTMENTS

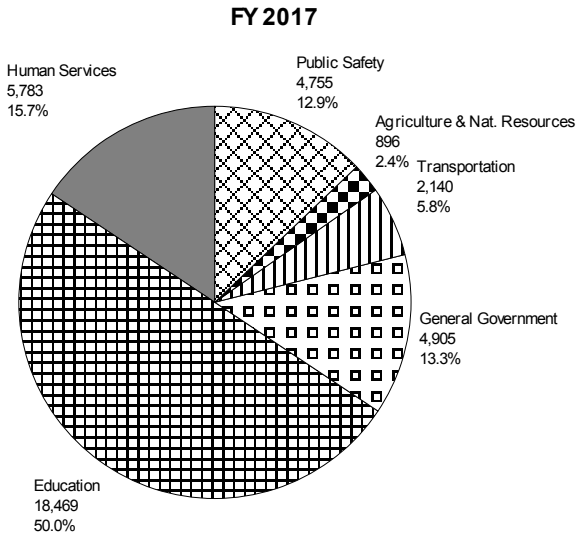
	In Millions	
	State General Fund	All Funds
Longevity Bonus Payments. For FY 2016 and FY 2017, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of $40 per year of service, with a 10-year minimum ($400), and a 25-year maximum ($1,000). Classified 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.	$ 2.8	$ 7.2
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.	$ 4.5	$ 11.3
Excess 27th Pay Period Funds. The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the system was implemented, a 27th payroll period will occur in FY 2017. The last time this occurred was in FY 2006. The state will be obligated to pay this extra cost, which will not occur again for another 11 years. The current estimate for the cost of the 27th pay period is $32.4 million from the State General Fund and $76.6 million from all funds, which have been included in the Governor's budget.	$ 32.4	$ 76.6

Authorized FTE Employees by Function of Government

Expenditures for salaries and wages are affected by policy recommendations which change the size of the state's workforce. The FY 2016 budget recommendations of the Governor reduces FTE positions by 13.7 from 39,969.4. to 36,955.7 and for FY 2017 by 8.4 from 36,955.7 to 36,947.6.

FULL-TIME EQUIVALENT (FTE) POSITIONS BY FUNCTION OF GOVERNMENT
GOVERNOR'S RECOMMENDATIONS





NOTE: Does not include savings from KPERS employer contribution reduction of $58.6 million in FY 2016 and $119.5 million in FY 2017 and Statewide IT savings of $15.0 million in FY 2016 and FY 2017

State Workforce Adjustments

During FY 2015, the increase from the approved budget, was due to 80.20 new non-FTE positions at the Department of Revenue to deploy new information technology systems and to staff a call center previously staffed through a contract vendor.

For FTE positions, another change in the revised FY 2015 budget occurs in the Department of Corrections. Because of the centralizing of health care, 22 medical staff FTE positions from the juvenile correctional facilities were reassigned to the Department of Corrections. Another change occurred at the

Racing and Gaming Commission where 7.5 FTE positions were added for the Lottery Facility Review Board.

The Governor issued Executive Reorganization Order (ERO) No. 43 to transfer the responsibility for Medicaid eligibility determination and associated employees from the Department for Children and Families to the Department of Health and Environment effective January 1, 2016. The Governor indicates this reorganization is anticipated to increase accuracy in Medicaid eligibility determination and reduce program expenditures partially through uniform implementation of policy and processing changes. The associated saving will be split between this Department and the Department for Aging and Disabilities Services. In addition, ERO No. 43 will transfer foster care licensing responsibilities from the Department of Health and Environment to the Department for Children and Families effective July 1, 2015. The Governor indicated the reorganization is anticipated to streamline the licensing process.

Program or Agency Components of FY 2016 and FY 2017 All Funds Budget

To this point, this memorandum has dealt primarily with measuring year-to-year changes proposed in The Governor's Budget Report. The following tables pertain to FY 2015 only and measures major program or agency expenditures in dollar terms and as a percent the total budget. The budget of the Department of Education, the Board of Regents and the Regents Institutions, the Department of Health and Environment, the Department for Aging and Disability Services (including the State Hospitals), and the Kansas Department of Transportation account for 81.4 percent of the total state budget in FY 2016 and 82.1 percent in FY 2017.

GOVERNOR'S RECOMMENDED EXPENDITURES FROM ALL FUNDS, FY 2016
By Agency or Program

	Amount (Thousands)	Percent of total	Cumulative Percent	Percent Change from FY 2015
Department of Education	$ 4,552,832	29.6 %	$ 29.6	0.6 %
Board of Regents and Institutions	2,679,728	17.4	47.0	1.8
Department of Health and Environment - Health	2,493,414	16.2	63.1	(4.8)
Department on Aging and Disability Service & Hosp.	1,713,896	11.1	74.3	(1.7)
Department of Transportation	1,105,796	7.2	81.4	16.9
Department for Children and Families	603,505	3.9	85.4	0.3
Department of Corrections and Facilities	404,105	2.6	85.4	0.3
Kansas Lottery	336,974	2.2	87.5	(1.1)
Department of Labor	327,511	2.1	89.7	14.4
Judicial Branch	125,991	0.8	90.5	2.1
Department of Revenue	118,671	0.8	91.3	4.7
Department of Administration	116,724	0.8	92.0	(13.5)
Highway Patrol and KBI	112,539	0.7	92.7	(0.6)
Dept. of Commerce	112,434	0.7	93.5	11.6
Department of Wildlife, Parks & Tourism	69,821	0.5	93.9	(1.4)
Insurance Dept. and Health Care Stabilization	63,861	0.4	94.3	(2.5)
Department of Health & Environment - Environment	59,102	0.4	94.7	5.2
All Other	57,710	0.4	95.1	3.6
KPERS	52,583	0.3	95.4	(2.8)
Department of Agriculture	42,677	0.3	95.4	5.0
Adjutant General	40,806	0.3	95.6	21.0
Legislative Branch	27,357	0.2	95.8	0.3
Board of Indigent's Defense Services	26,472	0.2	96.0	0.9
State Treasurer	24,132	0.2	96.2	(8.1)
Commission on Veterans Affairs	22,790	0.1	96.3	(1.5)
State Corporation Commission	22,389	0.1	96.4	(7.9)
Attorney General	21,077	0.1	96.6	(3.6)
Schools for the Deaf and Blind	17,383	0.1	96.7	9.4
Office of the Governor	15,942	0.1	96.8	0.8
State Bank Commissioner	10,902	0.1	96.9	(0.7)
Kansas Racing and Gaming Commission	10,299	0.1	96.9	(19.7)
State Historical Society	7,724	0.1	97.0	3.5
Sentencing Commission	7,496	0.0	97.0	4.3
TOTAL	**$ 15,404,643**	**100 %**	**100.0**	**%**
KPERS and IT Savings Adjustment	(73,580)			
Adjusted TOTAL	**$ 15,331,063**			

Note: Each agency's expenditures include state and federal aid, if any, to local units of government.

GOVERNOR'S RECOMMENDED EXPENDITURES FROM ALL FUNDS, FY 2017
By Agency or Program

	Amount (Thousands)	Percent of total	Cumulative Percent	Percent Change from FY 2016
Department of Education	$ 4,607,822	29.0 %	$ 29.0	(1.2) %
Board of Regents and Institutions	2,709,399	17.1	46.1	(1.1)
Department of Health and Environment - Health	2,455,931	15.5	61.5	1.5
Department on Aging and Disability Service & Hosp.	1,726,207	10.9	72.4	(0.7)
Department of Transportation	1,539,231	9.7	82.1	(39.2)
Department for Children and Families	608,895	3.8	85.9	(0.9)
Department of Corrections and Facilities	415,159	2.6	88.5	(2.7)
Kansas Lottery	355,953	2.2	90.8	(5.6)
Department of Labor	283,352	1.8	92.5	13.5
Judicial Branch	129,551	0.8	93.4	(2.8)
Department of Administration	115,306	0.7	94.1	1.2
Highway Patrol and KBI	114,771	0.7	94.8	(2.0)
Dept. of Commerce	110,585	0.7	95.5	1.6
Dept. of Revenue	101,563	0.6	96.1	14.4
Department of Wildlife, Parks and Tourism	70,915	0.4	96.6	(1.6)
Insurance Dept. and Health Care Stabilization	69,069	0.4	97.0	(8.2)
All Other	61,130	0.4	97.4	(5.9)
Department of Health & Environment - Environment	59,618	0.4	97.8	(0.9)
KPERS	54,585	0.3	97.7	(3.8)
Department of Agriculture	42,652	0.3	98.0	0.1
Adjutant General	38,677	0.2	98.3	5.2
Board of Indigent's Defense Services	27,528	0.2	98.4	(4.0)
Legislative Branch	27,348	0.2	98.6	0.0
State Treasurer	24,352	0.2	98.8	(0.9)
Commission on Veterans Affairs	22,861	0.1	98.9	(0.3)
State Corporation Commission	22,281	0.1	99.0	0.5
Attorney General	21,233	0.1	99.2	(0.7)
Schools for the Deaf and Blind	17,731	0.1	99.3	(2.0)
Office of the Governor	16,106	0.1	99.4	(1.0)
State Bank Commissioner	11,438	0.1	99.5	(4.9)
Kansas Racing and Gaming Commission	10,515	0.1	99.5	(2.1)
State Historical Society	8,036	0.1	99.6	(4.0)
Sentencing Commission	7,474	0.0	99.6	0.3
TOTAL	**$ 15,887,274**	**100 %**	**100.0**	**%**
KPERS and IT Savings Adjustment	(134,458)			
Adjusted TOTAL	**$ 15,752,816**			

Note: Each agency's expenditures include state and federal aid, if any, to local units of government.

The following tables reflect changes in agency budgets from the Governor's FY 2015 revised recommendation to the Governor's recommended FY 2016 and FY 2017 budgets.

CHANGE IN EXPENDITURES FROM ALL FUNDS
FY 2015 to FY 2016
Governor's Recommendation

	Amount (Thousands)	Comments
Total Decrease	**$ (227,168.6)**	
Health and Environment - Health and Health Care Finance	114,701.3	Caseload Consensus Estimates for Medical
Dept. for Aging and Disability Services	28,725.2	Caseload Consensus Estimates
Board of Regents	21,792.5	Capital Improvements
Department of Commerce	(14,690.8)	Federal Community Development Block Grant
Kansas State University	(16,963.9)	Capital Improvements
Department of Education	(25,397.4)	Aid to Locals
Department of Labor	(54,978.3)	Unemployment Insurance Payments
All others	(56,054.9)	Various Operational Expenditures
Department of Transportation	(224,302.3)	Highway Projects

Note: Totals may not add due to rounding.

CHANGE IN EXPENDITURES FROM ALL FUNDS
FY 2016 to FY 2017
Governor's Recommendation

	Amount (Thousands)	Comments
Total Increase	**$ 482,751.7**	
Department of Transportation	433,435.3	Capital Improvements
Department of Education	54,990.1	Aid to Locals
Kansas Lottery	18,979.1	Contractual Services
University of Kansas Medical Center	12,516.5	Salaries and Wages and Contractual Services
Department of Revenue	(17,107.5)	Aid to Locals
Health and Environment - Health and Health Care Finance	(37,482.8)	Contractual Services and Other Assistance
Department of Labor	(44,159.1)	Unemployment Insurance Payment
All others	61,580.0	Various operational Expenditure

Note: Totals may not add due to rounding.

EXPENDITURES AND STATUS OF THE STATE GENERAL FUND

Program and Agency Components of the FY 2016 and FY 2017 State General Fund Budget

The following table provides an overview of the program or agency components of the Governor's recommended FY 2016 and FY 2017 expenditures from the State General Fund. This table identifies individual components which comprise 99.9 percent of State General Fund expenditures. The education function accounts for 61.6 percent of all State General Fund expenditures in FY 2016 and 61.1 in FY 2017.

STATE GENERAL FUND EXPENDITURES BY PROGRAM OR AGENCY
Governor's Recommendations for FY 2016

		Amount (Thousands)	Percent of Total	Cumulative Percent	Increase Over FY 2015 Amount (Thousands)	Increase Over FY 2015 Percent
Education						
State Aid to Local Units		$ 3,158,500	48.9 %	48.9 %	$ (669)	0.0 %
Bd. of Regents/Institutions		788,195	12.2	61.1	(11,386)	(1.4)
Other Education	a)	35,638	0.6	61.6	389	1.1
Subtotal Education		$ 3,982,333	61.6 %	171.6 %	$ (11,666)	(0.3)%
Health and Environment - Health & HCF		863,683	13.4	75.0	76,306	8.8
Dept. on Aging & Disability Services & Hosp.		741,928	11.5	86.5	31,496	4.2
Dept. of Corrections/Facilities		360,309	5.6	92.0	1,710	0.5
Department for Children & Families		218,243	3.4	95.4	(6,073)	(2.8)
Judicial Branch		96,690	1.5	96.9	(855)	(0.9)
Dept. of Administration		54,764	0.8	97.8	15,452	28.2
Legislative Branch		27,271	0.4	98.2	(46)	(0.2)
Board of Indigents' Defense		25,886	0.4	98.6	(221)	(0.9)
Kansas Bureau of Investigation		23,019	0.4	98.9	6,713	29.2
Dept. of Revenue		13,741	0.2	99.1	(371)	(2.7)
Dept. of Agriculture		9,477	0.1	99.3	(217)	(2.3)
Adjutant General		8,176	0.1	99.4	(1,177)	(14.4)
Commission on Veterans Affairs		7,684	0.1	99.5	57	0.7
Sentencing Commission		7,398	0.1	99.7	375	5.1
Office of the Governor		6,719	0.1	99.8	(321)	(4.8)
Attorney General		5,678	0.1	99.8	(433)	(7.6)
Health and Environment - Environment		4,342	0.1	99.9	(828)	(19.1)
All Other		1,509	0.0	99.9	(319)	(21.1)
Kansas Water Office		1,134	0.0	100.0	(25)	(2.2)
Kansas Guardianship Program		1,111	0.0	100.0	(27)	(2.4)
Kansas Human Rights Commission		1,062	0.0	100.0	(5)	(0.5)
Kansas State Fair Board		846	0.0	100.0	(2)	(0.2)
TOTAL		**$ 6,463,003**	**100.0 %**	**100.0 %**	**$ 109,523**	**1.7 %**
KPERS and IT Savings Adjustment		(54,604)				
Adjusted TOTAL		**6,408,398**				

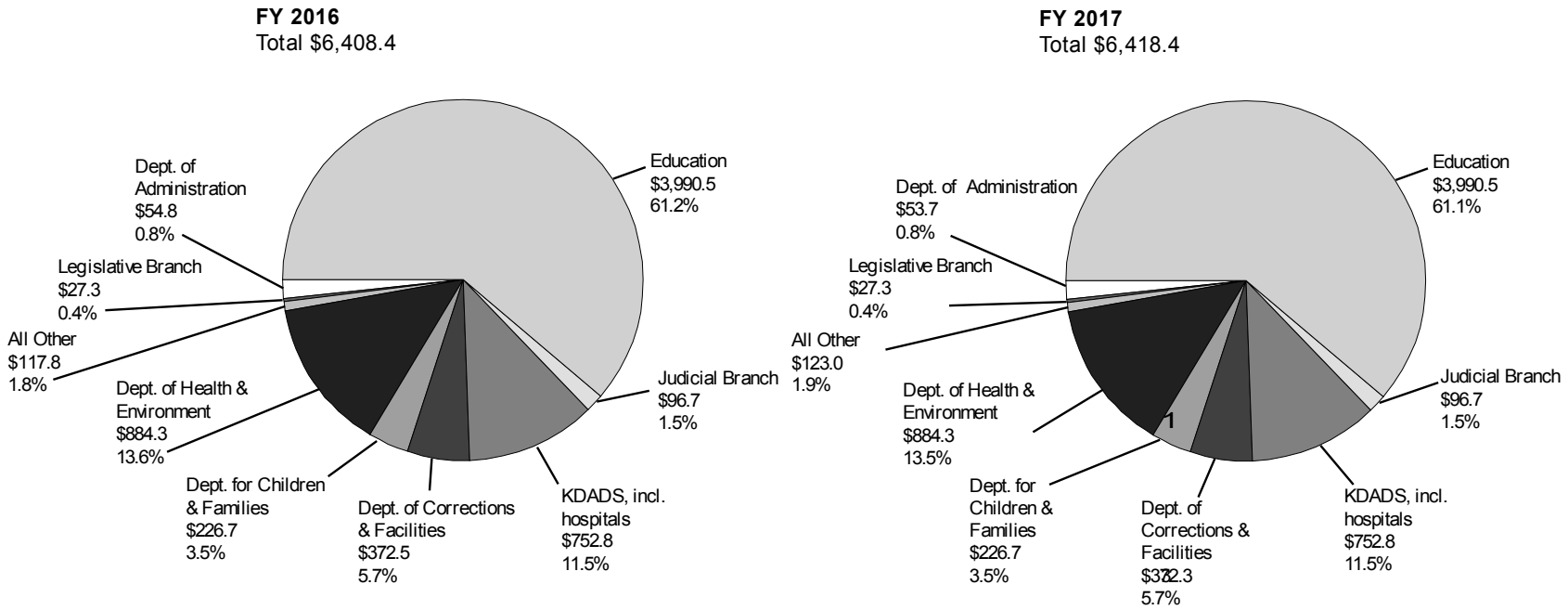
Note: Totals may not add due to rounding.

STATE GENERAL FUND EXPENDITURES BY PROGRAM OR AGENCY
Governor's Recommendations for FY 2017

		Amount (Thousands)	Percent of Total	Cumulative Percent	Increase Over FY 2016 Amount (Thousands)	Increase Over FY 2016 Percent
Education						
State Aid to Local Units		$ 3,151,682	48.3 %	48.3 %	$ (6,819)	(0.2)%
Bd. of Regents/Institutions		802,381	12.3	60.6	(61,301)	(7.6)
Other Education	a)	36,459	0.6	61.1	822	2.3
Subtotal Education		$ 3,990,522	61.1 %	170.0 %	$ (67,298)	(1.7)%
Health and Environment - Health & HCF		884,274	13.5	74.7	20,591	2.3
Dept. on Aging & Disability Services & Hosp.		752,801	11.5	86.2	10,873	1.4
Dept. of Corrections/Facilities		372,277	5.7	91.9	11,968	3.2
Department for Children & Families		226,656	3.5	95.4	8,413	3.7
Judicial Branch		96,707	1.5	96.9	17	0.0
Dept. of Administration		53,730	0.8	97.7	(1,034)	(1.9)
Legislative Branch		27,264	0.4	98.1	(7)	0.0
Board of Indigents' Defense		26,942	0.4	98.5	1,056	3.9
Highway Patrol/KBI		23,505	0.4	98.9	486	2.1
Dept. of Revenue		15,488	0.2	99.1	1,747	11.3
Dept. of Agriculture		9,966	0.2	99.3	486	4.9
Adjutant General		9,279	0.1	99.4	1,103	11.9
Commission on Veterans Affairs		7,576	0.1	99.5	0	(1.4)
Sentencing Commission		7,398	0.1	99.6	0	0.0
Office of the Governor		6,763	0.1	99.8	45	0.7
Attorney General		5,891	0.1	99.8	213	3.6
Health and Environment - Environment		4,461	0.1	99.9	119	2.7
All Other		1,525	0.0	99.9	16	1.0
Kansas Water Office		1,185	0.0	100.0	50	4.2
Kansas Guardianship Program		1,110	0.0	100.0	0	0.0
Kansas Human Rights Commission		1,104	0.0	100.0	42	3.8
Kansas State Fair Board		849	0.0	100.0	3	0.3
TOTAL		**$ 6,527,273**	**100.0 %**	**100.0 %**	**$ 0**	**0.0 %**
KPERS and IT Savings Adjustment		(107,888)				
Adjusted TOTAL		**6,419,385**				

Note: Totals may not add due to rounding.

State General Fund Expenditures by Major Program or Agency
Governor's Recommendation
(Millions of Dollars)



NOTE: Individual agencies totals do not include savings from KPERS employer contribution reduction of $39.6 million in FY 2016 and $92.9 million in FY 2017 and Statewide IT savings of $15.0 million in FY 2016 and FY 2017.

State General Fund Expenditures by Function of Government

The next table summarizes State General Fund expenditures by function of government. The education function accounts for the largest portion of the State General Fund budget (61.6 percent in FY 2106 and 61.1 percent in FY 2017). Two functions, education, and human services, account for 90.0 percent of all State General Fund expenditures in FY 2016 and 89.8 in FY 2017.

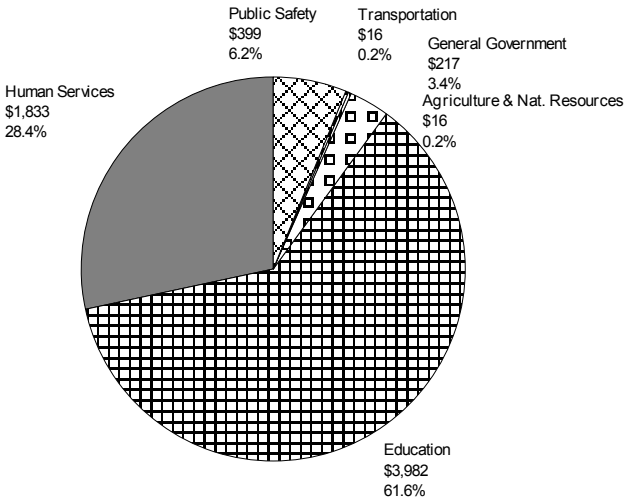
STATE GENERAL FUND EXPENDITURES BY FUNCTION OF GOVERNMENT
Governor's Recommendation
(In Millions of Dollars)

	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Change $	Change %	Gov. Rec. FY 2017	Change $	Change %
General Government	$ 236.6	$ 205.5	$ 217.2	$ 11.7	5.7 %	$ 219.3	$ 2.1	1.0 %
Human Services	1,582.2	1,731.2	1,833.0	101.8	5.9	1,872.7	39.7	2.2
Education	3,747.7	3,994.0	3,982.3	(11.7)	(0.3)	3,990.5	8.2	0.2
Public Safety	383.9	391.3	398.9	7.6	1.9	412.5	13.6	3.4
Agriculture & Nat. Res.	16.4	16.9	15.8	(1.1)	(6.5)	16.5	0.7	4.4
Transportation	16.1	14.6	15.8	1.2	8.2	15.8	0.0	0.0
KPERS and IT Savings	0.0	(3.8)	(54.6)	(50.8)	1,336.8	(107.9)	(53.3)	97.6
TOTAL	**$ 5,982.9**	**$ 6,349.7**	**$ 6,408.4**	**$ 58.7**	**0.9 %**	**$ 6,419.4**	**$ 11.0**	**0.2 %**

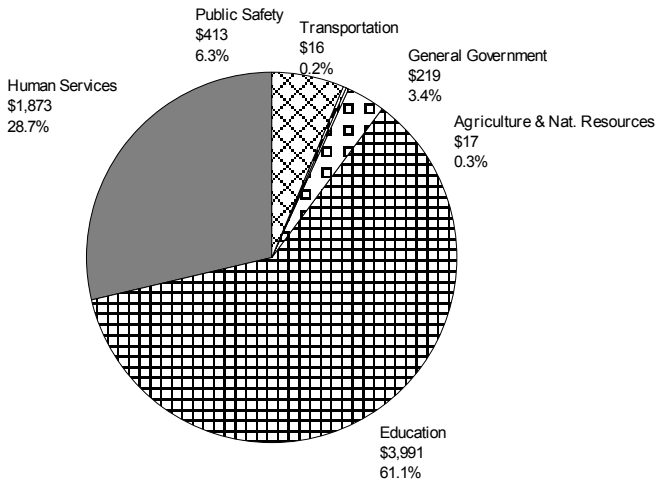
Note: Totals may not add due to rounding.

STATE GENERAL FUND EXPENDITURES BY FUNCTION OF GOVERNMENT
Governor's Recommendation
(In Millions of Dollars)

FY 2016



FY 2017



NOTE: Does not include savings from KPERS employer contribution reduction of $39.6 million in FY 2016 and $92.9 million in FY 2017 and Statewide IT savings of $15.0 million in FY 2016 and FY 2017.

Expenditures by Major Purpose

Over $3.4 billion (53.2 percent) of recommended FY 2016 expenditures from the State General Fund is paid to local units of government, 25.4 percent is for other assistance expenditures, 20.9 percent represents the costs of state operations, and less than one percent is for capital improvements.

Over $3.4 billion (53.0 percent) of recommended FY 2017 expenditures from the State General Fund is paid to local units of government, 25.8 percent is for other assistance expenditures, 20.7 percent represents the costs of state operations, and less than one percent is for capital improvements.

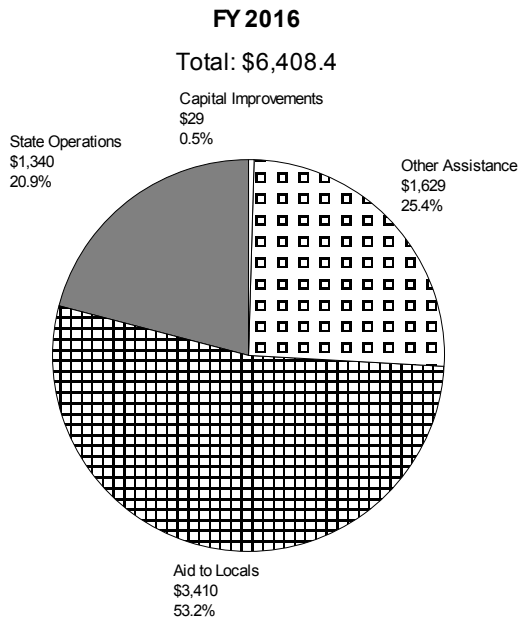
The following table reflects expenditures for state operations by function of government.

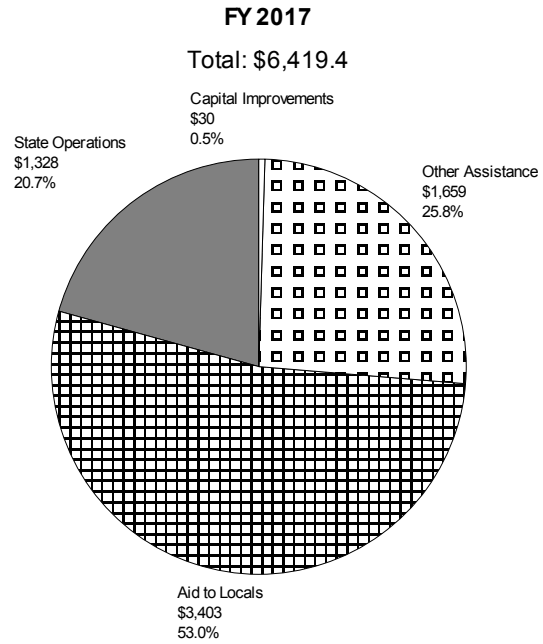
EXPENDITURES FROM STATE GENERAL FUND BY MAJOR PURPOSE
(in Millions of Dollars)

	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Change $	Change %	Gov. Rec. FY 2017	Change $	Change %
State Operations	$ 1,351.8	$ 1,373.4	$ 1,340.0	$ (33.4)	(2.4)%	$ 1,328.2	$ (11.8)	(0.9)%
Aid to Local Units	3,170.7	3,385.4	3,410.1	24.7	0.7	3,402.9	(7.2)	(0.2)
Other Assistance	1,429.7	1,563.1	1,629.1	66.0	4.2	1,658.7	29.6	1.8
Total Operations	$ 5,952.2	$ 6,321.9	$ 6,379.1	$ 57.3	0.9 %	$ 6,389.8	$ 10.7	0.2 %
Capital Improvements	30.6	27.7	29.3	1.6	5.8	29.6	0.3	1.0
TOTAL	**$ 5,982.8**	**$ 6,349.7**	**$ 6,408.4**	**$ 58.7**	**0.9 %**	**$ 6,419.4**	**$ 11.0**	**0.2 %**

Note: Totals may not add due to rounding.

STATE GENERAL FUND EXPENDITURES BY MAJOR PURPOSE
(in Millions of Dollars)





State General Fund Expenditures by Function of Government

The next table summarizes State General Fund expenditures by function of government. The education function accounts for the largest portion of the State General Fund budget (62.9 percent in FY 2016 and 62.3 percent in FY 2017). Two functions, education, and human services, account for 90.0 percent of all State General Fund expenditures in FY 2016 and FY 2017.

STATE GENERAL FUND FOR STATE OPERATIONS BY FUNCTION OF GOVERNMENT
(in Millions of Dollars)

	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Change $	Change %	Gov. Rec. FY 2017	Change $	Change %
General Government	$ 236.6	$ 205.5	$ 217.2	$ 11.7	5.7 %	$ 219.3	$ 2.1	1.0 %
Human Services	1,582.2	1,731.2	1,833.0	101.8	5.9	1,872.7	39.7	2.2
Education	3,747.7	3,994.0	3,982.3	(11.7)	(0.3)	3,990.5	8.2	0.2
Public Safety	383.9	391.3	398.9	7.6	1.9	412.5	13.6	3.4
Agriculture & Nat. Res.	16.4	163.9	15.8	(148.1)	(90.4)	16.5	0.7	4.4
Transportation	16.1	14.6	15.8	1.2	8.2	15.8	0.0	0.0
KPERS and IT Savings	0.0	(3.8)	(54.6)	(50.8)	1,336.8	(107.9)	(53.3)	97.6
TOTAL	**$ 5,982.9**	**$ 6,496.7**	**$ 6,408.4**	**$ (88.3)**	**(1.4)%**	**$ 6,419.4**	**$ 11.0**	**0.2 %**

Note: Totals may not add due to rounding.

State Aid to Local Units of Government

The table on the following pages lists state aid by major program or financing source. Although most of the programs of state aid to local units are financed from the State General Fund, some significant ones are financed from the resources of other funds.

STATE AID TO LOCAL UNITS OF GOVERNMENT
(In Thousand of Dollars)

	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Change FY 2015-FY 2016 Amount	Change FY 2015-FY 2016 Percent	Gov. Rec. FY 2017	Change FY 2016-FY 2017 Amount	Change FY 2016-FY 2017 Percent
From State General Fund								
General State Aid	$ 1,893,463.5	$ 1,886,709.0	$ 0.0	$ (1,886,709.0)	(100.0)%	$ 0.0	$ 0.0	– %
Block Grants to Districts	0.0	0.0	2,312,899.0	2,312,899.0	–	2,259,923.0	(52,976.0)	(2.3)
Supp. General Aid	339,213.9	482,755.0	0.0	(482,755.0)	(100.0)	0.0	0.0	–
Capitol Outlay State Aid	0.0	45.0	25.2	(19.8)	(44.0)	0.0	0.0	0.0
Subtotal	$ 2,232,677.4	$ 2,369,509.0	$ 2,312,924.2	$ (56,584.8)	(2.4)%	$ 2,259,923.0	$ (53,001.2)	(2.3)%
Special Education	$ 385,702.6	$ 418,360.6	$ 424,902.9	$ 6,542.3	1.6 %	$ 423,980.5	$ (922.4)	(0.2)%
KPERS-School	324,063.4	318,282.4	412,246.3	93,963.9	29.5	459,735.7	47,489.4	11.5
Deaf/Blind/Handicapped	109.2	109.2	109.2	0.0	0.0	109.2	0.0	0.0
Discretionary Grants	81.0	81.0	81.0	0.0	0.0	81.0	0.0	0.0
Juvenile Detention Facilities	4,692.5	4,971.5	4,971.5	0.0	0.0	4,971.5	0.0	0.0
State Match Ft. Riley	1,500.0	0.0	409.5	409.5	–	0.0	(409.5)	(100.0)
School Food Assistance	2,386.2	2,505.9	2,505.9	0.0	0.0	2,505.9	0.0	0.0
Teaching Excellence Awards	0.0	306.9	287.5	(19.4)	(6.3)	287.5	0.0	0.0
After School Programs	87.3	87.3	87.3	0.0	0.0	87.3	0.0	0.0

STATE AID TO LOCAL UNITS OF GOVERNMENT
(In Thousand of Dollars)

	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Change FY 2015-FY 2016 Amount	Change FY 2015-FY 2016 Percent	Gov. Rec. FY 2017	Change FY 2016-FY 2017 Amount	Change FY 2016-FY 2017 Percent
Voluntary Retirement Incentive	15.9	6.9	6.9	0.0	0.0	1.7	(5.2)	(75.4)
Subtotal - USDs	$ 2,951,315.5	$ 3,114,220.7	$ 3,158,532.2	$ 44,311.5	1.4 %	$ 3,151,683.3	$ (6,848.9)	(0.2)%
Tech Ed. Tuition Program	$ 16,969.8	$ 23,600.0	$ 20,750.0	$ (2,850.0)	(12.1)%	$ 20,750.0	$ 0.0	0.0 %
Post Secondary Tiered Tech Ed.	58,300.9	58,300.9	58,300.9	0.0	0.0	58,300.9	0.0	0.0
Non-Tiered Course Credit	76,496.3	76,496.3	76,496.3	0.0	0.0	76,496.3	0.0	0.0
Tech Ed. Equip	398.5	398.5	398.5	0.0	0.0	398.5	0.0	0.0
Voc. Ed. Capital Outlay	71.6	71.6	71.6	0.0	0.0	71.6	0.0	0.0
Adult Basic Education	1,342.0	1,457.0	1,457.0	0.0	0.0	1,457.0	0.0	0.0
Information Based Tech. Opp.	0.0	500.0	0.0	(500.0)	(100.0)	0.0	0.0	–
Washburn University	11,130.9	11,130.9	11,130.9	0.0	0.0	11,130.9	0.0	0.0
Nursing Fac. Equip & Supp.	885.8	920.7	920.7	0.0	0.0	920.7	0.0	0.0
Incentives for Tech Ed.	1,409.2	1,500.0	0.0	(1,500.0)	(100.0)	0.0	0.0	–
Subtotal - Higher Ed.	$ 167,005.0	$ 174,375.9	$ 169,525.9	$ (4,850.0)	(2.8)%	$ 169,525.9	$ 0.0	0.0 %
Historical Society	18.7	18.3	18.0	(0.3)	(1.6)	18.0	0.0	0.0
State Library	1,423.2	1,423.1	1,423.1	0.0	0.0	1,423.1	0.0	0.0
Total - Education	$ 3,119,762.4	$ 3,290,038.0	$ 3,329,499.2	$ 39,461.2	1.2 %	$ 3,322,650.3	$ (6,848.9)	(0.2)%
Corrections	$ 41,886.4	$ 41,371.7	$ 43,342.6	$ 1,970.9	4.8 %	$ 43,342.6	$ 0.0	0.0 %
KDHE Aid	5,258.6	5,857.2	5,808.9	(48.3)	(0.8)	5,808.9	0.0	0.0
Aging & Disability Services	3,000.0	2,531.0	2,176.0	(355.0)	(14.0)	2,176.0	0.0	0.0
Disaster Relief	811.6	543.2	265.5	(277.7)	(51.1)	0.0	(265.5)	(100.0)
Total - Other Programs	$ 50,956.6	$ 50,303.1	$ 51,593.0	$ 1,289.9	2.6 %	$ 51,327.5	$ (265.5)	(0.5)%
Total - State General Fund	$ 3,170,719.0	$ 3,340,341.1	$ 3,381,092.2	$ 40,751.1	1.2 %	$ 3,373,977.8	$ (7,114.4)	(0.2)%
% of Total SGF Expenditures	53.0 %	52.6 %	52.3 %			51.7 %		

Note: Totals may not add due to rounding.

Selected Education State Aid from Other Funds
(In Thousands)

	Actual FY 2014	Gov. Est. FY 2015	Gov. Rec. FY 2016	Change $	Change %	Gov. Rec. FY 2017	Change $	Change %
20-Mill Prop Tax	$ 0.0	$ 579,232.0	$ 0.0	$ (579,232.0)	(100.0)%	$ 0.0	$ 0.0	– %
School District Finance	51,096.3	46,849.5	50,000.0	0.0	0.0	0.0	(50,000.0)	(100.0)
Mineral Production Tax	0.0	0.0	0.0	0.0	0.0	28,427.0	28,427.0	–
Children's Initiatives Fund:								0.0
Parent Eduction	7,237.6	7,237.6	7,237.6	0.0	0.0	7,237.6	0.0	0.0
Kansas Preschool Program	2,169.1	2,169.1	2,169.1	0.0	0.0	2,169.1	0.0	0.0
EDIF:					0.0			0.0
Voc. Ed. Cap. Outlay	2,547.7	2,547.7	2,547.7	0.0	0.0	2,547.7	0.0	0.0
EPSCoR	993.3	993.3	993.3	0.0	0.0	993.3	0.0	0.0
CC Competetive Grants	500.0	500.0	500.0	0.0	0.0	500.0	0.0	0.0
ESARP	299.3	300.0	298.1	(1.9)	(0.6)	298.1	0.0	0.0
Tech. Grant	116.6	242.5	179.3	(63.2)	(26.1)	179.3	0.0	0.0
WSU Aviation Classroom and Training Equipment	5,229.4	923.1	0.0	(923.1)	(100.0)	0.0	0.0	–
	$ 70,189	$ 640,995	$ 63,925	$ (577,070)	(90.0)%	$ 42,352	$ (21,573)	(33.7)%

Note: Totals may not add due to rounding.

Selected Non-education State Aid from Other Funds
(In Thousands)

	Actual FY 2014	Gov. Est. FY 2015	Gov. Rec. FY 2016	Change $	Change %	Gov. Rec. FY 2017	Change $	Change %
CCHF and Co. Equal	$ 2,500	$ 2,500	$ 2,500	$ 0	0.0 %	$ 2,500	$ 0	0.0 %
SHF City Maintenance	142,714	143,529	143,983	454	0.3	144,419	436	0.3
Public Transportation	5,704	15,726	11,000	(4,726)	(30.1)	11,000	0	0.0
Aviation	5,470	5,505	5,000	(505)	(9.2)	5,000	0	0.0
Firefighters' Relief	12,458	10,250	10,250	0	0.0	10,250	0	0.0
Mineral Production	9,835	10,700	10,800	100	0.9	10,900	100	0.9
EMS Ed. and Assistance	767	802	800	(2)	(0.2)	800	0	0.0
	$ 179,447	$ 189,011	$ 184,333	$ (4,678)	(2.5)%	$ 184,869	$ 536	0.3 %

Note: Totals may not add due to rounding.

INCREASE IN STATE GENERAL FUND EXPENDITURES
Governor's Recommendation
FY 2015 - FY 2017

	Gov. Rec FY 2016 Amount (Thousands)	Gov. Rec. FY 2016 Percent of Total Increase	Gov. Rec. FY 2017 Amount (Thousands)	Gov. Rec. FY 2017 Percent of Total Increase
Health and Environment - Health & HCF	$ 76,306.0	8.8 %	$ 20,591.0	2.3 %
Dept. on Aging & Disability Services & Hosp.	31,496.0	4.2	10,873.0	1.4
Dept. of Corrections/Facilities	1,710.0	0.5	11,968.0	3.2
Department for Children & Families	(6,073.0)	(2.8)	8,413.0	3.7
Judicial Branch	(855.0)	(0.9)	17.0	0.0
Dept. of Administration	15,452.0	28.2	(7.0)	0.0
Board of Indigents' Defense	(221.0)	(0.9)	1,056.0	3.9
Highway Patrol/KBI	6,713.0	29.2	486.0	2.1

DEMAND/REVENUE TRANSFERS FROM THE STATE GENERAL FUND

Demand transfers are certain expenditures specified by statute. Since FY 2002, the demand transfers to the Local Ad Valorem Tax Reduction Fund (LAVTRF), the County and City Revenue Sharing Fund (the CCRSF) and the Special City and County Highway Fund (SCCHF) have been treated as revenue transfers. By changing these demand transfers to revenue transfers, these funds were no longer considered State General Fund expenditures and thus, no longer subject to the State General Fund ending balance law. In FY 2003, the Governor recommended changing the State Water Plan Fund and the School District Capital Improvements Fund to revenue transfers as well. Since FY 2004, the remaining demand transfers, with the exception of the School District Capital Outlay Fund, are also treated as revenue transfers. The only transfers recommended for FY 2016 and FY 2017 are the School District Capital Improvement Fund ($155.0 million) and the Regents Faculty of Distinction ($150,000).

Status of the State General Fund

The Governor's recommendations for for FY 2015 revised estimates, FY 2016 and FY 2017 would result in an ending balance of $83.9 million at the end of FY 2016 and $250.6 million at the end of FY 2017. Recommended receipts for FY 2016 and FY 2017 are equal to the consensus revenue estimates with the exception of certain transfers, adjustments and revenue proposals recommended by the Governor which increase projected State General Fund receipts by $343.4 million in FY 2016 and increased projections by $345.5 million for FY 2017.

Some of the Governor's proposed revenue adjustments include the following transfer changes:

- Transfer an additional $150.7 million from the State Highway Fund to the State General Fund in FY 2015, transfer $100.0 million State Highway Fund to the State General Fund have been proposed for FY 2016 and FY 2017;

- Transfer $55.0 million from the Medical Program Fee Fund in the Department of Health and Environment to the State General Funding FY 2015;

- Transfer $14.5 million from the Kansas Endowment for Youth (KEY) Fund in FY 2015, $9.2 million for FY 2016 and $8.1 million for 2017;

- Decrease by $7.1 million the State General Fund transfer to the Impact Bonds Fund for FY 2015 and by $3.5 million for FY 2016 and FY 2017;

- Transfer $4.0 million from the Department of Revenue Modernization Program in FY 2015;

- Transfer $3.0 million from the Workers Compensation Fund in the Insurance Department in FY 2015 and for FY 2016 and FY 2017;

- Suspend payment of the Local Ad Valorem Tax Reduction (LAVTR) transfer, which was slated to

be $54.0 million for FY 2016 and FY 2017 and the City/County Revenue Fund which was slated to be $35.3 million;

- Transfer $17.0 million from the Economic Development Initiatives Fund to the State General Fund for FY 2016 and FY 2017; and

- Transfer $5.0 million from the Insurance Department Service Regulation Fund to the State General Fund in FY 2016 and FY 2017;

Other revenue adjustments included in the Governor's recommendation include;

- Modifications to the Debt Setoff Program used to collect delinquent accounts receivable to enhance the ability to check amounts owed to the state to collect additional revenue of $3.0 million annually.

- Fee Fund assessment is proposed to increase from 10.0 percent of the fee funded agency's gross receipts from their fee funds to 20.0 percent for FY 2016 and FY 2017 with anticipated additional revenue of $1.7 million each for FY 2016 and FY 2017 deposited into the State General Fund.

- Based on the annual fiscal year average of revenue to the 27th pay period account, it is projected that excess funds of $6.1 million each for FY 2016 and FY 2017 will be available to the State General Fund.

Income tax adjustments include:

- Keeping statutory rates at the 2015 levels of 4.6 percent and 2.7 percent, with no further reductions in statutes with estimated additional State General Fund revenue totaling $22.9 million in FY 2016 and $86.9 million in FY 2017. Further reductions would only be affected if revenues over the previous year exceed 103.0 percent;

- Accelerating the itemized income tax deduction haircut of 50.0 percent currently set in statute to begin on January 1, 2017 to instead begin January 1, 2015 and is estimated to generate $50.3 million in FY 2016 and $21.8 million in FY 2017;

- Creating an amnesty program for delinquent taxes due in individual, corporate, privilege, state sales and use, liquor, mineral and local sales taxes accrued from tax periods ending on or before December 31, 2013 to generate additional revenue of approximately $30.0 million for the State General Fund for FY 2016; and

- Increasing the consumption taxes on cigarettes, tobacco products and liquor enforcement to increase rates on tobacco to $2.29 per pack and 25.0 percent of wholesale price and liquor enforcement tax would be increased to 12.0 percent to generate revenue of $107.9 million in FY 2016 and $104.1 million in FY 2017.

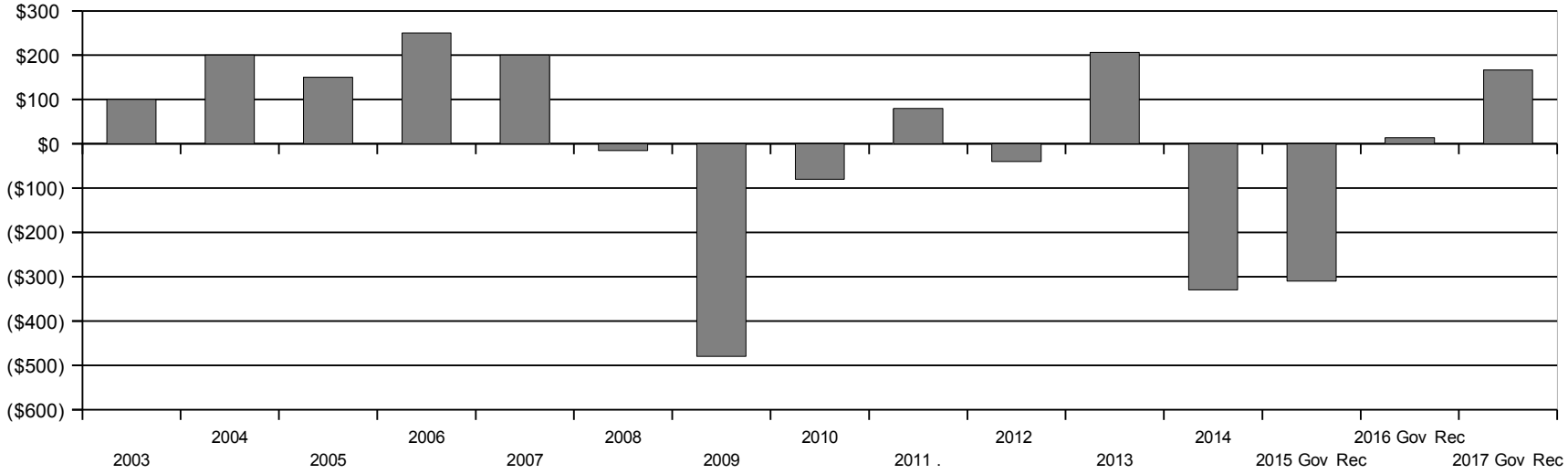
STATE GENERAL FUND RECEIPTS, EXPENDITURES, AND BALANCES
(Millions of Dollars)

	Actual FY 2014	Gov. Rec. FY 2015	Change	Gov. Rec FY 2016	Change	Gov. Rec FY 2017	Change
Beginning Unencumbered Cash	$ 709.3	$ 379.7	$ (329.6)	$ 69.9	$ (309.8)	$ 83.9	$ 14.0
Receipts	5,653.2	5,768.7	115.5	5,811.4	42.7	5,876.6	65.2
Gov. Rec. Adjustments	0.0	158.5	158.5	343.4	184.9	345.4	2.0
Adjusted Receipts	0.0	112.6	112.6	267.6	155.0	364.1	96.5
Total Resources	$ 6,362.5	$ 6,419.5	$ 57.0	$ 6,492.3	$ 72.8	$ 6,670.0	$ 177.7
Less Expenditures	5,982.8	6,349.7	366.9	6,408.4	58.7	6,419.4	11.0
Ending Unencumbered Cash Balance	$ 379.7	$ 69.8	$ (309.9)	$ 83.9	$ 14.1	$ 250.6	$ 166.7
Ending Balance as a Percentage of Expenditures	6.3 %	1.1 %		1.3 %		3.9 %	
Adj. Receipts in Excess of Expenditures	$ (329.6)	$ 309.9		$ 14.0		$ 166.7	

Note: Totals may not add due to rounding.

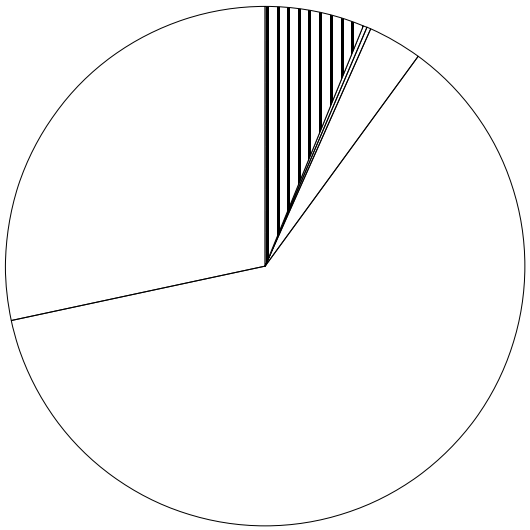
The following table reflects the amounts of receipts in excess of expenditures from FY 2002 to FY 2016.

Receipts in Excess of Expenditures Governor's Recommendation – State General Fund (In Millions)

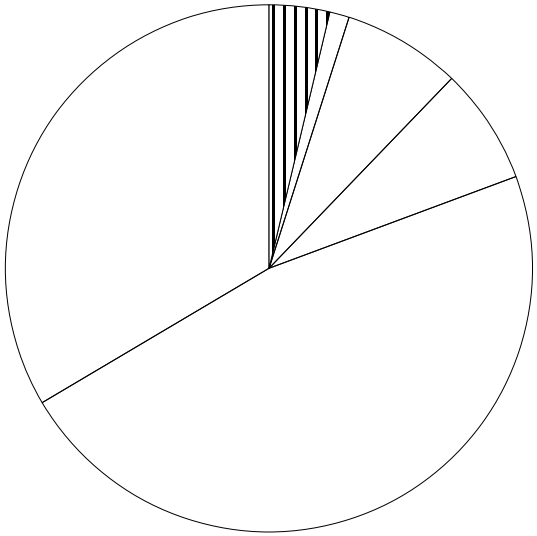


PUBLIC SAFETY

State General Fund



All Funds



Public Safety provides safety and security to Kansas citizens. This function includes law enforcement agencies and correctional facilities including the Adjutant General's Department, the Kansas Bureau of Investigation, the Kansas Commission on Peace Officers' Standards and Training, the Emergency Medical Services Board, the State Fire Marshal, the Highway Patrol, the Sentencing Commission, and the juvenile correctional facilities.

The Governor's FY 2016 recommendation for the Public Safety function totals $573.4 million from all funding sources, including $398.9 million from the State General Fund. This is an all funds decrease of $11.1 million, or 1.9 percent, and a State General Fund increase of $7.6 million, or 1.9 percent, from the FY 2015 recommendation.

Agencies in this Function:

Department of Corrections....35
El Dorado Correctional Facility....89
Ellsworth Correctional Facility....127
Hutchinson Correctional Facility....161
Lansing Correctional Facility....196
Larned Correctional Mental Health Facility....232
Norton Correctional Facility....266
Topeka Correctional Facility....302
Winfield Correctional Facility....336
Kansas Juvenile Correctional Complex....372
Larned Juvenile Correctional Facility....403
Adjutant General's Department....434
Kansas Bureau of Investigation....484
Kansas Commission on Peace Officers' Standards and Training....532
Emergency Medical Services Board....551
State Fire Marshal....572
Kansas Highway Patrol....593
Kansas Sentencing Commission....642

The Governor's FY 2017 recommendation for the Public Safety function totals $584.6 million from all funding sources, including $412.5 million from the State General Fund. The FY 2017 recommendation represents a State General Fund increase of 3.4 percent or $13.6 million from FY 2016 recommendation. Expenditures from all funds increase by 2.0 percent or $11.3 million from the FY 2016 recommendation.

A total of 4,769.0 FTE positions are recommended by the Governor for the Public Safety function for FY 2016, a decrease of 43.0 FTE from the FY 2015 recommendation. Of all state FTE positions, 12.9 percent are in this function for FY 2016.

Agencies in this function comprise 6.2 percent of the total State General Fund budget for the FY 2015 and FY 2016 recommendation and 6.4 percent of the FY 2017 recommendation. They comprise 3.7 percent of expenditures from all funding sources for the FY 2015 through the FY 2017 recommendation.

Department of Corrections

	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	$ 157,009,447	$ 169,223,664	$ 166,102,780	$ 176,853,740	$ 170,072,624	$ 182,015,466	$ 175,101,412
Other Funds	33,838,523	31,576,005	30,324,328	31,668,904	32,007,312	30,705,629	31,241,277
TOTAL	$ 190,847,970	$ 200,799,669	$ 196,427,108	$ 208,522,644	$ 202,079,936	$ 212,721,095	$ 206,342,689
Capital Improvements:							
State General Fund	$ 1,138,184	$ 1,515,000	$ 1,295,000	$ 1,375,000	$ 654,150	$ 1,470,000	$ 1,470,000
Other Funds	4,177,519	12,969,570	12,525,493	10,712,249	9,822,070	10,298,794	9,401,936
TOTAL	$ 5,315,703	$ 14,484,570	$ 13,820,493	$ 12,087,249	$ 10,476,220	$ 11,768,794	$ 10,871,936
GRAND TOTAL	**$ 196,163,673**	**$ 215,284,239**	**$ 210,247,601**	**$ 220,609,893**	**$ 212,556,156**	**$ 224,489,889**	**$ 217,214,625**
Percentage Change:							
Operating Expenditures							
State General Fund	45.9 %	7.8 %	5.8 %	4.5 %	2.4 %	2.9 %	3.0 %
All Funds	49.9	5.2	2.9	3.8	2.9	2.0	2.1
FTE Positions	305.0	320.0	321.0	315.0	316.0	316.0	317.0
Non-FTE Perm.Uncl.Pos.	154.0	160.0	160.0	165.0	165.0	165.0	165.0
TOTAL	459.0	480.0	481.0	480.0	481.0	481.0	482.0

AGENCY OVERVIEW

The primary responsibility of the Department of Corrections (DOC), a cabinet level agency under the direction of the Secretary of Corrections, is to protect the public by providing reasonable, safe, secure, and humane control of felony offenders and juvenile offenders. The Department's duties and responsibilities include the following items.

- Operates maximum, medium, and minimum security correctional facilities that provide for appropriate placement and management of inmates, given security requirements and available resources.

- Implements inmate education, treatment and work programs, including a correctional industries program, that respond to offender needs and that enhance the likelihood of successful return to the community.

- Contracts with vendors for delivery of medical and mental health care services and food service operations at the correctional facilities.

- Develops and maintains a comprehensive, community-based juvenile justice system which ensures public safety through the implementation of effective prevention and early intervention programs, effective community supervision, and operation of two juvenile correctional facilities.

- Supervises offenders paroled or conditionally released from correctional facilities to protect the safety of the public and to facilitate offender reintegration into the community.

- Serves as the single state agency for administration of the interstate compact for probation and parole.

- Supports community-based supervision of felony offenders through implementation of the Kansas Community Corrections Act and administration of state grants to local community corrections agencies.

MAJOR ISSUES FROM PRIOR YEARS

The **2006 Legislature** added $1,131,228 from the State General Fund and 9.0 FTE positions for a new sex offender global positioning system (GPS) monitoring project. The project will allow approximately 225 sex offenders, who are supervised by the DOC and whose victims are children, to be placed under 24-hour electronic surveillance.

The **2007 Legislature** approved the following items.

- $4.5 million, all from the State General Fund, and 7.0 FTE positions to fund 2007 House Sub. SB 14.

- $1.1 million, all from the State General Fund, in FY 2008 for the Sedgwick, Wyandotte, and Shawnee County Reentry programs which assist high risk offenders reentering communities. The funding was added to eliminate the one-third local match provided by local units of government.

- Bonding authority of $21.9 million for rehabilitation and repair projects at correctional facilities systemwide in FY 2008. Of the $21.9 million, $2.6 million was from the Construction Defects Recovery Fund.

- Bonding authority of $39.5 million for prison expansion projects. Expansion projects require approval by the State Finance Council and were to occur in the following order as indicated in 2007 House Substitute for SB 357:

  - Two cell houses or 256 beds at El Dorado Correctional Facility;
  - 240 substance abuse treatment beds at Yates Center;
  - 100 minimum security beds at Ellsworth Correctional Facility; and
  - 72 beds at Stockton Correctional Facility.

The **2008 Legislature** approved a reduction of $20.0 million in bonding authority for bed-capacity expansion projects that was authorized during the 2007 Session based on projections that the no new bed space would be necessary before 2017.

The **2009 Legislature** approved a 1.25 percent across-the-board State General Fund reduction in FY 2009 and a 4.0 percent reduction in FY 2010. The reduction to the Department of Corrections budget totaled $1,537,171 in FY 2009 and $4,419,568 in FY 2010, all from the State General Fund. In addition, the Legislature approved several changes recommended by the Governor. Those changes included the following items.

- A reduction of $563,000, all from the State General Fund, to close the Men's and Women's conservation camps in Labette County in FY 2009.

- A reduction of $1.5 million in FY 2009 and $450,000 in FY 2010, all from the State General Fund, which deleted the funding approved in previous fiscal years for the offender management software (OMIS/TOADS) replacement.

- A reduction of $1.0 million in FY 2009 and $350,000 in FY 2010, all from the State General Fund, to the Community Corrections Grants awarded by the DOC.

- A reduction of $3.5 million, all from the State General Fund, to suspend operations at the Toronto, Stockton, and Osawatomie correctional facilities.

The **2010 Legislature** approved FY 2010 reductions totaling $44,421, including $36,048 from the State General Fund, for a 5.0 percent state officer's salary reduction ($1,691 from the State General Fund), and a moratorium on contributions to the KPERS Death and Disability Fund ($42,730, including $34,357 from the State General Fund). The Legislature also approved the following adjustments to the FY 2011 budget.

- Approved the Governor's recommended reductions totaling $3.2 million, including $3.0 million from the State General Fund, for capital outlay, staffing reductions, food service contract reductions, parole services reductions, elimination of a treatment program at Topeka, and a reduction from the Correctional Institutions Building Fund due to a lower than estimated balance.

- Deleted $41,915, including $33,564 from the State General Fund, for a moratorium on contributions to the KPERS Death and Disability Fund.

- Added $494,500 from the State General Fund for substance abuse treatment slots at Topeka and Ellsworth Correctional Facilities.

- Added $270,000 from the State General Fund to the inmate health care contract to retain the clinical psychologists that the agency had opted to eliminate for budget savings.

- Deleted $130,640 from the State General Fund and instructed the agency to self-fund longevity bonus payments.

- Approved an undermarket pay adjustment, of which $237,471, including $167,495 from the State General Fund, went to the Department of Corrections for positions included in the approved adjustment.

The **2011 Legislature** approved FY 2012 adjustments of $10.2 million above the Governor's recommendation, including $1.3 million from the State General Fund. The adjustments included are listed below.

- An increase of $9.1 million, all from the Correctional Industries Fund, to keep Correctional Industries expenditures on budget.

- An increase of $1.4 million, all from the State General Fund, to fund 40.0 parole officer positions.

- An increase of $1.5 million, all from the State General Fund, for community corrections expenditures related to 2011 House Sub. for SB 6, which amended various administrative and criminal statutes related to driving under the influence.

- A reduction of $1.3 million, all from the State General Fund, for an across-the-board reduction.

The **2011 Legislature** also approved Executive Reorganization Order No. 34, which abolished the Parole Board and established the Prisoner Review Board within the Department of Corrections. The Prisoner Review Board consists of three members appointed by the Secretary of Corrections from among the existing employees of the Department of Corrections. No additional funding was included with the reorganization.

The **2012 Legislature** approved adjustments of $322,221 above the Governor's recommendation, but $166,306 below the Governor's State General Fund recommendation. The Governor's recommendation included funding in FY 2012 and

FY 2013 to renovate and reopen the Labette Conservation Camps as a geriatric facility, with which the Legislature concurred. The Legislature's adjustments included the following items.

- An increase of $500,000, all from the Problem Gambling and Addictions Grant Fund, for the drug treatment subprogram in the Community Corrections program.
- A reduction of $32,469, including $27,028 from the State General Fund, to reduce longevity bonus payments from $50 per year of service to the statutory $40 per year of service.
- A reduction of $108,113, all from the State General Fund, and required the agency to self-fund employee longevity bonus payments in FY 2013.
- A reduction of $37,197, including $31,165 from the State General Fund, to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund for a three-month period.

The **2012 Legislature** also approved House Sub. for SB 434 to allow the Department of Corrections to buy the Saint Francis Boys' Home in Ellsworth for the purpose of operating it as a minimum-security satellite facility. The bill also allowed the agency to sell a parcel of land to Reno County.

The State Finance Council in 2012 approved undermarket pay adjustments for some employees of the Department of Corrections in two disbursements. The increases for FY 2013 totaled $7.2 million, including $7.1 million from the State General Fund.

The **2013 Legislature** approved Executive Reorganization Order No. 42, abolishing the Juvenile Justice Authority and moving all functions, duties, and commissioner of the Juvenile Justice Authority into the Department of Corrections underneath the Secretary of Corrections. Executive Reorganization Order No. 42 added $63.8 million, including $48.8 million from the State General Fund, and 18.0 FTE positions for FY 2014.

The **2013 Legislature** also approved the following items.

- An addition of $750,000, all from the Children's Initiatives Fund, for the Judge Riddel Boys Ranch for FY 2014.
- A reduction of $6.5 million, all from the State General Fund, for estimated savings related to 2013 HB 2170, which is estimated to reduce the recidivism rate, for FY 2014, and $7.8 million, all from the State General Fund, for FY 2015.
- An addition of $516,000, all from the State General Fund, and deleted the same amount from special revenue funds to offset the revenue reduction caused by redirecting docket fees into a special revenue fund within the Judicial Branch for FY 2014 and $862,376, all from the State General Fund, for FY 2015.

The Governor vetoed $182.5 million, including $153.6 million from the State General Fund, for FY 2015 to eliminate the entire operating budget excluding debt service interest payments during the **2013 Legislative Session**. The Governor did not veto capital improvement funding for FY 2015.

The **2014 Legislature** added $3.0 million in FY 2014 and $4.1 million in FY 2015, all from the State General Fund, for the new inmate health care contract that was finalized after the agency submitted its budget.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates total expenditures of $215.3 million, including $170.7 million from the State General Fund. The estimate is an increase of $5.1 million, or 2.4 percent, including a State General Fund increase of $2.9, or 1.7 percent, above the FY 2015 approved amount. The estimate includes a supplemental of $194,569, all from the State General Fund, for consolidation of agency email systems into a statewide cloud-based email system. The overall increase is due to increased expenditures for capital improvements for rehabilitation and repair projects and the Governor's December 2014 Allotment that reduced approved State General Fund expenditures, partially offset by decreased sales to other state agencies for Correctional Industries. The estimate includes 320.0 FTE positions, which is an increase of 15.0 FTE positions above the FY 2015 approved amount. The increase in FTE positions is due to 25.0 nursing staff choosing to continue to be state employees rather than switching to the new inmate medical provider, partially offset by the elimination of FTE positions no longer needed. **Absent the supplemental**, the agency estimates $215.1 million, including $170.5 million from the State General Fund.

FY 2015 Governor Recommendation

The **Governor** recommends total expenditures of $210.2 million, including $167.4 million from the State General Fund. The recommendation is a decrease of $5.0 million, or 2.3 percent, including a State General Fund decrease of $3.3 million, or 2.0 percent below the agency's FY 2015 estimate. The Governor's recommendation includes the December 2014 Allotment, a reduction to special revenue funds for reduced KPERS employer contributions for state employee health insurance, transfers to Norton Correctional Facility and Lansing Correctional Facility for increased prison population projections, a reduction in funding for juvenile out-of-home placements caseloads based on consensus estimates, and reduced expenditures for capital improvements from the Correctional Institutions Building Fund based on available cash balances. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $208.5 million, including $176.9 million from the State General Fund. The request is an increase of $7.7 million, or 3.8 percent, including a State General Fund increase of $7.6 million, or 4.5 percent, above the FY 2015 estimate. The request includes numerous enhancements totaling $9.7 million, all from the State General Fund. **Absent the enhancements**, the agency requests operating expenditures of $198.8 million, including

$167.2 million from the State General Fund. The request is a decrease of $2.0 million, or 1.0 percent, including a State General Fund decrease of $2.0 million, or 1.2 percent, below the FY 2015 estimate. The request includes 315.0 FTE positions, which is 5.0 less FTE positions than the FY 2015 estimate. The decrease is mainly attributable to onetime bonuses made in FY 2015 that do not occur for FY 2016, savings from relocating the Central Office,, and the loss of federal funding for out-of-home placements.

The agency requests FY 2016 capital improvement expenditures of $12.1 million, including $1.4 million from the State General Fund. The request is a decrease of $2.4 million, or 16.6 percent, including a State General Fund decrease of $140,000, or 9.2 percent, below the FY 2015 estimate. The decreases are primarily due to completions of major projects in FY 2015 that do not occur for FY 2016.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $202.1 million, including $170.1 million from the State General Fund. The recommendation is a decrease of $6.4 million, or 3.1 percent, including a State General Fund decrease of $6.8 million, or 3.8 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's enhancements for fringe benefit shortfalls, increased KPERS employer contributions for parole and juvenile corrections officers, IT equipment and upgrades, and replacement vehicles. The Governor further recommends a 4.0 percent ($306,000) State General Fund reduction to the Administration program, a reduction of $332,532, including $277,598 from the State General Fund, to reduce employer contributions for state employee health insurance, restructuring two bonds for debt service savings, and reduced expenditures for juvenile out-of-home placements caseloads. These reductions in the Governor's recommendation are partially offset by recommending partial funding of the agency's enhancement requests for contract beds, the inmate medical contract, and the food service contract. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

The **Governor** recommends FY 2016 capital improvement expenditures of $10.5 million, including $654,150 from the State General Fund. The recommendation is a decrease of $1.6 million, or 13.3 percent, including a State General Fund decrease of $720,850, or 52.4 percent, below the agency's FY 2016 request. The decrease is due to reduced expenditures from the Correctional Institutions Building Fund based on available cash balances.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $212.7 million, including $182.0 million from the State General Fund. The request is an increase of $4.2 million, or 2.0 percent, including a State General Fund increase of $5.2 million, or 2.9 percent, above the FY 2016 request. The request includes enhancements totaling $17.2 million, all from the State General Fund, and a 27th payroll period. **Absent the enhancements**, the agency requests $195.5 million, including $164.8 million from

the State General Fund. The request is a decrease of $3.3 million, or 1.7 percent, including a State General Fund decrease of $3.7 million, or 2.2 percent, below the FY 2016 request less enhancements. The decrease is predominately due to reduced expenditures for the health care contract, food services contract, capital outlay expenditures for Correctional Industries, and Juvenile Accountability Block Grants and Title II funding decreases. The request includes 316.0 FTE positions, which is 1.0 additional FTE position above the FY 2016 request.

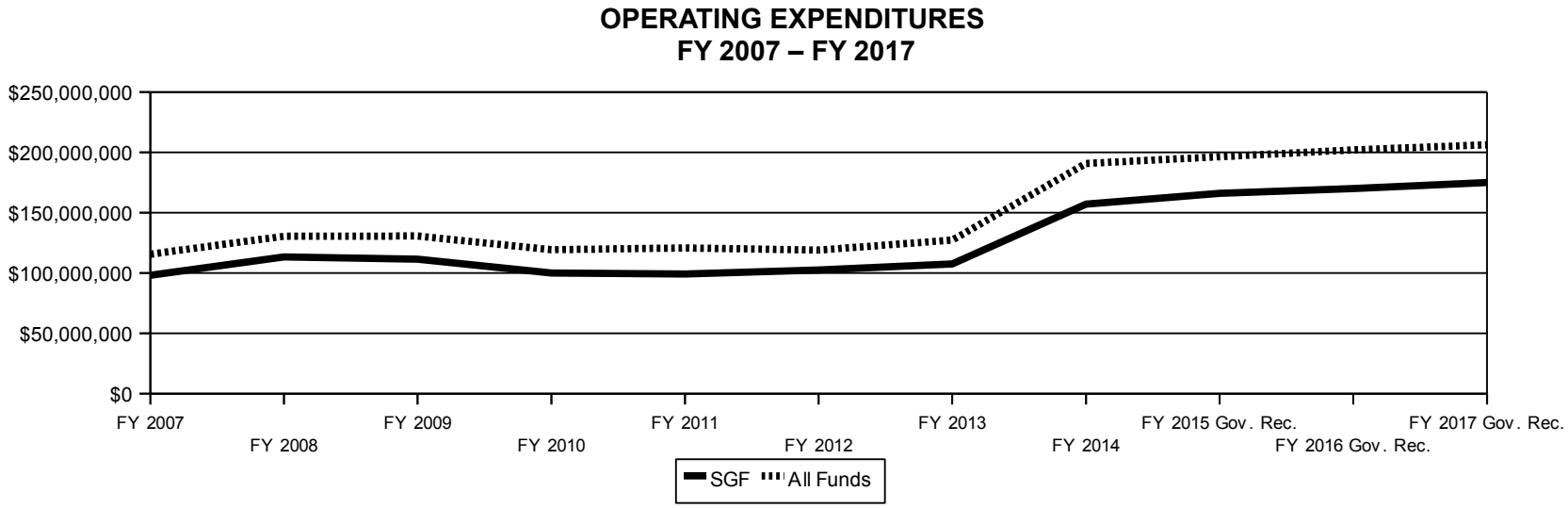
The agency requests FY 2017 capital improvements expenditures of $11.8 million, including $1.5 million from the State General Fund. The request is an overall decrease of $318,455, or 2.6 percent, below the FY 2016 request, partially offset by a State General Fund increase of $95,000, or 6.9 percent. The decrease is attributable to reduced rehabilitation and repair expenditures, partially offset by increased debt service principal payments and Correctional Industries capital improvement expenditures.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $206.3 million, including $175.1 million from the State General Fund. The recommendation is a decrease of $6.4 million, or 3.0 percent, including a State General Fund decrease of $6.9 million, or 3.8 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's enhancements for fringe benefit shortfalls, increased KPERS employer contributions for parole and juvenile corrections officers, IT equipment and upgrades, and replacement vehicles. The Governor further recommends a 4.0 percent ($306,000) State General Fund reduction to the Administration program, a reduction of $339,257, including $281,563 from the State General Fund, to reduce employer contributions for state employee health insurance, restructuring two bonds for debt service savings, and reduced expenditures for juvenile out-of-home placements caseloads. These reductions in the Governor's recommendation are partially offset by recommending partial funding of the agency's enhancement requests for contract beds, the inmate medical contract, and the food service contract. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

The **Governor** recommends FY 2017 capital improvement expenditures of $10.9 million, including $1.5 million from the State General Fund. The recommendation is an overall decrease of $896,858, or 7.6 percent, below the agency's FY 2017 request, partially offset by a State General Fund increase of $95,000, or 6.9 percent. The overall decrease is attributable to reduced expenditures from the Correctional Institutions Building Fund based on available cash balances, partially offset by restructuring a bond at the El Dorado Correctional Facility.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 98,179,183	(1.6)%	$ 115,599,808	(0.9)%	293.7
2008	113,278,557	15.4	130,485,101	12.9	306.7
2009	111,526,010	(1.5)	130,690,250	0.2	320.7
2010	99,994,747	(10.3)	119,333,267	(8.7)	320.7
2011	99,257,019	(0.7)	120,810,916	1.2	318.5
2012	102,502,766	3.3	119,045,146	(1.5)	298.5
2013	107,605,256	5.0	127,283,366	6.9	305.0
2014	157,009,447	45.9	190,847,970	49.9	305.0
2015 Gov. Rec.	166,102,780	5.8	196,427,108	2.9	321.0
2016 Gov. Rec.	170,072,624	2.4	202,079,936	2.9	316.0
2017 Gov. Rec.	175,101,412	3.0	206,342,689	2.1	317.0
Eleven-Year Change	$ 76,922,229	78.3 %	$ 90,742,881	78.5 %	23.3

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 11,155,636	$ 11,925,291	$ 15,759,526	$ 3,834,235	32.2 %	$ 11,504,965	$ 12,278,701	$ 773,736	6.7 %
Community Supervision	36,279,748	40,171,478	39,811,943	(359,535)	(0.9)	38,157,059	39,353,679	1,196,620	3.1
Inmate Health Care	55,335,036	57,941,433	60,803,666	2,862,233	4.9	57,924,957	61,027,382	3,102,425	5.4
Juvenile Services	52,239,105	52,229,638	52,879,208	649,570	1.2	50,545,865	50,683,449	137,584	0.3
Correctional Industries	10,794,957	11,754,554	11,425,838	(328,716)	(2.8)	11,724,067	11,388,650	(335,417)	(2.9)
Offender Programs	7,318,677	9,170,247	9,728,261	558,014	6.1	8,725,871	9,683,594	957,723	11.0
Victim Services	688,147	695,441	702,628	7,187	1.0	689,227	691,236	2,009	0.3
Prisoner Review Board	420,973	440,895	445,601	4,706	1.1	436,815	438,339	1,524	0.3
Food Service Contract	14,503,143	14,285,777	15,017,498	731,721	5.1	14,784,928	14,990,194	205,266	1.4
Debt Service	2,112,548	2,184,915	1,948,475	(236,440)	(10.8)	1,933,354	1,544,712	(388,642)	(20.1)
TOTAL	$ 190,847,970	$ 200,799,669	$ 208,522,644	$ 7,722,975	3.8 %	$ 196,427,108	$ 202,079,936	$ 5,652,828	2.9 %
By Major Object of Expenditure:									
Salaries and Wages	$ 26,234,669	$ 28,882,983	$ 29,791,862	$ 908,879	3.1 %	$ 28,452,409	$ 28,025,014	$ (427,395)	(1.5)%
Contractual Services	82,336,245	85,587,151	92,537,469	6,950,318	8.1	85,341,338	90,096,919	4,755,581	5.6
Commodities	5,869,487	5,976,621	6,266,096	289,475	4.8	5,976,621	6,266,096	289,475	4.8
Capital Outlay	2,063,777	2,124,176	1,965,158	(159,018)	(7.5)	2,124,176	1,607,258	(516,918)	(24.3)
Debt Service	2,112,548	2,184,915	1,948,475	(236,440)	(10.8)	1,933,354	1,544,712	(388,642)	(20.1)
Subtotal - Operations	$ 118,616,726	$ 124,755,846	$ 132,509,060	$ 7,753,214	6.2 %	$ 123,827,898	$ 127,539,999	$ 3,712,101	3.0 %
Aid to Local Units	47,007,026	47,228,725	47,201,724	(27,001)	(0.1)	44,857,759	47,201,724	2,343,965	5.2
Other Assistance	25,224,218	28,815,098	28,811,860	(3,238)	(0.0)	27,741,451	27,338,213	(403,238)	(1.5)
TOTAL	$ 190,847,970	$ 200,799,669	$ 208,522,644	$ 7,722,975	3.8 %	$ 196,427,108	$ 202,079,936	$ 5,652,828	2.9 %
Financing:									
State General Fund	$ 157,009,447	$ 169,223,664	$ 176,853,740	$ 7,630,076	4.5 %	$ 166,102,780	$ 170,072,624	$ 3,969,844	2.4 %
Special Revenue Funds	11,286,501	9,711,054	9,589,505	(121,549)	(1.3)	9,707,948	10,585,701	877,753	9.0
Federal Funds	6,142,695	6,426,323	6,152,732	(273,591)	(4.3)	5,210,741	5,535,040	324,299	6.2
All Other Funds	16,409,327	15,438,628	15,926,667	488,039	3.2	15,405,639	15,886,571	480,932	3.1
TOTAL	$ 190,847,970	$ 200,799,669	$ 208,522,644	$ 7,722,975	3.8 %	$ 196,427,108	$ 202,079,936	$ 5,652,828	2.9 %

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	$ 15,759,526	$ 16,652,364	$ 892,838	5.7 %	$ 12,278,701	$ 13,711,793	$ 1,433,092	11.7 %
Community Supervision	39,811,943	40,394,373	582,430	1.5	39,353,679	39,805,638	451,959	1.1
Inmate Health Care	60,803,666	63,833,970	3,030,304	5.0	61,027,382	63,963,255	2,935,873	4.8
Juvenile Services	52,879,208	52,667,717	(211,491)	(0.4)	50,683,449	49,960,672	(722,777)	(1.4)
Correctional Industries	11,425,838	10,876,886	(548,952)	(4.8)	11,388,650	10,837,214	(551,436)	(4.8)
Offender Programs	9,728,261	9,836,219	107,958	1.1	9,683,594	9,767,383	83,789	0.9
Victim Services	702,628	733,159	30,531	4.3	691,236	717,756	26,520	3.8
Prisoner Review Board	445,601	465,348	19,747	4.4	438,339	454,287	15,948	3.6
Food Service Contract	15,017,498	15,561,584	544,086	3.6	14,990,194	15,297,829	307,635	2.1
Debt Service	1,948,475	1,699,475	(249,000)	(12.8)	1,544,712	1,826,862	282,150	18.3
TOTAL	$ 208,522,644	$ 212,721,095	$ 4,198,451	2.0 %	$ 202,079,936	$ 206,342,689	$ 4,262,753	2.1 %
By Major Object of Expenditure:								
Salaries and Wages	$ 29,791,862	$ 31,209,592	$ 1,417,730	4.8 %	$ 28,025,014	$ 29,143,879	$ 1,118,865	4.0 %
Contractual Services	92,537,469	96,669,286	4,131,817	4.5	90,096,919	94,541,253	4,444,334	4.9
Commodities	6,266,096	6,514,773	248,677	4.0	6,266,096	6,514,773	248,677	4.0
Capital Outlay	1,965,158	814,225	(1,150,933)	(58.6)	1,607,258	475,825	(1,131,433)	(70.4)
Debt Service	1,948,475	1,699,475	(249,000)	(12.8)	1,544,712	1,826,862	282,150	18.3
Subtotal - Operations	$ 132,509,060	$ 136,907,351	$ 4,398,291	3.3 %	$ 127,539,999	$ 132,502,592	$ 4,962,593	3.9 %
Aid to Local Units	47,201,724	47,001,614	(200,110)	(0.4)	47,201,724	47,001,614	(200,110)	(0.4)
Other Assistance	28,811,860	28,812,130	270	0.0	27,338,213	26,838,483	(499,730)	(1.8)
TOTAL	$ 208,522,644	$ 212,721,095	$ 4,198,451	2.0 %	$ 202,079,936	$ 206,342,689	$ 4,262,753	2.1 %
Financing:								
State General Fund	$ 176,853,740	$ 182,015,466	$ 5,161,726	2.9 %	$ 170,072,624	$ 175,101,412	$ 5,028,788	3.0 %
Special Revenue Funds	9,589,505	9,599,426	9,921	0.1	10,585,701	10,595,546	9,845	0.1
Federal Funds	6,152,732	5,861,216	(291,516)	(4.7)	5,535,040	5,443,383	(91,657)	(1.7)
All Other Funds	15,926,667	15,244,987	(681,680)	(4.3)	15,886,571	15,202,348	(684,223)	(4.3)
TOTAL	$ 208,522,644	$ 212,721,095	$ 4,198,451	2.0 %	$ 202,079,936	$ 206,342,689	$ 4,262,753	2.1 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $166,744,798 for the Department of Corrections in FY 2015. Several adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $607,447 based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- An increase of $3.2 million as the result of transfers within the Department of Corrections system.
- A reduction of $2.7 million as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to $167,806,979. 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.

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	$ 167,806,979	$ 170,738,664	$ 2,931,685	$ 167,397,780	$ (409,199)
All Other Funds	42,371,452	44,545,575	2,174,123	42,849,821	478,369
TOTAL	$ 210,178,431	$ 215,284,239	$ 5,105,808	$ 210,247,601	$ 69,170
FTE Positions	305.0	320.0	15.0	321.0	16.0

The **agency** estimates total expenditures of $215.3 million, including $170.7 million from the State General Fund. The estimate is an increase of $5.1 million, or 2.4 percent, including a State General Fund increase of $2.9, or 1.7 percent, above the FY 2015 approved amount. The estimate includes a supplemental of $194,569, all from the State General Fund, for consolidation of agency email systems into a statewide cloud-based email system. The overall increase is due to increased expenditures for capital improvements for rehabilitation and repair projects and the Governor's December 2014 Allotment that reduced approved State General Fund expenditures, partially offset by decreased sales to other state agencies for Correctional Industries. The estimate includes 320.0 FTE positions, which is an increase of 15.0 FTE positions above the FY 2015 approved amount. The increase in FTE positions is due to 25.0 nursing staff choosing to continue to be state employees rather than switching to the new inmate medical provider, partially offset by the elimination of FTE positions no longer needed. **Absent the supplemental**, the agency estimates $215.1 million, including $170.5 million from the State General Fund.

The **Governor** recommends total expenditures of $210.2 million, including $167.4 million from the State General Fund. The recommendation is a decrease of $5.0 million, or 2.3 percent, including a State General Fund decrease of $3.3 million, or 2.0 percent below the agency's FY 2015 estimate. The Governor's recommendation includes his December 2014 Allotment, a reduction to special revenue funds for reduced KPERS employer contributions for state employee health insurance, transfers to Norton Correctional Facility and Lansing Correctional Facility for increased prison population projections, a reduction in funding for juvenile out-of-home placements caseloads based on consensus estimates, and reduced expenditures for capital improvements from the Correctional Institutions Building Fund based on available cash balances. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

Supplemental Detail

FY 2015 SUPPLEMENTALS

	Agency Estimate			Governor's Recommendation		
Supplementals	SGF	All Funds	FTE	SGF	All Funds	FTE
Cloud-Based Email Conversion	$ 194,569	$ 194,569	0.0	$ 0	$ 0	0.0

The **agency** requests a supplemental of $194,569, all from the State General Fund, for consolidation of email systems into a statewide cloud-based email system. The agency states the conversion exceeds its previous allocation for its own internal email system.

The **Governor** does not recommend the agency's supplemental request.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (232,555)	$ (232,555)	0.0
Lapse Reappropriations	(2,100,000)	(2,100,000)	0.0
Reduce SGF funding by 4.0 percent	(153,000)	(153,000)	0.0
Debt Service Restructure	(251,561)	(251,561)	0.0
TOTAL	$ (2,737,116)	$ (2,737,116)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $232,555 from the State General Fund, as a result of the Governor's 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, but is reflective of a reduction of expenditures. An additional $45,019 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of 277,574.

Reappropriations Lapse:

A reduction of $2.1 million, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $607,447 for the agency in addition to deleting unobligated balances in select State General Fund accounts. This allotment will decrease available funding for the Topeka Parole Office lease currently up for bid. The agency states a majority of this allotment affects one-time savings the agency will not have available in the future.

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

A reduction of $153,000 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 holding additional positions open during FY 2015.

Debt Service Restructure:

A reduction of $251,561, all from the State General Fund, for the restructuring of two bonds that reduce the agency's debt service interest payments. The two bonds are for El Dorado Correctional Facility and an infrastructure bond for various projects at eight different facilities.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 208,522,644	$ 202,079,936	$ (6,442,708)
FTE Positions	315.0	316.0	1.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 7,630,076	$ 3,969,844	
All Other Funds	92,899	1,682,984	
TOTAL	$ 7,722,975	$ 5,652,828	
Percent Change:			
State General Fund	4.5 %	2.4 %	
All Other Funds	0.3	5.5	
TOTAL	3.8 %	2.9 %	
Change in FTE Positions	(5.0)	(5.0)	

The **agency** requests FY 2016 operating expenditures of $208.5 million, including $176.9 million from the State General Fund. The request is an increase of $7.7 million, or 3.8 percent, including a State General Fund increase of $7.6 million, or 4.5 percent, above the FY 2015 estimate. The request includes numerous enhancements totaling $9.7 million, all from the State General Fund. **Absent the enhancements**, the agency requests operating expenditures of $198.8 million, including $167.2 million from the State General Fund. The request is a decrease of $2.0 million, or 1.0 percent, including a State General Fund decrease of $2.0, or 1.2 percent, below the FY 2015 estimate. The request includes 315.0 FTE positions, which is 5.0 less FTE positions than the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $29.8 million for salaries and wages. The request is an increase of $908,879, or 3.1 percent, above the FY 2015 estimate. The request includes enhancements totaling $1.1 million, all from the State General Fund, for fringe benefit shortfalls and KPERS adjustments for parole and juvenile corrections officers. **Absent the enhancements**, the agency requests $28.7 million for salaries and wages. The request is a decrease of $219,437, or 0.8 percent, below the FY 2015 estimate. The decrease is mainly due to one-time bonuses made in FY 2015 that are not made for FY 2016 and reduced workers compensation rates.

- **Contractual Services.** The agency requests $92.5 million for contractual services. The request is an increase of $7.0 million, or 8.1 percent, above the FY 2015 estimate. The request includes enhancements totaling $8.2 million, all from the State General Fund, for contract beds, inmate medical contract, food service contract, and new IT equipment. **Absent the enhancements**, the agency requests $84.4 million for contractual services. The request is a decrease of $1.2 million, or 1.4 percent, below the FY 2015 estimate. The decrease is primarily attributable to rent savings from relocating the Central Office and associated maintenance and repair costs with moving to a new building.

- **Commodities.** The agency requests $6.3 million for commodities. The request is an increase of $289,475, or 4.8 percent, above the FY 2015 estimate. The increase is predominantly due to higher cost indices for raw materials for Correctional Industries.

- **Capital Outlay.** The agency requests $2.0 million for capital outlay. The request is a decrease of $159,018, or 7.5 percent, below the FY 2015 estimate. The decrease is mainly attributable to Correctional Industries capital outlay expenditures made in FY 2015 that are not made in FY 2016, partially offset by enhancements totaling $357,900, all from the State General Fund, for IT equipment replacement and new vehicles. **Absent the enhancements**, the agency requests $1.6 million for capital outlay.

- **Debt Service.** The agency requests $1.9 million for debt service. The request is a decrease of $236,440, or 10.8 percent, below the FY 2015 estimate. The interest payments are in accordance with established schedules and cover four different bonds.

- **Aid to Local Units.** The agency requests $47.2 million for aid to local units. The request is a decrease of $27,001, or 0.1 percent, below the FY 2015 estimate. The decrease is due to lost federal funding for out-of-home placements.

The **Governor** recommends FY 2016 operating expenditures of $202.1 million, including $170.1 million from the State General Fund. The recommendation is a decrease of $6.4 million, or 3.1 percent, including a State General Fund decrease of $6.8 million, or 3.8 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's enhancements for fringe benefit shortfalls, increased KPERS employer contributions for parole and juvenile corrections

officers, IT equipment and upgrades, and replacement vehicles. The Governor further recommends the following items.

- 4.0 percent ($306,000) State General Fund reduction to the Administration program.

- Reduction of $332,532, including $277,598 from the State General Fund, to reduce employer contributions for state employee health insurance.

- Restructuring two bonds for debt service savings.

- Reduced expenditures for juvenile out-of-home placements caseloads.

- Reduced expenditures for capital improvements from the Correctional Institutions Building Fund based on available cash balances.

These reductions in the Governor's recommendation are partially offset by recommending partial funding of the agency's enhancement requests for contract beds, the inmate medical contract, and the food service contract. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

Enhancements Detail

FY 2016 ENHANCEMENTS

Enhancements	Agency Request SGF	Agency Request All Funds	Agency Request FTE	Governor's Recommendation SGF	Governor's Recommendation All Funds	Governor's Recommendation FTE
Medical Contract	$ 2,525,025	$ 2,525,025	0.0	$ 2,780,897	$ 2,780,897	0.0
Contract Beds	2,066,054	2,066,054	0.0	967,504	1,967,504	0.0
Food Service Contract	731,721	731,721	0.0	704,417	704,417	0.0
Cloud-Based Email Conversion	454,776	454,776	0.0	0	0	0.0
Fringe Benefit Shortfall	221,316	221,316	0.0	0	0	0.0
Corrections KPERS	907,000	907,000	0.0	0	0	0.0
Vehicle Replacements	93,900	93,900	0.0	0	0	0.0
Medical Contract Federal Funding Shortfall	293,782	293,782	0.0	293,782	293,782	0.0
IT Upgrades	2,115,792	2,115,792	0.0	0	0	0.0
Server Replacements	185,000	185,000	0.0	0	0	0.0
IT Replacements	79,000	79,000	0.0	0	0	0.0
TOTAL	**$ 9,673,366**	**$ 9,673,366**	**0.0**	**$ 4,746,600**	**$ 5,746,600**	**0.0**

The **agency** requests enhancements totaling $9.7 million, all from the State General Fund. The enhancement request includes the following items.

- **Medical Contract.** The agency requests $2.5 million for the inmate medical contract. The contract contains negotiated annual increases the agency must pay each year.

- **Contract Beds.** The agency requests $2.1 million for contract beds. The agency is anticipating an average daily population of 140 inmates will need to be housed in contract beds due to being over capacity.

- **Food Service Contract.** The agency requests $731,721 for the food service contract. Food service expenditures will exceed its allocation after accounting for the 2.0 percent increase in pricing and average daily population estimate of 9,006. (Larned Correctional Mental Health Facility meals are provided by the Larned State Hospital).

- **Cloud-Based Email Conversion.** The agency requests $454,776 for the consolidation of email systems into a statewide cloud-based email system. The agency states the conversion

exceeds its previous allocation for its own internal email system.

- **Fringe Benefit Shortfall.** The agency requests $221,316 for fringe benefit shortfalls. The shortfall is due the 1.0 percent increase in Kansas Public Employees Retirement System (KPERS) contributions.

- **Corrections KPERS.** The agency requests $907,000 for KPERS adjustments for parole officers and juvenile corrections officers. Currently, these officers are not eligible for KPERS Corrections-Group A benefits like adult correctional officers.

- **Vehicle Replacements.** The agency requests $93,900 for vehicle replacements. The agency states 20 of the 70 vehicles assigned to central office and parole have already exceeded the 130,000 mile threshold or will during FY 2015. This would allow for replacing the first five vehicles.

- **Medical Contract Federal Funding Shortfall.** The agency requests $293,782 for a federal funding shortfall for the inmate medical contract. The President's FFY 2015 budget submitted to Congress eliminates the State Criminal Alien Assistance Program. These funds allow states to partially offset the cost of housing illegal aliens. DOC used these funds solely to help fund the medical contract.

- **IT Upgrades.** The agency requests $2.1 million for IT upgrades. The agency would like to increase its bandwidth allocation from a range of 3 to 6 MB to a 48 MB circuit. The agency also wants to upgrade the switches inside facilities as well as begin upgrading facility Local Area Networks (LAN). Finally, security updates would be made throughout the facilities as well installing new cameras and DVRs.

- **Server Replacements.** The agency requests $185,000 for server replacements. This will allow the agency to consolidate data centers and migrate its old data to a new structure by replacing five servers and upgrading existing data storage.

- **IT Replacements.** The agency requests $79,000 for IT replacements. This would allow the agency to replace aging desktops, laptops, terminals, and printers throughout the department.

The **Governor** recommends enhancements totaling $5.7 million, including $4.7 million from the State General Fund. The Governor recommends partially funding the inmate medical contract, food service contract, and contract beds. The Governor further recommends transferring $1.0 million from the Correctional Industries Fee Fund to additionally fund contract beds and utilizing caseload savings of $866,989, all from the State General Fund, for the inmate medical contract.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 212,721,095	$ 206,342,689	$ (6,378,406)
FTE Positions	316.0	317.0	1.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 5,161,726	$ 5,028,788	
All Other Funds	(963,275)	(766,035)	
TOTAL	$ 4,198,451	$ 4,262,753	
Percent Change:			
State General Fund	2.9 %	3.0 %	
All Other Funds	(3.0)	(2.4)	
TOTAL	2.0 %	2.1 %	
Change in FTE Positions	1.0	1.0	

The **agency** requests FY 2017 operating expenditures of $212.7 million, including $182.0 million from the State General Fund. The request is an increase of $4.2 million, or 2.0 percent, including a State General Fund increase of $5.2 million, or 2.9 percent, above the FY 2016 request. The request includes enhancements totaling $17.2 million, all from the State General Fund. **Absent the enhancements**, the agency requests $195.5 million, including $164.8 million from the State General Fund. The request is a decrease of $3.3 million, or 1.7 percent, including a State General Fund decrease of $3.7 million, or 2.2 percent, below the FY 2016 request less enhancements. The request includes 316.0 FTE positions, which is 1.0 additional FTE position above the FY 2016 request. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $31.2 million for salaries and wages. The request is an increase of $1.4 million, or 4.8 percent, above the FY 2016 request. The request includes enhancements totaling $1.4 million, all from the State General Fund, for fringe benefit shortfalls and KPERS adjustments for parole and juvenile corrections officers. **Absent the enhancements**, the agency requests $29.8 million for salaries and wages. The request is an increase of $1.1 million, or 3.9 percent, above the FY 2016 request less enhancements. The increase is primarily due to a 27th payroll period.

- **Contractual Services.** The agency requests $96.7 million for contractual services. The request is an increase of $4.1 million, or 4.5 percent, above the FY 2016 request. The request includes enhancements totaling $15.1 million, all from the State General Fund, for contract beds, inmate medical contract, food service contract, and new IT equipment. **Absent the enhancements**, the agency requests $81.2 million. The request is a decrease of $3.1 million, or 3.7 percent, below the FY 2016 request less enhancements. The decrease is mainly attributable to reduced budget allocations for the health care and food services contract.

- **Commodities.** The agency requests $6.5 million for commodities. The request is an increase of $248,677, or 4.0 percent, above the FY 2016 request. The increase is predominantly due to higher cost indices for raw materials.

- **Capital Outlay.** The agency requests $814,225 for capital outlay. The request is a decrease of $1.2 million, or 58.6 percent, below the FY 2016 request. The decrease is primarily attributable to reduced capital outlay expenditures for Correctional Industries.

- **Debt Service.** The agency requests $1.7 million for debt service. The request is a decrease of $249,000, or 12.8 percent, below the FY 2016 request. The interest payments are in accordance with established schedules and cover four different bonds.

- **Aid to Local Units.** The agency requests $47.0 million for aid to local units. The request is a decrease of $200,110, or 0.4 percent, below the FY 2016 request. The decrease is is due to exhausting Juvenile Accountability Block Grants and Title II funding decreases.

The **Governor** recommends FY 2017 operating expenditures of $206.3 million, including $175.1 million from the State General Fund. The recommendation is a decrease of $6.4 million, or 3.0 percent, including a State General Fund decrease of $6.9 million, or 3.8 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's enhancements for fringe benefit shortfalls, increased KPERS employer contributions for parole and juvenile corrections officers, IT equipment and upgrades, and replacement vehicles. The Governor further recommends the following items.

- 4.0 percent ($306,000) State General Fund reduction to the Administration program.

- Reduction of $332,532, including $277,598 from the State General Fund, to reduce employer contributions for state employee health insurance.

- Restructuring two bonds for debt service savings.

- Reduced expenditures for juvenile out-of-home placements caseloads.

- Reduced expenditures for capital improvements from the Correctional Institutions Building Fund based on available cash balances.

The reductions in the Governor's recommendation are partially offset by recommending partial funding of the agency's enhancement requests for contract beds, the inmate medical contract, and the food service contract. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Medical Contract	$ 8,584,729	$ 8,584,729	0.0	$ 5,657,609	$ 5,657,609	0.0
Contract Beds	2,706,629	2,706,629	0.0	2,232,229	3,232,229	0.0
Food Service Contract	1,275,807	1,275,807	0.0	1,012,052	1,012,052	0.0
Cloud-Based Email Conversion	454,776	454,776	0.0	0	0	0.0
Fringe Benefit Shortfall	513,456	513,456	0.0	0	0	0.0
Corrections KPERS	907,000	907,000	0.0	0	0	0.0
Vehicle Replacements	74,400	74,400	0.0	0	0	0.0
Medical Contract Federal Funding Shortfall	293,782	293,782	0.0	293,782	293,782	0.0
IT Upgrades	2,115,792	2,115,792	0.0	0	0	0.0
Server Replacements	185,000	185,000	0.0	0	0	0.0
IT Replacements	79,000	79,000	0.0	0	0	0.0
TOTAL	**$ 17,190,371**	**$ 17,190,371**	**0.0**	**$ 9,195,672**	**$ 10,195,672**	**0.0**

The **agency** requests enhancements totaling $17.2 million, all from the State General Fund. The enhancement request includes the following items.

- **Medical Contract.** The agency requests $8.6 million for the inmate medical contract. The contract contains negotiated annual increases the agency must pay each year.

- **Contract Beds.** The agency requests $2.7 million for contract beds. The agency is anticipating an average daily population of 179 inmates will need to be housed in contract beds due to being over capacity.

- **Food Service Contract.** The agency requests $1.3 million for the food service contract. Food service expenditures will exceed its allocation after accounting for the 2.0 percent increase in pricing and average daily population estimate of 9,159. (Larned Correctional Mental Health Facility meals are provided by the Larned State Hospital).

- **Cloud-Based Email Conversion.** The agency requests $454,776 for the consolidation of email systems into a statewide cloud-based email system. The agency states the conversion exceeds its previous allocation for its own internal email system.

- **Fringe Benefit Shortfall.** The agency requests $513,456 for fringe benefit shortfalls. The shortfall is due the 1.0 percent increase in Kansas Public Employees Retirement System (KPERS) contributions.

- **Corrections KPERS.** The agency requests $907,000 for KPERS adjustments for parole officers and juvenile corrections officers. Currently, these officers are not eligible for KPERS Corrections-Group A benefits like adult correctional officers.

- **Vehicle Replacements.** The agency requests $74,400 for vehicle replacements. The agency states 20 of the 70 vehicles assigned to central office and parole have already exceeded the 130,000 mile threshold or will during FY 2015.

- **Medical Contract Federal Funding Shortfall.** The agency requests $293,782 for a federal funding shortfall for the inmate medical contract. The President's FFY 2015 budget submitted to Congress eliminates the State Criminal Alien Assistance Program. These funds allow states to partially offset the cost of housing illegal aliens. DOC used these funds solely to help fund the medical contract.

- **IT Upgrades.** The agency requests $2.1 million for IT upgrades. The agency would like to increases its bandwidth allocation from a range of 3 to 6 MB to a 48 MB circuit. The agency also wants to upgrade the switches inside facilities as well as begin upgrading facility Local Area Networks (LAN). Finally, security updates would be made throughout the facilities as well installing new cameras and DVRs.

- **Server Replacements.** The agency requests $185,000 for server replacements. This will allow the agency to consolidate data centers and migrate its old data to a new structure by replacing five servers and upgrading existing data storage.

- **IT Replacements.** The agency requests $79,000 for IT replacements. This would allow the agency to replace aging desktops, laptops, terminals, and printers throughout the department.

The **Governor** recommends enhancements totaling $10.2 million, including $9.2 million from the State General Fund. The Governor recommends partially funding the inmate medical contract, food service contract, and contract beds. The Governor further recommends transferring $1.0 million from the Correctional Industries Fee Fund to additionally fund contract beds and utilizing caseload savings of $1.6 million, all from the State General Fund, for the inmate medical contract.

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 $129,230, including $110,219 from the State General Fund, and affects 416 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 $132,360, including $109,679 from the State General Fund, and FY 2017 longevity payments total $141,400, including $116,856 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 $332,532, including $277,598 from the State General Fund for FY 2016. This is a reduction of $339,257, including $281,563 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

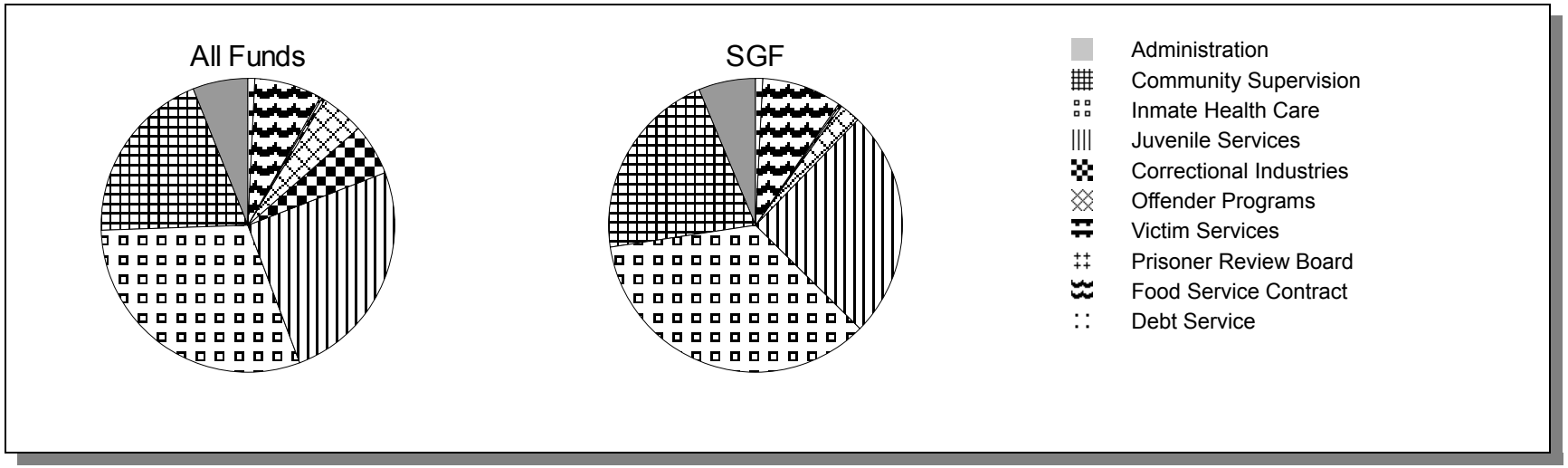
Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	84.8 %	84.2 %	85.6 %	84.9 %
Special Revenue Funds	4.6	5.2	4.5	5.1
Federal Funds	3.0	2.7	2.8	2.6
All Other Funds	7.6	7.9	7.2	7.4
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

Supervision Fee Fund

The Supervision Fee Fund receives receipts from a fee paid by post-incarceration supervision. The fee varies by the incentive level of each offender. The fund also receives funds from urinalysis testing fees.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 330,049	$ 78,012	$ 78,012	$ 9,084	$ 34,396	$ 0	$ 29,116
Revenue	603,551	619,285	641,491	636,617	636,617	655,616	655,616
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 933,600	$ 697,297	$ 719,503	$ 645,701	$ 671,013	$ 655,616	$ 684,732
Less: Expenditures	855,588	688,213	685,107	645,701	641,897	655,615	651,735
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 78,012	$ 9,084	$ 34,396	$ 0	$ 29,116	$ 1	$ 32,997
Ending Balance as Percent of Expenditures	9.1%	1.3%	5.0%	0.0%	4.5%	0.0%	5.1%



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	$ 12,278,701	6.1 %	$ 10,700,121	6.3 %
Community Supervision	39,353,679	19.5	36,073,387	21.2
Inmate Health Care	61,027,382	30.2	60,102,382	35.3
Juvenile Services	50,683,449	25.1	42,924,876	25.2
Correctional Industries	11,388,650	5.6	0	0.0
Offender Programs	9,683,594	4.8	3,926,763	2.3
Victim Services	691,236	0.3	348,979	0.2
Prisoner Review Board	438,339	0.2	340,535	0.2
Food Service Contract	14,990,194	7.4	14,990,194	8.8
Debt Service	1,544,712	0.8	665,387	0.4
TOTAL	$ 202,079,936	100.0 %	$ 170,072,624	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	84.0	71.0	72.0	72.0	73.0	72.0	73.0
Community Supervision	150.0	153.0	153.0	153.0	153.0	153.0	153.0
Inmate Health Care	2.0	27.0	27.0	27.0	27.0	27.0	27.0
Juvenile Services	12.0	11.0	11.0	11.0	11.0	11.0	11.0
Correctional Industries	54.0	54.0	54.0	48.0	48.0	49.0	49.0
Offender Programs	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Victim Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prisoner Review Board	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Food Service Contract	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	305.0	320.0	321.0	315.0	316.0	316.0	317.0

A. Administration

The Administration program includes the activities of the Secretary of Corrections and other administrative and support personnel for the operation of the Department of Corrections and the management and oversight of correctional facilities and programs providing services to inmates, parolees, and other offenders. The program also includes information systems and communications personnel who are responsible for planning, operation, and support of all technology and telecommunications functions.

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	$ 7,314,232	$ 7,454,163	$ 7,228,406	$ 7,440,443	$ 6,986,636	$ 7,756,042	$ 7,198,839
Contractual Services	2,691,442	3,617,521	3,422,952	7,162,183	4,493,065	7,811,425	5,766,457
Commodities	254,353	236,550	236,550	237,004	237,004	237,534	237,534
Capital Outlay	703,925	489,181	489,181	795,258	437,358	722,725	384,325
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 10,963,952	$ 11,797,415	$ 11,377,089	$ 15,634,888	$ 12,154,063	$ 16,527,726	$ 13,587,155
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	191,684	127,876	127,876	124,638	124,638	124,638	124,638
TOTAL	$ 11,155,636	$ 11,925,291	$ 11,504,965	$ 15,759,526	$ 12,278,701	$ 16,652,364	$ 13,711,793
Financing:							
State General Fund	$ 10,549,568	$ 11,269,353	$ 10,851,732	$ 15,177,934	$ 10,700,121	$ 16,128,260	$ 12,190,743
All Other Funds	606,068	655,938	653,233	581,592	1,578,580	524,104	1,521,050
TOTAL	$ 11,155,636	$ 11,925,291	$ 11,504,965	$ 15,759,526	$ 12,278,701	$ 16,652,364	$ 13,711,793
FTE Positions	84.0	71.0	72.0	72.0	73.0	72.0	73.0
Non-FTE Uncl. Perm. Pos.	39.0	37.0	37.0	37.0	37.0	37.0	37.0
TOTAL	123.0	108.0	109.0	109.0	110.0	109.0	110.0

The **agency** requests FY 2016 operating expenditures of $15.8 million, including $15.2 million from the State General Fund. The request is an increase of $3.8 million, or 32.2 percent, including a State General Fund increase of $3.9 million, or 34.7 percent, above the FY 2015 estimate. The request includes enhancements totaling $5.1 million, all from the State General Fund, for contract beds, a fringe benefit shortfall, vehicle replacements, and IT upgrades and replacements. The request includes 72 FTE positions, which is 1.0 more FTE position than the FY 2015 estimate. **Absent the enhancements**, the agency requests FY 2016 operating expenditures of $10.7 million, including $10.1 million from the State General Fund. The request is a decrease of $1.2 million, or 10.3 percent, including a State General Fund decrease of $1.2 million, or 10.2 percent, below the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $7.4 million for salaries and wages. The request is a decrease of $13,720, or 0.2 percent, below the FY 2015 estimate. The request includes an enhancement of $66,881, all from the State General Fund, for fringe benefit shortfalls. The shortfall is due to the 1.0 percent increase in Kansas Public Employees Retirement System (KPERS) contributions. **Absent the enhancement**, the agency requests $7.4 million for salaries and wages.

- **Contractual Services.** The agency requests $7.2 million for contractual services. The request is an increase of $3.5 million, or 98.0 percent, above the FY 2015 estimate. The increase is attributable to enhancements for contract beds, cloud-based email conversion, and IT upgrades. **Absent the enhancements**, the agency requests $2.5 million for contractual services.

- **Capital Outlay.** The agency requests $795,258 for capital outlay. The request is an increase of $306,077, or 62.6 percent, above the FY 2015 estimate. The increase is attributable to enhancements for replacement vehicles and IT upgrades and replacements. **Absent the enhancement**, the agency requests $437,358 for capital outlay.

The **Governor** recommends FY 2016 operating expenditures of $12.3 million, including $10.7 million from the State General Fund. The request is a decrease of $3.5 million, or 22.1 percent, including a State General Fund decrease of $4.5 million, or 29.5 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's enhancement requests for fringe benefit shortfalls, IT equipment and upgrades, and replacement vehicles. The Governor further recommends a 4.0 percent reduction to the Administration program and reduction of $80,926, including $77,914 from the State General Fund, to reduce employer contributions for state employee health insurance, partially offset by transferring available funding from Correctional Industries and recommending partial funding of the agency's enhancement request for contract beds. The recommendation includes 73.0 FTE positions, which is 1.0 more FTE position than the agency's FY 2016 request. The additional FTE position is a technical correction to the agency's budget request.

The **agency** requests FY 2017 operating expenditures of $16.7 million, including $16.1 million from the State General Fund. The request is an overall increase of $892,838, or 5.7 percent, including a State General Fund increase of $950,326, or 6.3 percent, above the FY 2016 request. The increase is due to increased enhancements totaling $5.8 million, all from the State General Fund, for contract beds, a fringe benefit shortfall, vehicle replacements, and IT upgrades and replacements. The request includes 72.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $10.9 million, including $10.3 million from the State General Fund. The request is an overall increase of $169,183, or 1.6 percent, including a State General Fund increase of $226,671, or 2.2 percent, above the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $7.8 million for salaries and wages. The request is an increase of $315,599, or 4.2 percent, above the FY 2016 request. The increase is due to a 27th payroll period and enhancements totaling $169,461 for a fringe benefit shortfall. **Absent**

the enhancement, the agency requests $7.6 million for salaries and wages.

- **Contractual Services.** The agency requests $7.8 million for contractual services. The request is an increase of $649,242, or 9.1 percent, above the FY 2016 request. The request includes increased enhancements for contract beds, cloud-based email conversion, and IT upgrades. **Absent the enhancement**, the agency requests $2.5 million for contractual services.

- **Capital Outlay.** The agency requests $722,725 for capital outlay. The request is a decrease of $72,533, or 9.1 percent, below the FY 2016 request. The decrease is mainly due to software expenditures including Windows and Adobe licenses made for FY 2016 that are not budgeted for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of $13.7 million, including $12.2 million from the State General Fund. The recommendation is a decrease of $2.9 million, or 17.7 percent, including a State General Fund decrease of $3.9 million, or 24.4 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's enhancement requests for fringe benefit shortfalls, IT equipment and upgrades, and replacement vehicles. The Governor further recommends a 4.0 percent reduction to the Administration program and a reduction of $81,742, including $78,688 from the State General Fund, to reduce employer contributions for state employee health insurance, partially offset by transferring available funding from Correctional Industries and recommending partial funding of the agency's enhancement request for contract beds. The recommendation includes 73.0 FTE positions, which is 1.0 additional FTE position than the agency's FY 2016 request. The additional FTE position is a technical correction to the agency's budget request.

The Governor's recommendation is an increase of $1.4 million, or 11.7 percent, including a State General Fund increase of $1.5 million, or 13.9 percent, above the Governor's FY 2016 recommendation. The increase is primarily due to increased funding for contract beds based on prison population projections.

B. Community Supervision

The Community Supervision program consists of correctional programs, services and sanctions that are administered in the community rather than a correctional facility. Offenders covered under the program include probationers and those sentenced under the alternative drug sentencing policy (2003 SB 123) as well as offenders who have been released from correctional facilities on parole and those preparing to reenter the community. In addition to supervision and assessment of probationers and parolees, the program also operates residential facilities for adult felony probationers designed to increase accountability by helping offenders find employment and develop good work habits. The community corrections subprogram (2007 SB 14) is a grant program administered at the county level, and currently there are 31 community corrections agencies across the state.

COMMUNITY SUPERVISION
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	$ 11,826,955	$ 12,060,269	$ 11,942,377	$ 12,353,392	$ 11,895,128	$ 12,915,620	$ 12,326,885
Contractual Services	3,279,604	3,516,249	3,391,249	2,865,246	2,865,246	2,883,405	2,883,405
Commodities	246,173	232,987	232,987	231,332	231,332	233,375	233,375
Capital Outlay	54,521	60,000	60,000	60,000	60,000	60,000	60,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 15,407,253	$ 15,869,505	$ 15,626,613	$ 15,509,970	$ 15,051,706	$ 16,092,400	$ 15,503,665
Aid to Local Units	20,646,226	24,058,750	22,287,223	24,058,750	24,058,750	24,058,750	24,058,750
Other Assistance	226,269	243,223	243,223	243,223	243,223	243,223	243,223
TOTAL	$ 36,279,748	$ 40,171,478	$ 38,157,059	$ 39,811,943	$ 39,353,679	$ 40,394,373	$ 39,805,638
Financing:							
State General Fund	$ 31,851,431	$ 36,811,435	$ 34,804,114	$ 36,522,857	$ 36,073,387	$ 37,077,003	$ 36,497,238
All Other Funds	4,428,317	3,360,043	3,352,945	3,289,086	3,280,292	3,317,370	3,308,400
TOTAL	$ 36,279,748	$ 40,171,478	$ 38,157,059	$ 39,811,943	$ 39,353,679	$ 40,394,373	$ 39,805,638
FTE Positions	150.0	153.0	153.0	153.0	153.0	153.0	153.0
Non-FTE Uncl. Perm. Pos.	68.0	63.0	63.0	63.0	63.0	63.0	63.0
TOTAL	218.0	216.0	216.0	216.0	216.0	216.0	216.0

The **agency** requests FY 2016 operating expenditures of $39.8 million, including $36.5 million from the State General Fund. The request is a decrease of $359,535, or 0.9 percent, including a State General Fund decrease of $288,578, or 0.8 percent, below the FY 2015 estimate. The decrease is predominately attributable to a one-time expenditure of $500,000 for the Kansas City Parole Office lease buyout, partially offset by enhancements totaling $312,298, all from the State General Fund, for fringe benefit shortfalls and KPERS adjustments for parole officers. The request includes 153.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $39.5 million, including $36.2 million from the State General Fund. The request is a decrease $671,833, or 1.7 percent, including a State General Fund decrease of $600,876, or 1.6 percent, below the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $12.4 million for salaries and wages. The request is an increase of $293,123, or 2.4 percent, above the FY 2015 estimate. The increase is mainly due to enhancements for fringe benefit shortfalls and KPERS adjustments for parole officers. **Absent the enhancements**, the agency requests $12.0 million for salaries and wages.

- **Contractual Services.** The agency requests $2.9 million for contractual services. The request is a decrease of $651,003, or 18.5 percent, below the FY 2015 estimate. The decrease is primarily attributable to one-time expenditure of $500,000 for the Kansas City Parole Office lease buyout and specific costs associated with inmate reentry such as transitional housing.

The **Governor** recommends FY 2016 operating expenditures of $39.4 million, including $36.1 million from the State General Fund. The recommendation is a decrease of $458,264, or 1.2 percent, including a State General Fund decrease of $449,470, or 1.2 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's enhancement request for fringe benefit shortfalls and increased KPERS employer contributions for parole officers. The Governor further recommends a reduction of $145,966, including $137,172 from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of $40.4 million, including $37.1 million from the State General Fund. The request is an increase of $582,430, or 1.5 percent, including a State General Fund increase of $554,146, or 1.5 percent, above the FY 2016 request. The increase is predominately attributable to an increased enhancement for fringe benefit shortfalls, a 27th payroll period, and higher travel expenditures. The request includes 153.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $40.0 million, including $36.6 million from the State General Fund.

The **Governor** recommends FY 2017 operating expenditures of $39.8 million, including $36.5 million from the State General Fund. The recommendation is a decrease of $588,735, or 1.5 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's enhancement request for fringe benefit shortfalls and increased KPERS employer contributions for parole officers. The Governor further recommends a reduction of $148,890, including $139,920 from the State General Fund, to reduce employer contributions for state employee health insurance.

C. Inmate Health Care

Inmate health care is provided for by a new all-inclusive contract with Corizon. The contract covers medical, dental, and mental health services for all inmates and juveniles. The department entered into a nine and a half year contract with Corizon that became effective on January 1, 2014, and comes with four renewal options beginning on July 1, 2015. Due to changes in Medicaid and Health Resources and Services Administration requirements that took effect January 1, 2014, the previous contract with Correct Care Solutions (CCS) was terminated early and expired on December 31, 2013. Included in the Inmate Health Care program are expenditures for Medicaid services billed to the federal government.

INMATE HEALTH CARE
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	$ 852,125	$ 1,716,394	$ 1,699,918	$ 1,734,850	$ 1,702,694	$ 1,813,898	$ 1,762,493
Contractual Services	53,459,248	55,172,407	55,172,407	58,016,184	58,272,056	60,967,440	61,148,130
Commodities	5,011	0	0	0	0	0	0
Capital Outlay	4,649	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 54,321,033	$ 56,888,801	$ 56,872,325	$ 59,751,034	$ 59,974,750	$ 62,781,338	$ 62,910,623
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	1,014,003	1,052,632	1,052,632	1,052,632	1,052,632	1,052,632	1,052,632
TOTAL	$ 55,335,036	$ 57,941,433	$ 57,924,957	$ 60,803,666	$ 61,027,382	$ 63,833,970	$ 63,963,255
Financing:							
State General Fund	$ 53,988,830	$ 56,722,651	$ 56,706,175	$ 59,878,666	$ 60,102,382	$ 62,908,970	$ 63,038,255
All Other Funds	1,346,206	1,218,782	1,218,782	925,000	925,000	925,000	925,000
TOTAL	$ 55,335,036	$ 57,941,433	$ 57,924,957	$ 60,803,666	$ 61,027,382	$ 63,833,970	$ 63,963,255
FTE Positions	2.0	27.0	27.0	27.0	27.0	27.0	27.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	2.0	27.0	27.0	27.0	27.0	27.0	27.0

The **agency** requests FY 2016 operating expenditures totaling $60.8 million, including $59.9 million from the State General Fund. The request is an increase of $2.9 million, or 4.9 percent, including a State General Fund increase of $3.2 million, or 5.6 percent, above the FY 2015 estimate. The request includes enhancements totaling $2.8 million, all from the State General Fund, for a shortfall with the medical contract due to a loss of federal funding and annual increases negotiated into the health care contract, and fringe benefit shortfalls. The request includes 27.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $58.0 million, including $57.0 million from the State General Fund. The request is an increase of $27,684, or less than 0.1 percent, including a State General Fund increase of $321,466 or 0.6 percent, above the FY 2015 estimate.

The **Governor** recommends FY 2016 operating expenditures of $61.0 million, including $60.1 million from the

State General Fund. The recommendation is an increase of $223,716, or 0.4 percent, all from the State General Fund, above the agency's FY 2016 request. The Governor does not recommend the agency's enhancement request for fringe benefit shortfalls. The Governor further recommends partially funding the agency's enhancement request for additional funding for the inmate medical contract, increased expenditures for the Kansas University Physicians Inc. contract for assistance to the agency in managing the inmate health care contract, and a reduction of $16,414, all from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of $63.8 million, including $63.0 million from the State General Fund. The request is an increase of $3.0 million, or 5.0 percent, all from the State General Fund, above the FY 2016 request. The request includes enhancements totaling $8.9 million, all from the State General Fund, for a shortfall with the medical contract due to a loss of federal funding and annual increases negotiated into the health care contract, and fringe benefit shortfalls. The request includes 27.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $54.9 million, including $54.0 million from the State General Fund. The request is a decrease of $3.0 million, or 5.3 percent, all from the State General Fund, below the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $64.0 million, including $63.0 million from the State General Fund. The recommendation is an increase of $129,285, or 0.2 percent, all from the State General Fund, above the agency's FY 2017 request. The Governor does not recommend the agency's enhancement request for fringe benefit shortfalls. The Governor further recommends partially funding the agency's enhancement request for additional funding for the inmate medical contract, increased expenditures for the Kansas University Physicians Inc. contract for assistance to the agency in managing the inmate health care contract, and a reduction of $16,743, all from the State General Fund, to reduce employer contributions for state employee health insurance.

D. Juvenile Services

The Juvenile Services division was established following the merger of the Juvenile Justice Authority and the Department of Corrections on July 1, 2013. This division is responsible for administering state and federal funds and coordinating with other agencies for the operation of a continuum of juvenile justice services statewide. Kansas juvenile justice reform efforts of the mid 1990s established the foundation upon which services are delivered today. Services are delivered through grants to local boards of county commissioners for the development, implementation, operation, and improvement of community based juvenile justice programs through contracts for community placements, grants for the operation of psychiatric residential treatment facilities, and the operation of two state juvenile correction facilities (JCF). The JCFs submit separate agency budgets. The Juvenile Services program also provides technical assistance and support, consultation, oversight, resources, and training to enhance successful partnerships with local juvenile justice stakeholders for the implementation and operation of comprehensive juvenile justice services in the community.

JUVENILE SERVICES
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	$ 962,931	$ 1,089,015	$ 1,078,328	$ 1,797,946	$ 1,075,834	$ 1,786,410	$ 1,053,012
Contractual Services	997,462	594,890	594,890	562,491	562,491	562,600	562,600
Commodities	64,259	6,111	6,111	6,150	6,150	6,196	6,196
Capital Outlay	91,722	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,116,374	$ 1,690,016	$ 1,679,329	$ 2,366,587	$ 1,644,475	$ 2,355,206	$ 1,621,808
Aid to Local Units	26,360,800	23,169,975	22,570,536	23,142,974	23,142,974	22,942,864	22,942,864
Other Assistance	23,761,931	27,369,647	26,296,000	27,369,647	25,896,000	27,369,647	25,396,000
TOTAL	$ 52,239,105	$ 52,229,638	$ 50,545,865	$ 52,879,208	$ 50,683,449	$ 52,667,717	$ 49,960,672
Financing:							
State General Fund	$ 43,879,443	$ 43,905,815	$ 43,429,460	$ 44,513,078	$ 42,924,876	$ 44,561,075	$ 42,261,543
All Other Funds	8,359,662	8,323,823	7,116,405	8,366,130	7,758,573	8,106,642	7,699,129
TOTAL	$ 52,239,105	$ 52,229,638	$ 50,545,865	$ 52,879,208	$ 50,683,449	$ 52,667,717	$ 49,960,672
FTE Positions	12.0	11.0	11.0	11.0	11.0	11.0	11.0
Non-FTE Uncl. Perm. Pos.	8.0	6.0	6.0	6.0	6.0	6.0	6.0
TOTAL	20.0	17.0	17.0	17.0	17.0	17.0	17.0

The **agency** requests FY 2016 operating expenditures totaling $52.9 million, including $44.5 million from the State General Fund. The request is an increase of $649,570, or 1.2 percent, including a State General Fund increase of $607,263, or 1.4 percent, above the FY 2015 estimate. The request includes enhancements totaling $709,507, all from the State General Fund, for fringe benefit shortfalls and KPERS adjustments for juvenile corrections officers. The request includes 11.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $52.2 million, including $43.8 million from the State General Fund. The request is a decrease of $59,937, or 0.1 percent, including a State General Fund decrease of $102,244, or 0.2 percent, below the FY 2015 estimate. The decrease is primarily attributable to decreases in the Multi-Systemic Therapy contract and a loss of federal funding for out-of-home placements.

The **Governor** recommends FY 2016 operating expenditures of $50.7 million, including $42.9 million from the State General Fund. The recommendation is a decrease of $2.2 million, or 4.2 percent, including a State General Fund decrease of $1.6 million, or 3.6 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's enhancement for fringe benefit shortfalls and increased KPERS employer contributions for juvenile corrections officers. The Governor further recommends reduced expenditures for juvenile out-of-home placements caseloads and a reduction of $12,605, including $11,706 from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of $52.7 million, including $44.6 million from the State General Fund. The request is an overall decrease of $211,491, or 0.4 percent, below the FY 2016 request, partially offset by a State General Fund increase of $47,997, or 0.1 percent. The request includes enhancements totaling $721,410, all from the State General Fund, for fringe benefit shortfalls and KPERS adjustments for juvenile corrections officers. The request includes 11.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $52.0 million, including $43.8 million from the State General Fund. The request is an overall decrease of $223,394, or 0.4 percent, partially offset by a State General Fund increase of $36,094, or less than 0.1 percent, below the FY 2016 request. The major changes for FY 2017 include the following item.

- **Aid to Local Units.** The agency requests $22.9 million for aid to local units. The request is a decrease of $200,110, or 0.9 percent, below the FY 2016 request. The decrease is due to exhausting Juvenile Accountability Block Grants and Title II funding decreases.

The **Governor** recommends FY 2017 operating expenditures of $50.0 million, including $42.3 million from the State General Fund. The recommendation is a decrease of $2.7 million, or 5.1 percent, including a State General Fund decrease of $2.3 million, or 5.2 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's enhancement for fringe benefit shortfalls and increased KPERS employer contributions for juvenile corrections officers. The Governor further recommends reduced expenditures for juvenile out-of-home placements caseloads and a reduction of $11,988, including $11,133 from the State General Fund, to reduce employer contributions for state employee health insurance

E. Correctional Industries

Kansas Correctional Industries (KCI) manufactures a variety of products at correctional facilities using inmate labor. These products are sold to government units or not-for-profit organizations. KCI employs 11.0 percent of the total inmate population. Approximately 60.0 percent of sales are with other state agencies, with the balance divided among the other eligible organizations.

CORRECTIONAL INDUSTRIES
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	$ 3,154,833	$ 3,458,607	$ 3,428,120	$ 3,332,432	$ 3,295,244	$ 3,662,062	$ 3,622,390
Contractual Services	1,123,489	1,218,642	1,218,642	1,190,712	1,190,712	1,144,376	1,144,376
Commodities	5,289,844	5,488,590	5,488,590	5,779,074	5,779,074	6,024,958	6,024,958
Capital Outlay	1,208,960	1,574,995	1,574,995	1,109,900	1,109,900	31,500	31,500
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 10,777,126	$ 11,740,834	$ 11,710,347	$ 11,412,118	$ 11,374,930	$ 10,862,896	$ 10,823,224
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	17,831	13,720	13,720	13,720	13,720	13,990	13,990
TOTAL	$ 10,794,957	$ 11,754,554	$ 11,724,067	$ 11,425,838	$ 11,388,650	$ 10,876,886	$ 10,837,214
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	10,794,957	11,754,554	11,724,067	11,425,838	11,388,650	10,876,886	10,837,214
TOTAL	$ 10,794,957	$ 11,754,554	$ 11,724,067	$ 11,425,838	$ 11,388,650	$ 10,876,886	$ 10,837,214
FTE Positions	54.0	54.0	54.0	48.0	48.0	49.0	49.0
Non-FTE Uncl. Perm. Pos.	4.0	4.0	4.0	9.0	9.0	9.0	9.0
TOTAL	58.0	58.0	58.0	57.0	57.0	58.0	58.0

The **agency** requests FY 2016 operating expenditures of $11.4 million, all from special revenue funds. The request is a decrease of $328,716, or 2.8 percent, below the FY 2015 estimate. The request includes 48.0 FTE positions, which is 6.0 less FTE positions than the FY 2015 estimate. The agency converted 5.0 FTE positions to non-FTE positions. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $3.3 million for salaries and wages. The request is a decrease of $126,175, or 3.6 percent, below the FY 2015 estimate. The decrease is due to a significantly reduced Workers Compensation rate.

- **Contractual Services.** The agency requests $1.2 million for contractual services. The request is a decrease of $27,930, or 2.3 percent, below the FY 2015 estimate. The decrease is mainly attributable to reduced fees for planting and

harvesting farm crops as the agency transitions to do this itself, clothing services, and building repairs.

- **Commodities.** The agency requests $5.8 million for commodities. The request is an increase of $290,484, or 5.3 percent, above the FY 2015 estimate. The increase is primarily due to higher cost indices for raw materials.

- **Capital Outlay.** The agency requests $1.1 million for capital outlay. The request is a decrease of $465,095, or 29.5 percent, below the FY 2015 estimate. The decrease is predominately attributable to capital outlay expenditures made in FY 2015 that are not made in FY 2016.

The **Governor** recommends FY 2016 operating expenditures of $11.4 million, all from special revenue funds. The recommendation is a decrease of $37,188, or 0.3 percent, below the agency's FY 2016 request. The Governor recommends a reduction of $37,188, all from special revenue funds, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of $10.9 million, all from special revenue funds. The request is a decrease of $548,952, or 4.8 percent, below the FY 2016 request. The request includes 49.0 FTE positions, which is 1.0 more FTE position than the FY 2016 request. The agency wants to add an additional staff member to assist with the payroll and accounting functions. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $3.7 million for salaries and wages. The request is an increase of $329,630, or 9.9 percent, above the FY 2016 request. The increase is due to additional staff and increased KPERS contributions.

- **Contractual Services.** The agency requests $1.1 million for contractual services. The request is a decrease of $46,336, or 3.9 percent, below the FY 2016 request. The decrease is mainly attributable to lower fees for planting and harvesting farm crops as the agency transitions to do this itself, clothing services, and building repairs.

- **Commodities.** The agency requests $6.0 million for commodities. The request is an increase of $245,884, or 4.3 percent, above the FY 2016 request. The increase is primarily due to higher cost indices for raw materials.

- **Capital Outlay.** The agency requests $31,500 for capital outlay. The request is a decrease of $1.1 million, or 97.2 percent below the FY 2016 request. The agency states it cannot accurately project capital outlay needs for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of $10.8 million, all from special revenue funds. The recommendation is a decrease of $39,672, or 0.4 percent, below the agency's FY 2017 request. The Governor recommends a reduction of $39,672, all from special revenue funds, to reduce employer contributions for state employee health insurance.

F. Offender Programs

Offender programs provide direct program services to inmates and parolees. The agency bases its plan of treatment and programs on what is termed the evidence-based research literature, which identifies basic principles for guiding effective correctional programs and practice. As a result, the agency strives to provide the following services and programs to as many offenders as is financially possible, if those offenders are identified as capable of benefiting from the services or programs based on these guiding principles: (1) Special, vocational, and academic education; (2) Substance abuse treatment for incarcerated offenders; (3) Community-based resources to assist offenders when they transition back into the community (Community Based Intermediate Treatment, Outpatient Treatment, and Community Residential Beds); (4) Sex offender treatment services; and (5) Other programs.

OFFENDER PROGRAMS
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	$ 1,054,471	$ 2,021,350	$ 2,002,369	$ 2,037,834	$ 1,993,167	$ 2,130,443	$ 2,061,607
Contractual Services	6,262,227	7,145,126	6,719,731	7,686,607	7,686,607	7,701,898	7,701,898
Commodities	1,979	3,771	3,771	3,820	3,820	3,878	3,878
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 7,318,677	$ 9,170,247	$ 8,725,871	$ 9,728,261	$ 9,683,594	$ 9,836,219	$ 9,767,383
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 7,318,677	$ 9,170,247	$ 8,725,871	$ 9,728,261	$ 9,683,594	$ 9,836,219	$ 9,767,383
Financing:							
State General Fund	$ 343,905	$ 4,380,260	$ 3,935,884	$ 3,971,430	$ 3,926,763	$ 4,063,642	$ 3,994,806
All Other Funds	6,974,772	4,789,987	4,789,987	5,756,831	5,756,831	5,772,577	5,772,577
TOTAL	$ 7,318,677	$ 9,170,247	$ 8,725,871	$ 9,728,261	$ 9,683,594	$ 9,836,219	$ 9,767,383
FTE Positions	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Non-FTE Uncl. Perm. Pos.	20.0	35.0	35.0	35.0	35.0	35.0	35.0
TOTAL	20.0	36.0	36.0	36.0	36.0	36.0	36.0

The **agency** requests FY 2016 operating expenditures of $9.7 million, including $4.0 million from the State General Fund. The request is an overall increase of $558,014, or 6.1 percent, above the FY 2015 estimate, partially offset by a State General Fund decrease of $408,830, or 9.3 percent. The State General Fund decrease is due to a one-time transfer from the Inmate Benefit Fund to the Offender Programs account. The overall increase is mainly attributable to increased contractual fees and an enhancement of $17,839 for fringe benefit shortfalls. The request includes 1.0 FTE position, the same as the FY 2015 estimate. The increase in non-FTE positions is the result of shifting grant funded positions from the reentry program to Offender Programs.

The **Governor** recommends FY 2016 operating expenditures of $9.7 million, including $3.9 million from the State General Fund. The recommendation is a decrease of $44,667, or 0.5 percent, all from the State General Fund, below

the agency's FY 2016 request. The Governor does not recommend the agency's enhancement request for fringe benefit shortfalls. The Governor further recommends a reduction of $26,828, all from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of $9.8 million, including $4.1 million from the State General Fund. The request is an increase of $107,958, or 1.1 percent, including a State General Fund increase of $92,212, or 2.3 percent, above the FY 2016 request. The increase is predominately due to a 27th payroll period, an enhancement of $41,471 for fringe benefit shortfalls, and increased travel expenses. The request includes 1.0 FTE position, the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $9.8 million, including $4.0 million from the State General Fund. The recommendation is a decrease of $68,836, or 0.7 percent, all from the State General Fund, below the agency's FY 2017 request. The Governor does not recommend the agency's enhancement request for fringe benefit shortfalls. The Governor further recommends a reduction of $27,365, all from the State General Fund, to reduce employer contributions for state employee health insurance.

G. Prisoner Review Board

The Prisoner Review Board was created in 2011 through Executive Reorganization Order No. 34, which abolished the Parole Board and transferred its duties and powers to the Prisoner Review Board. The Board consists of three members who conduct parole suitability hearings, final violation hearings and revocation consideration, public comment sessions, and other duties. The Chairperson is a full-time employee while the two other members served part-time on the Board while performing other duties within the agency until April 15, 2012. All three members are now full-time employees.

PRISONER REVIEW BOARD
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	$ 412,011	$ 427,735	$ 423,655	$ 432,413	$ 425,151	$ 452,131	$ 441,070
Contractual Services	7,110	11,039	11,039	11,043	11,043	11,047	11,047
Commodities	1,852	2,121	2,121	2,145	2,145	2,170	2,170
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 420,973	$ 440,895	$ 436,815	$ 445,601	$ 438,339	$ 465,348	$ 454,287
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 420,973	$ 440,895	$ 436,815	$ 445,601	$ 438,339	$ 465,348	$ 454,287
Financing:							
State General Fund	$ 324,759	$ 343,234	$ 340,085	$ 346,813	$ 340,535	$ 361,919	$ 351,862
All Other Funds	96,214	97,661	96,730	98,788	97,804	103,429	102,425
TOTAL	$ 420,973	$ 440,895	$ 436,815	$ 445,601	$ 438,339	$ 465,348	$ 454,287
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Non-FTE Uncl. Perm. Pos.	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	6.0	6.0	6.0	6.0	6.0	6.0	6.0

The **agency** requests FY 2016 operating expenditures of $445,601, including $346,813 from the State General Fund. The request is an increase of $4,706, or 1.1 percent, including a State General Fund increase of $3,579, or 1.0 percent, above the FY 2015 estimate. The increase is primarily attributable to an enhancement of $2,956 for fringe benefit shortfalls. The request includes 3.0 FTE positions, the same as the FY 2015 estimate.

The **Governor** recommends FY 2016 operating expenditures of $438,339, including $340,535 from the State General Fund. The recommendation is a decrease of $7,262, or 1.6 percent, including $6,278, or 1.8 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's enhancement request for fringe benefit shortfalls. The Governor further recommends a reduction of $4,306, including $3,322 from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of $465,348, including $361,919 from the State General Fund. The request is an increase of $19,747, or 4.4 percent, including a State General Fund increase of $15,106, or 4.4 percent, above the FY 2016 request. The increase is mainly due to 27th payroll period and an enhancement of $6,669 for fringe benefit shortfalls. The request includes 3.0 FTE positions, the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $454,287, including $351,862 from the State General Fund. The recommendation is a decrease of $11,061, or 2.4 percent, including a State General Fund decrease of $10,057, or 2.8 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's enhancement request for fringe benefit shortfalls. The Governor further recommends a reduction of $4,392, including $3,388 from the State General Fund, to reduce employer contributions for state employee health insurance.

H. Victim Services

The Victim Services program provides services to victims of crimes and inmates in DOC. These services include notification of changes in offender status, apology repository, public comment session advocacy, tours, victim/offender dialogue, visitation screenings, cease correspondence orders, safety planning/family reintegration, parole violation hearings, and victim impact classes.

VICTIM SERVICES
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	$ 657,111	$ 655,450	$ 649,236	$ 662,552	$ 651,160	$ 692,986	$ 677,583
Contractual Services	12,520	25,500	25,500	25,505	25,505	25,511	25,511
Commodities	6,016	6,491	6,491	6,571	6,571	6,662	6,662
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 675,647	$ 687,441	$ 681,227	$ 694,628	$ 683,236	$ 725,159	$ 709,756
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	12,500	8,000	8,000	8,000	8,000	8,000	8,000
TOTAL	$ 688,147	$ 695,441	$ 689,227	$ 702,628	$ 691,236	$ 733,159	$ 717,756
Financing:							
State General Fund	$ 343,792	$ 352,539	$ 349,363	$ 356,314	$ 348,979	$ 372,138	$ 360,874
All Other Funds	344,355	342,902	339,864	346,314	342,257	361,021	356,882
TOTAL	$ 688,147	$ 695,441	$ 689,227	$ 702,628	$ 691,236	$ 733,159	$ 717,756
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	12.0	12.0	12.0	12.0	12.0	12.0	12.0
TOTAL	12.0	12.0	12.0	12.0	12.0	12.0	12.0

The **agency** requests FY 2016 operating expenditures of $702,628, including $356,314 from the State General Fund. The request is an increase of $7,187, or 1.0 percent, including a State General Fund increase of $3,775, or 1.1 percent, above the FY 2015 estimate. The increase is primarily due to an enhancement of $3,093 for fringe benefit shortfalls.

The **Governor** recommends FY 2016 operating expenditures of $691,236, including $348,979 from the State General Fund. The recommendation is a decrease of $11,392, or 1.6 percent, including a State General Fund decrease of $7,335, or 2.1 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's enhancement request for fringe benefit shortfalls. The Governor further recommends a reduction of $8,299, including $4,242 from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures totaling $733,159, including $372,138 from the State General Fund. The request is an increase of $30,531, or 4.3 percent, including a State General Fund increase of $15,824, or 4.4 percent, above the FY 2016 request. The increase is mainly attributable to a 27th payroll period and an enhancement of $6,938 for fringe benefit shortfalls.

The **Governor** recommends FY 2017 operating expenditures of $717,756, including $360,874 from the State General Fund. The recommendation is a decrease of $15,403, or 2.1 percent, including a State General Fund decrease of $11,264, or 3.0 percent, The Governor does not recommend the agency's enhancement request for fringe benefit shortfalls. The Governor further recommends a reduction of $8,465, including $4,326 from the State General Fund, to reduce employer contributions for state employee health insurance.

I. Food Service Contract

The Department of Corrections entered into a contract with ARAMARK Correctional Services, Inc., in July 1997. ARAMARK is responsible for all labor, food, supplies, and other materials required for the delivery of food services at all of the correctional facilities with the exception of Larned Correctional Mental Health Facility (LCMHF). At LCMHF, ARAMARK is responsible for labor only as the meals are prepared for LCMHF by Larned State Hospital. The current contract with ARAMARK was renegotiated in 2011 and will run through 2022.

FY 2016 Food Service Contract - Agency Estimate

Facilities	9,006 ADP x 3 x 365 =	9,861,570 meals x $1.467/meal	$	14,464,556
Larned Correctional Mental Health Facility		365 days x 567.99/day		207,316
Monitor Meals		36,500 meals x 1.25/meal		45,625
Equipment Maintenance and Replacement Fund				300,000
TOTAL			$	15,017,498

The **agency** requests FY 2016 operating expenditures of $15.0 million, all from the State General Fund. The request is an increase of $731,721, or 5.1 percent, above the FY 2015 estimate. The increase is due to an enhancement that reflects a cost per meal increase of 2.0 percent and a higher estimated average daily population. The per-meal rate is included in the table above.

The **Governor** recommends FY 2016 operating expenditures of $15.0 million, all from the State General Fund. The recommendation is a decrease of $27,304, or 0.2 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not fully funding the enhancement for the food contract shortfall.

FY 2017 Food Service Contract - Agency Estimate				
Facilities	9,159 ADP x 3 x 365 =	10,029,105 meals x $1.496/meal	$	15,004,496
Larned Correctional Mental Health Facility		365 days x 579.35/day		211,463
Monitor Meals		36,500 meals x 1.25/meal		45,625
Equipment Maintenance and Replacement Fund				300,000
TOTAL			$	15,561,584

The **agency** requests FY 2017 operating expenditures of $15.6 million, all from the State General Fund. The request is an increase of $544,086 or 3.6 percent, above the FY 2016 request. The increase is due to an enhancement that reflects a cost per meal increase of 2.0 percent and a higher estimated average daily population. The per-meal rate is included in the table above.

The **Governor** recommends FY 2017 operating expenditures of $15.3 million, all from the State General Fund. The recommendation is a decrease of $263,755, or 1.7 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not fully funding the enhancement for the food contract shortfall.

J. Debt Service

The Department of Corrections (DOC) is responsible for managing the construction and financing of facilities' structures throughout the state correctional system. The interest payments on the system's debt is funded under the Department's operations budget.

DEBT SERVICE
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	2,112,548	2,184,915	1,933,354	1,948,475	1,544,712	1,699,475	1,826,862
Subtotal - Operations	$ 2,112,548	$ 2,184,915	$ 1,933,354	$ 1,948,475	$ 1,544,712	$ 1,699,475	$ 1,826,862
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 2,112,548	$ 2,184,915	$ 1,933,354	$ 1,948,475	$ 1,544,712	$ 1,699,475	$ 1,826,862
Financing:							
State General Fund	$ 1,230,577	$ 1,152,600	$ 901,039	$ 1,069,150	$ 665,387	$ 980,875	$ 1,108,262
All Other Funds	881,971	1,032,315	1,032,315	879,325	879,325	718,600	718,600
TOTAL	$ 2,112,548	$ 2,184,915	$ 1,933,354	$ 1,948,475	$ 1,544,712	$ 1,699,475	$ 1,826,862
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests FY 2016 operating expenditures of $1.9 million, including $1.1 million from the State General Fund. The request is a decrease of $236,440, or 10.8 percent, including a State General Fund decrease of $83,450, or 7.2 percent, below the FY 2015 estimate. The interest payments are in accordance with established schedules and cover four different bonds.

The **Governor** recommends FY 2016 operating expenditures of $1.5 million, including $665,387 from the State General Fund. The recommendation is a decrease of $403,763, or 20.7 percent, all from the State General Fund, below the agency's FY 2016 request. The decrease is due to restructuring a bond at the El Dorado Correctional Facility and an infrastructure bond for various upgrades at eight different facilities.

The **agency** requests FY 2017 operating expenditures of $1.7 million, including $980,875 from the State General Fund. The request is a decrease of $249,000, or 12.8 percent, including a State General Fund decrease of $88,275, or 8.3 percent, below the FY 2016 request. The interest payments are in accordance with established schedules and cover four different bonds.

The **Governor** recommends FY 2017 operating expenditures of $1.8 million, including $1.1 million from the State General Fund. The recommendation is an increase of $127,387, or 7.5 percent, all from the State General Fund, above the agency's FY 2017 request. The increase is attributable to restructuring a bond at the El Dorado Correctional Facility.

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
Debt Service - Principal	$ 4,890,000	$ 4,890,000	$ 5,115,000	$ 4,394,150	$ 5,375,000	$ 5,375,000
Rehabilitation and Repair	7,810,227	7,146,150	6,527,249	5,637,070	5,518,668	4,621,810
Correctional Industries	1,784,343	1,784,343	445,000	445,000	875,126	875,126
TOTAL	$ 14,484,570	$ 13,820,493	$ 12,087,249	$ 10,476,220	$ 11,768,794	$ 10,871,936
Financing:						
State General Fund	$ 1,515,000	$ 1,295,000	$ 1,375,000	$ 654,150	$ 1,470,000	$ 1,470,000
All Other Funds	12,969,570	12,525,493	10,712,249	9,822,070	10,298,794	9,401,936
TOTAL	$ 14,484,570	$ 13,820,493	$ 12,087,249	$ 10,476,220	$ 11,768,794	$ 10,871,936

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates FY 2015 capital improvement expenditures of $14.5 million, including $1.5 million from the State General Fund. The estimate is an increase of $3.8 million, or 36.1 percent, including a State General Fund increase of $220,000, or 17.0 percent, above the FY 2015 approved amount. The all funds increase is due to additional expenditures for rehabilitation and repair and the State General Fund increase is due to the reallocation of savings from relocating the Department of Corrections' Central Office from the Landon State Office Building to a privately owned space. The major changes in FY 2015 include the following items.

- **Debt Service Principal.** The agency estimates $4.9 million for debt service principal. The estimate is the same as the FY 2015 approved amount.

- **Rehabilitation and Repair.** The agency estimates $7.8 million for rehabilitation and repair. The estimate is an increase of $2.1 million, or 35.8 percent, above the FY 2015 approved amount. This funding allows the agency to complete capital improvement projects in the Five-year Capital Improvements Plan.

- **Correctional Industries.** The agency estimates $1.8 million for Correctional Industries capital improvement expenditures. The estimate is an increase of $1.4 million, or 346.1 percent, above the FY 2015 approved amount. The increase is attributable to projects approved in FY 2014 that were moved to FY 2015 due to cash constraints along with ongoing projects at Lansing, Topeka, and Hutchinson.

Current Year Governor Recommendation

The **Governor** recommends FY 2015 capital improvement expenditures of $13.8 million, including $1.3 million from the State General Fund. The recommendation is a decrease of $664,077, or 4.6 percent, including a State General Fund decrease of $220,000, or 14.5 percent, below the agency's FY 2015 estimate. The decrease is due to the Governor's December 2014 allotment that removed the rent savings of $220,000, all from the State General Fund, and reduced expenditures from the Correctional Institutions Building Fund based on available cash balances.

Budget Year Agency Request

FY 2016 – Budget Year. The agency requests FY 2016 capital improvement expenditures of $12.1 million, including $1.4 million from the State General Fund. The request is a decrease of $2.4 million, or 16.6 percent, including a State General Fund decrease of $140,000, or 9.2 percent, below the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Debt Service Principal.** The agency requests $5.1 million for debt service principal. The request is an increase of $225,000, or 4.6 percent, above the FY 2015 estimate. The principal payments are in accordance with established schedules and cover four different bonds.

- **Rehabilitation and Repair.** The agency requests $6.5 million for rehabilitation and repair. The request is a decrease of $1.3 million, or 16.4 percent, below the FY 2015 estimate. The decrease is mainly attributable to the completion of a razing project at the Kansas Juvenile Correctional Complex and warehouse project at the Larned complex.

- **Correctional Industries.** The agency requests $445,000 for Correctional Industries capital improvement expenditures. The request is a decrease of $1.3 million, or 75.1 percent, below the FY 2015 estimate. Projects include a new barn at the Hutchinson Correctional Facility and completion of the Correctional Industries administrative building expansion and remodel. The decrease is predominately due to capital improvement expenditures made in FY 2015 that are not made for FY 2016.

Budget Year Governor Recommendation

The **Governor** recommends FY 2016 capital improvement expenditures of $10.5 million, including $654,150 from the State General Fund. The recommendation is a decrease of $1.6 million, or 13.3 percent, including a State General Fund decrease of $720,850, or 52.4 percent, below the agency's FY 2016 request. The decrease is due to restructured bond payments and reduced expenditures from the Correctional Institutions Building Fund based on available cash balances.

Budget Year Agency Request

FY 2017 – Budget Year. The agency requests FY 2017 capital improvements expenditures of $11.8 million, including $1.5 million from the State General Fund. The request is an overall decrease of $318,455, or 2.6 percent, below the 2016 request, partially offset by a State General Fund increase of $95,000, or 6.9 percent. The major changes for FY 2017 include the following items.

- **Debt Service Principal.** The agency requests $5.4 million for debt service principal. The request is an increase of $260,000, or 5.1 percent, above the FY 2016 request. The principal payments are in accordance with established schedules and cover four different bonds.

- **Rehabilitation and Repair.** The agency requests $5.5 million for rehabilitation and repair. The request is a decrease of $1.0 million, or 15.5 percent, below the FY 2016 request. The decrease is primarily attributable to the anticipated completion of phase II of the security system upgrade project at the Larned Juvenile Correctional Facility.

- **Correctional Industries.** The agency requests $875,126 for Correctional Industries capital improvement expenditures. The request is an increase of $430,126, or 96.7 percent, above the FY 2016 request. The increase is due to additional projects for FY 2017 including window replacement and a new private industries building.

Budget Year Governor Recommendation

The **Governor** recommends FY 2017 capital improvement expenditures of $10.9 million, including $1.5 million from the the State General Fund. The recommendation is a decrease of $896,858, or 7.6 percent, below the agency's FY 2017 request. The overall decrease is attributable to reduced expenditures from the Correctional Institutions Building Fund based on available cash balances.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Operations					
Number of security audits conducted	8	5	10	10	10
Number of sanitation and safety inspections conducted	10	10	10	10	10
Number of Community Correction programs requiting technical assistance and oversight by Central Administration	31	31	31	31	31
Community Supervision					
Community corrections average daily population	12,076	11,672	12,011	12,362	12,725
Number of offenders on parole/post-release supervision whose status has been revoked as a result of a condition violation	823	1,117	1,240	1,376	1,527
Treatment and Programs					
Number of GED program participants	689	576	576	576	576
Number of vocational program participants	868	953	953	953	953
Number of special education participants	145	27	27	27	27
Juvenile Services					
Number of residential provider site visits conducted	33	29	26	26	26
Number of training sessions provided to agency stakeholders	36	36	36	36	36
Number of community supervision plans reviewed	279	279	267	267	267
Prisoner Review Board					
Number of release plan reviews	7,576	4,153	4,153	4,153	4,153
Special Programs					
Number of meals prepared at facilities	10,071,810	10,071,810	9,552,780	9,861,570	10,029,105
Number of victims who received services	--	13,032	12,000	12,500	13,000
Kansas Correctional Industries					
Inmates participating in traditional industries program (ADP)	269	326	326	326	326
Inmates participating in private industry program (ADP)	860	915	915	915	915

El Dorado Correctional Facility

	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	$ 27,861,692	$ 28,675,490	$ 28,234,468	$ 28,742,892	$ 28,034,058	$ 30,060,408	$ 28,950,567
Other Funds	71,117	20,603	20,603	20,000	20,000	20,000	20,000
TOTAL	$ 27,932,809	$ 28,696,093	$ 28,255,071	$ 28,762,892	$ 28,054,058	$ 30,080,408	$ 28,970,567
Capital Improvements:							
State General Fund	$ 240,638	$ 244,740	$ 244,740	$ 0	$ 0	$ 0	$ 0
Other Funds	96,478	123,716	123,716	0	0	0	0
TOTAL	$ 337,116	$ 368,456	$ 368,456	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	**$ 28,269,925**	**$ 29,064,549**	**$ 28,623,527**	**$ 28,762,892**	**$ 28,054,058**	**$ 30,080,408**	**$ 28,970,567**
Percentage Change:							
Operating Expenditures							
State General Fund	5.1 %	2.9 %	1.3 %	0.2 %	(0.7) %	4.6 %	3.3 %
All Funds	5.2	2.7	1.2	0.2	(0.7)	4.6	3.3
FTE Positions	480.5	485.0	483.0	485.0	483.0	485.0	483.0
Non-FTE Perm.Uncl.Pos.	3.0	0.0	2.0	0.0	2.0	0.0	2.0
TOTAL	483.5	485.0	485.0	485.0	485.0	485.0	485.0

The 1989 Legislature authorized the construction of the El Dorado Correctional Facility (EDCF) at a cost of $58.0 million. Initially built with a capacity of 640 beds, a multi-housing dormitory was added in 1995 and two additional cell houses were added in 2001 at a cost of $17.5 million, bringing the capacity at the Central Unit to 1,365 inmates.

EDCF houses special management, maximum, medium and minimum-custody inmates. Two of the Central Unit's five cell houses are designated for long-term involuntary segregation inmates in single cells. For security and control reasons, these inmates cannot be maintained in general population status at any other correctional facility. A third Central Unit cell house is available as needed for segregation purposes and an Intensive Management Unit (IMU) was added in January 2003. The addition divides the cell house's inmate capacity equally between segregation inmates and IMU inmates. The other two Central Unit cell houses provide medium-custody beds.

The Facility's North Unit, formerly known as the El Dorado Honor Camp, merged with the current administration in July 1992. The North Unit has a capacity of 102 minimum-custody inmates that provide a labor force for the Central Unit's support building and the Kansas Department of Wildlife, Parks and Tourism facility located by El Dorado Reservoir. This unit stopped housing inmates in FY 2009 due to budget reductions.

The El Dorado Correctional Facility's East Unit, formerly known as the Toronto Honor Camp, merged with the current administration in July 1992. The East Unit's 70 minimum-custody inmates provide a labor force for the Kansas Department Wildlife, Parks, and Tourism on the Toronto Reservoir as well as support for the East Unit. This unit stopped housing inmates in FY 2009 due to budget reductions.

The Reception and Diagnostic Unit (RDU) became the state's central intake point for all male offenders committed to the custody of the Secretary of Corrections. Inmates are classified at the maximum-custody level until they are processed, evaluated, classified, and designated to be delivered to one of the state's correctional facilities. The transfer of the RDU center from the Topeka Correctional Facility began in 1998 when the Legislature appropriated funds to plan construction of two new housing units and the RDU transfer. The effort continued until 2002 when full-year RDU funding was placed in the EDCF budget.

MAJOR ISSUES FROM PRIOR YEARS

The **2007 Legislature** approved bonding authority of $39.5 million for prison expansion projects. Expansion projects require approval by the State Finance Council and would occur in the following order as indicated in 2007 House Sub. for SB 357.

- Two cell houses or 256 beds at El Dorado Correctional Facility.
- 240 substance abuse treatment beds at Yates Center.

- 100 minimum security beds at Ellsworth Correctional Facility.

- 72 beds at Stockton Correctional Facility.

The **2008 Legislature** rescinded $19.5 million of the bonding authority approved for prison expansion projects.

During **FY 2009**, the Department of Corrections used $1.7 million in bond proceeds to begin planning for prison expansion projects at the four approved locations.

The **2009 Legislature** rescinded the remainder of the approved bonding authority for prison expansion projects.

The **2009 Legislature** also approved a 1.25 percent across-the-board State General Fund reduction in FY 2009 and FY 2010 and a 2.75 percent across-the-board State General Fund reduction in FY 2010. The reduction to the El Dorado Correctional Facility budget totaled $297,736, all from the State General Fund, in FY 2009 and $955,005, all from the State General Fund in FY 2010. Other changes include the following items.

- A decrease of $138,573, all from the State General Fund, to remove funding for longevity bonuses, which the agencies were instructed to fund from within existing resources.

- An increase of $125,456, all from the State General Fund, for undermarket pay adjustments as recommended in the Hay Group study that was completed in FY 2008.

During **FY 2009**, the Department of Corrections suspended operation at the Toronto Correctional Work Facility and the North Unit at El Dorado Correctional Facility (EDCF) in order to achieve budget savings. Those facilities are being maintained for future use but the facilities no longer house inmates. The total capacity at EDCF was reduced by 172 beds and the FTE was reduced by 37.0 positions based on the suspension of operations at the facilities.

The **2010 Legislature** deleted $37,396 from the State General Fund for a 5.0 percent state officer's salary reduction ($1,244), which applied to the warden at EDCF, and a moratorium on contributions to KPERS death and disability ($36,152). In FY 2011, the changes include the following items.

- $578,178 from the State General Fund in an enhancement request made by the agency to reduce the salaries and wages shrinkage rate.

- A decrease of $36,181 from the State General Fund for a moratorium on contributions to the KPERS death and disability.

- A decrease of $134,250 from the State General Fund to have longevity bonuses funded from within existing resources.

- An addition of $275,648 from the State General Fund for the Facility's portion of the undermarket pay adjustments.

The **2011 Legislature** deleted $489,363, including $489,217 from the State General Fund, all in the form of statewide reductions. These adjustments include the following items.

- $165,741 from the State General Fund to self-fund state employee longevity bonus payments for FY 2012.

- $287,218, including $287,076 from the State General Fund, for a reduction in operating expenditures.

- $31,123 from the State General Fund for a moratorium on employer contributions to Kansas Public Employees Retirement System (KPERS) death and disability.

The **2012 Legislature** deleted $99,829, including $99,685 from the State General Fund, all in the form of statewide reductions. These adjustments include the following items.

- $16,330, including $16,261 from the State General Fund, to reduce longevity bonus payments to the statutory level of $40 per year of service for eligible employees.

- $65,043, all from the State General Fund, to self-fund employee longevity bonus payments in FY 2013.

- $18,456, including $18,381 from the State General Fund, for a moratorium on employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or death and disability fund, for a three month period.

The **2012 Legislature** also approved the renovation of the Labette Correctional Conservation Camp in Oswego to serve as a geriatric facility. The facility will be under the auspice of El Dorado Correctional Facility and will be known as the Southeast Unit.

During the **2013 Legislative Session**, the Governor vetoed the agency's entire FY 2015 operating budget.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 total expenditures of $29.1 million, including $28.9 million from the State General Fund. The request is an increase of $545,341, or 1.9 percent, including a State General Fund increase of $441,022, or 1.5 percent, above the FY 2015 approved amount. The increase is due to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures and capital improvement expenditures for rehabilitation and repair. The request includes 485.0 FTE positions, which is 4.5 more FTE positions than the FY 2015 approved amount. The agency added additional staff to its Classification and Programs program for inmate services.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 total expenditures of $28.6 million, including $28.5 million from the State General Fund. The recommendation is a decrease of $441,022, or 1.5 percent, below the agency's FY 2015 estimate. The decrease is attributable to the inclusion of the Governor's December 2014 Allotment. The recommendation includes 483.0 FTE positions, which is 2.0 less FTE positions than the agency's estimate. The FTE decrease is a technical adjustment to accurately reflect the agency's current FTE total.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $28.8 million, including $28.7 million from the State General Fund. The request is an increase of $66,799, or 0.2 percent, including a State General Fund increase of $67,402, or 0.2 percent, above the FY 2015 estimate. The request includes enhancements totaling $413,006, all from the State General Fund, for fringe benefit shortfalls, security equipment, and vehicle replacements. The request includes 485.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $28.3 million, including $28.3 million from the State General Fund. The request is a decrease of $346,207, or 1.2 percent, including a State General Fund decrease of $345,604, or 1.2 percent, below the FY 2015 estimate. The decrease is due to one time bonuses made in FY 2015 that are not made for FY 2016, advertising costs, computer programming fees, travel, professional fees for inmate services, and cost indices for commodities.

The agency does not have any capital improvement requests. Capital improvement expenditures for FY 2016 will be made at the discretion of the Department of Corrections' Central Office.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $28.1 million, including $28.0 million from the State General Fund. The recommendation is a decrease of $708,834, or 2.5 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $295,828, all from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 483.0 FTE positions, which is 2.0 less FTE positions than the agency's request. The FTE decrease is a technical adjustment to accurately reflect the agency's current FTE total.

The Governor concurs with the agency's capital improvements request.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $30.1 million, including $30.1 million from the State General Fund. The request is an increase of $1.3 million, or 4.6 percent, above the FY 2016 request. The request includes enhancements totaling $800,264, all from the State General Fund, for fringe benefit shortfalls, security equipment, and vehicle replacements. The request includes 485.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $29.3 million, including $29.3 million from the State General Fund. The request is an increase of $930,258, or 3.3 percent, all from the State General Fund, above the FY 2016 request less enhancements. The increase is primarily attributable to a 27th payroll period, increased workers compensation rates, and higher cost indices for utilities partially offset by lower cost indices for commodities.

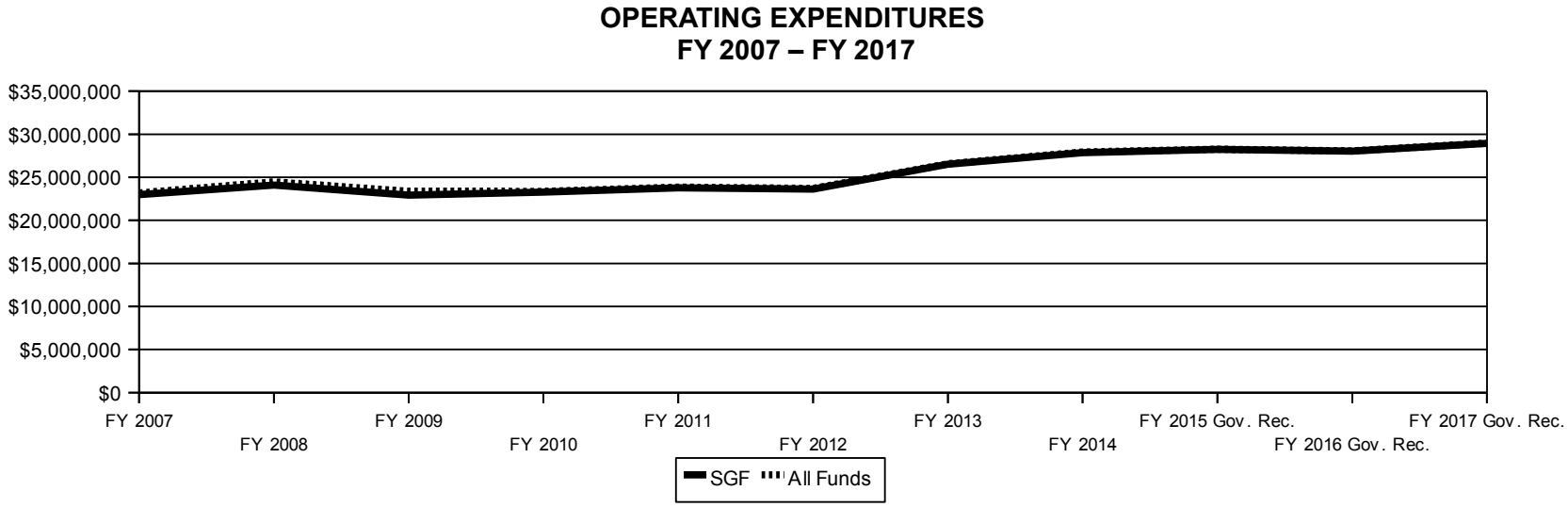
The agency does not have any capital improvement requests. Capital improvement expenditures for FY 2016 will be made at the discretion of the Department of Corrections' Central Office.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $29.0 million, including $29.0 million from the State General Fund. The recommendation is a decrease of $1.1 million, or 3.7 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $309,577, all from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 483.0 FTE positions, which is 2.0 less FTE positions than the agency's request. The FTE decrease is a technical adjustment to accurately reflect the agency's current FTE total.

The Governor concurs with the agency's capital improvements request.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 22,986,551	3.3 %	$ 23,168,030	3.3 %	464.0
2008	24,091,473	4.8	24,464,973	5.6	463.0
2009	22,910,872	(4.9)	23,376,675	(4.4)	463.0
2010	23,280,107	1.6	23,361,445	(0.1)	426.0
2011	23,782,842	2.2	23,852,910	2.1	426.0
2012	23,612,486	(0.7)	23,702,680	(0.6)	424.0
2013	26,505,208	12.3	26,560,630	12.1	477.5
2014	27,861,692	5.1	27,932,809	5.2	480.5
2015 Gov. Rec.	28,234,468	1.3	28,255,071	1.2	483.0
2016 Gov. Rec.	28,034,058	(0.7)	28,054,058	(0.7)	483.0
2017 Gov. Rec.	28,950,567	3.3	28,970,567	3.3	483.0
Eleven-Year Change	$ 5,964,016	25.9 %	$ 5,802,537	25.0 %	19.0

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 1,753,358	$ 1,890,151	$ 1,672,371	$ (217,780)	(11.5) %	$ 1,875,268	$ 1,657,878	$ (217,390)	(11.6)%
Security	15,065,695	15,463,029	15,621,739	158,710	1.0	15,318,201	15,400,081	81,880	0.5
Classification and Programs	3,469,801	3,371,060	3,541,324	170,264	5.1	3,342,836	3,502,108	159,272	4.8
North Unit	29,776	30,524	31,400	876	2.9	30,524	31,400	876	2.9
East Unit	4,419	4,824	4,979	155	3.2	4,824	4,979	155	3.2
Southeast Unit	3,003,135	3,254,825	2,711,694	(543,131)	(16.7)	3,230,217	2,709,989	(520,228)	(16.1)
Support Services	4,606,625	4,681,680	5,179,385	497,705	10.6	4,453,201	4,747,623	294,422	6.6
TOTAL	$ 27,932,809	$ 28,696,093	$ 28,762,892	$ 66,799	0.2 %	$ 28,255,071	$ 28,054,058	$ (201,013)	(0.7)%
By Major Object of Expenditure:									
Salaries and Wages	$ 23,601,242	$ 23,997,791	$ 24,032,856	$ 35,065	0.1 %	$ 23,768,174	$ 23,518,928	$ (249,246)	(1.0)%
Contractual Services	2,505,019	2,702,234	2,650,657	(51,577)	(1.9)	2,702,234	2,650,657	(51,577)	(1.9)
Commodities	1,564,835	1,866,106	1,739,916	(126,190)	(6.8)	1,654,701	1,642,800	(11,901)	(0.7)
Capital Outlay	233,482	115,730	339,463	223,733	193.3	115,730	241,673	125,943	108.8
Debt Service	16,579	7,237	0	(7,237)	(100.0)	7,237	0	(7,237)	(100.0)
Subtotal - Operations	$ 27,921,157	$ 28,689,098	$ 28,762,892	$ 73,794	0.3 %	$ 28,248,076	$ 28,054,058	$ (194,018)	(0.7)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	11,652	6,995	0	(6,995)	(100.0)	6,995	0	(6,995)	(100.0)
TOTAL	$ 27,932,809	$ 28,696,093	$ 28,762,892	$ 66,799	0.2 %	$ 28,255,071	$ 28,054,058	$ (201,013)	(0.7)%
Financing:									
State General Fund	$ 27,861,692	$ 28,675,490	$ 28,742,892	$ 67,402	0.2 %	$ 28,234,468	$ 28,034,058	$ (200,410)	(0.7)%
General Fees Fund	71,117	20,603	20,000	(603)	(2.9)	20,603	20,000	(603)	(2.9)
TOTAL	$ 27,932,809	$ 28,696,093	$ 28,762,892	$ 66,799	0.2 %	$ 28,255,071	$ 28,054,058	$ (201,013)	(0.7)%

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	$ 1,672,371	$ 1,739,492	$ 67,121	4.0 %	$ 1,657,878	$ 1,724,709	$ 66,831	4.0 %
Security	15,621,739	16,221,247	599,508	3.8	15,400,081	16,003,847	603,766	3.9
Classification and Programs	3,541,324	3,692,203	150,879	4.3	3,502,108	3,651,332	149,224	4.3
North Unit	31,400	32,346	946	3.0	31,400	32,346	946	3.0
East Unit	4,979	5,148	169	3.4	4,979	5,148	169	3.4
Southeast Unit	2,711,694	3,001,484	289,790	10.7	2,709,989	2,990,179	280,190	10.3
Support Services	5,179,385	5,388,488	209,103	4.0	4,747,623	4,563,006	(184,617)	(3.9)
TOTAL	$ 28,762,892	$ 30,080,408	$ 1,317,516	4.6 %	$ 28,054,058	$ 28,970,567	$ 916,509	3.3 %
By Major Object of Expenditure:								
Salaries and Wages	$ 24,032,856	$ 25,577,639	$ 1,544,783	6.4 %	$ 23,518,928	$ 24,674,654	$ 1,155,726	4.9 %
Contractual Services	2,650,657	2,708,647	57,990	2.2	2,650,657	2,708,647	57,990	2.2
Commodities	1,739,916	1,684,382	(55,534)	(3.2)	1,642,800	1,587,266	(55,534)	(3.4)
Capital Outlay	339,463	109,740	(229,723)	(67.7)	241,673	0	(241,673)	(100.0)
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 28,762,892	$ 30,080,408	$ 1,317,516	4.6 %	$ 28,054,058	$ 28,970,567	$ 916,509	3.3 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	$ 28,762,892	$ 30,080,408	$ 1,317,516	4.6 %	$ 28,054,058	$ 28,970,567	$ 916,509	3.3 %
Financing:								
State General Fund	$ 28,742,892	$ 30,060,408	$ 1,317,516	4.6 %	$ 28,034,058	$ 28,950,567	$ 916,509	3.3 %
General Fees Fund	20,000	20,000	0	0.0	20,000	20,000	0	0.0
TOTAL	$ 28,762,892	$ 30,080,408	$ 1,317,516	4.6 %	$ 28,054,058	$ 28,970,567	$ 916,509	3.3 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $28,708,825 for the El Dorado Correctional Facility in FY 2015. Two adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $211,405, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- A reduction of $441,022, as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to $28,479,208. 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.

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	$ 28,479,208	$ 28,920,230	$ 441,022	$ 28,479,208	$ 0
All Other Funds	40,000	144,319	104,319	144,319	104,319
TOTAL	$ 28,519,208	$ 29,064,549	$ 545,341	$ 28,623,527	$ 104,319
FTE Positions	480.5	485.0	4.5	483.0	2.5

The **agency** estimates FY 2015 total expenditures of $29.1 million, including $28.9 million from the State General Fund. The request is an increase of $545,341, or 1.9 percent, including a State General Fund increase of $441,022, or 1.5 percent, above the FY 2015 approved amount. The increase is due to the Governor's December 2014 Allotment that reduced approved

State General Fund expenditures and capital improvement expenditures for rehabilitation and repair. The request includes 485.0 FTE positions, which is 4.5 more FTE positions than the FY 2015 approved amount. The agency added additional staff to its Classification and Programs program for inmate services.

The **Governor** recommends FY 2015 total expenditures of $28.6 million, including $28.5 million from the State General Fund. The recommendation is a decrease of $441,022, or 1.5 percent, below the agency's FY 2015 estimate. The decrease is attributable to the inclusion of the Governor's December 2014 Allotment. The recommendation includes 483.0 FTE positions, which is 2.0 less FTE positions than the agency's estimate. The FTE decrease is a technical adjustment to accurately reflect the agency's current FTE total.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (229,617)	$ (229,617)	0.0
Lapse Reappropriations	(211,405)	(211,405)	0.0
TOTAL	$ (441,022)	$ (441,022)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $229,617, 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 State General Fund expenditures.

Reappropriations Lapse:

A reduction of $211,405, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $211,405 for the agency.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 28,762,892	$ 28,054,058	$ (708,834)
FTE Positions	485.0	483.0	(2.0)
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 67,402	$ (200,410)	
All Other Funds	(603)	(603)	
TOTAL	$ 66,799	$ (201,013)	
Percent Change:			
State General Fund	0.2 %	(0.7) %	
All Other Funds	(2.9)	(2.9)	
TOTAL	0.2 %	(0.7) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $28.8 million, including $28.7 million from the State General Fund. The request is an increase of $66,799, or 0.2 percent, including a State General Fund increase of $67,402, or 0.2

percent, above the FY 2015 estimate. The request includes enhancements totaling $413,006, all from the State General Fund, for fringe benefit shortfalls, security equipment, and vehicle replacements. The request includes 485.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $28.3 million, including $28.3 million from the State General Fund. The request is a decrease of $346,207, or 1.2 percent, including a State General Fund decrease of $345,604, or 1.2 percent, below the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $24.0 million for salaries and wages. The request is an increase of $35,065, or 0.1 percent, above the FY 2015 estimate. The request includes an enhancement of $218,100, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $23.8 million for salaries and wages. The request is a decrease of $183,035, or 0.8 percent, below the FY 2015 estimate. The decrease is due to a one time bonus made in FY 2015 that is not made for FY 2016.

- **Contractual Services.** The agency requests $2.7 million for contractual services. The request is a decrease of $51,577, or 1.9 percent, below the FY 2015 estimate. The decrease is due to reduced expenditures for advertising, computer programming, travel, and fees for services for deceased inmates.

- **Commodities.** The agency requests $1.7 million for commodities. The request is a decrease of $126,190, or 6.8 percent, below the FY 2015 estimate. The decrease is attributable to reduced expenditures for household supplies, other supplies, building materials and computer service parts. The request includes an enhancement of $97,116, all from the State General Fund, for new security equipment. **Absent the enhancement**, the agency requests $1.6 million for commodities.

- **Capital Outlay.** The agency requests $339,463 for capital outlay. The request is an increase of $223,733, or 193.3 percent, above the FY 2015 estimate. The increase is predominantly due to purchasing new chairs for the facility, a washer, and enhancements totaling $97,790 for security upgrades and three vehicle replacements. **Absent the enhancements**, the agency requests $241,673 for capital outlay.

The **Governor** recommends FY 2016 operating expenditures of $28.1 million, including $28.0 million from the State General Fund. The recommendation is a decrease of $708,834, or 2.5 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $295,828, all from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 483.0 FTE positions, which is 2.0 less FTE positions than the agency's request. The FTE decrease is a technical adjustment to accurately reflect the agency's current FTE total.

Enhancements Detail

FY 2016 ENHANCEMENTS						
	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 218,100	$ 218,100	0.0	$ 0	$ 0	0.0
Security Equipment	130,056	130,056	0.0	0	0	0.0
Vehicle Replacements	64,850	64,850	0.0	0	0	0.0
TOTAL	**$ 413,006**	**$ 413,006**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $413,006, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $218,100 for fringe benefit shortfalls. The agency states it cannot fund the Kansas Public Employees Retirement System (KPERS) rate increases without holding 5.3 corrections officer positions open.

- **Security Equipment.** The agency requests $130,056 for security equipment. The agency states this would allow it to replace 20.0 percent of its protective vests and purchase new radios, ammunition, tasers, and other equipment.

- **Vehicle Replacements.** The agency requests $64,850 for vehicle replacements. The agency states this would allow it to replace three vehicles that generate approximately 96,000 miles annually.

The **Governor** does not recommend any of the agency's enhancement requests.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 30,080,408	$ 28,970,567	$ (1,109,841)
FTE Positions	485.0	483.0	(2.0)
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 1,317,516	$ 916,509	
All Other Funds	0	0	
TOTAL	$ 1,317,516	$ 916,509	
Percent Change:			
State General Fund	4.6 %	3.3 %	
All Other Funds	0.0	0.0	
TOTAL	4.6 %	3.3 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $30.1 million, including $30.1 million from the State General Fund. The request is an increase of $1.3 million, or 4.6 percent, above the FY 2016 request. The request includes enhancements totaling $800,264, all from the State General Fund, for fringe benefit shortfalls, security equipment, and vehicle replacements. The request includes 485.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $29.3 million, including $29.3 million from the State General Fund. The request is an increase of $930,258, or 3.3 percent, all from the State General Fund, above the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $25.6 million for salaries and wages. The request is an increase of $1.5 million, 6.4 percent, above the FY 2016 request. The increase is due to a 27th payroll period, higher workers compensation rates, and enhancements totaling $593,408, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancements**, the agency requests $25.0 million for salaries and wages.

- **Contractual Services.** The agency requests $2.7 million for contractual services. The request is an increase of $57,990, or 2.2 percent, above the FY 2016 request. The increase is attributable to higher cost indices for utilities.

- **Commodities.** The agency requests $1.7 million for commodities. The request is a decrease of $55,534, or 3.2 percent, below the FY 2016 request. The decrease is mainly due to lower cost indices for building materials and computer service parts. The request includes an enhancement of $97,116, all from the State General Fund, for new security equipment. **Absent the enhancement**, the agency requests $1.6 million for commodities.

- **Capital Outlay.** The agency requests $109,740 for capital outlay. The request is a decrease of $229,723, or 67.7 percent, below the FY 2016 request. The decrease is due to new chairs and a washing machine purchased for FY 2016 that are not made for FY 2017. The request includes an enhancement of $109,740, all from the State General Fund, to replace three vehicles and security vests. **Absent the enhancement**, the agency does not request any capital outlay expenditures.

The **Governor** recommends FY 2017 operating expenditures of $29.0 million, including $29.0 million from the State General Fund. The recommendation is a decrease of $1.1 million, or 3.7 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $309,577, all from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 483.0 FTE positions, which is 2.0 less FTE positions than the agency's request. The FTE decrease is a technical adjustment to accurately reflect the agency's current FTE total.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 593,408	$ 593,408	0.0	$ 0	$ 0	0.0
Security Equipment	130,056	130,056	0.0	0	0	0.0
Vehicle Replacements	76,800	76,800	0.0	0	0	0.0
TOTAL	**$ 800,264**	**$ 800,264**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $800,264, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $593,408 for fringe benefit shortfalls. The agency states it cannot fund the KPERS rate and health insurance rate increases without holding 13.8 corrections officer positions open.

- **Security Equipment.** The agency requests $130,056 for security equipment. The agency states this would allow it to replace 20.0 percent of its protective vests and purchase new radios, ammunition, tasers, and other equipment.

- **Vehicle Replacements.** The agency requests $76,800 for vehicle replacements. The agency states this would allow it to replace three vehicles that generate approximately 83,400 miles annually.

The **Governor** does not recommend any of the agency's enhancement requests.

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 $126,962, all from the State General Fund, and affects 408 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 $115,240, all from the State General Fund, and FY 2017 longevity payments total $132,200, all 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 $295,828, all from the State General Fund for FY 2016. This is a reduction of $309,577, all 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

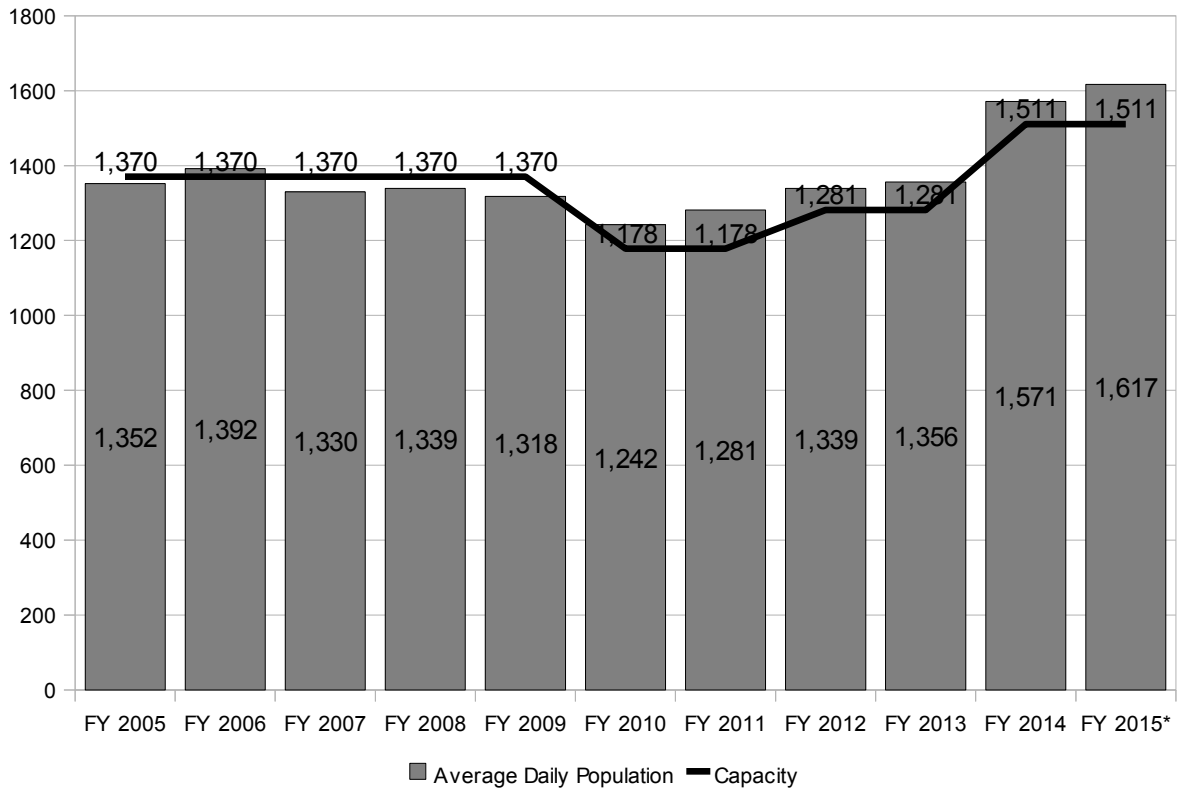
Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	99.9 %	99.9 %	99.9 %	99.9 %
General Fees Fund	0.1	0.1	0.1	0.1
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

General Fees Fund

The El Dorado Correctional Facility (EDCF) General Fees Fund includes all funds received by the facility that are not State General funds, which includes insurance reimbursements, surplus equipment, and payments from other entities. The EDCF General Fees Fund receives payments from the Kansas Department of Wildlife, Parks, and Tourism the City of El Dorado, and Butler County on a yearly basis for services provided by inmates.

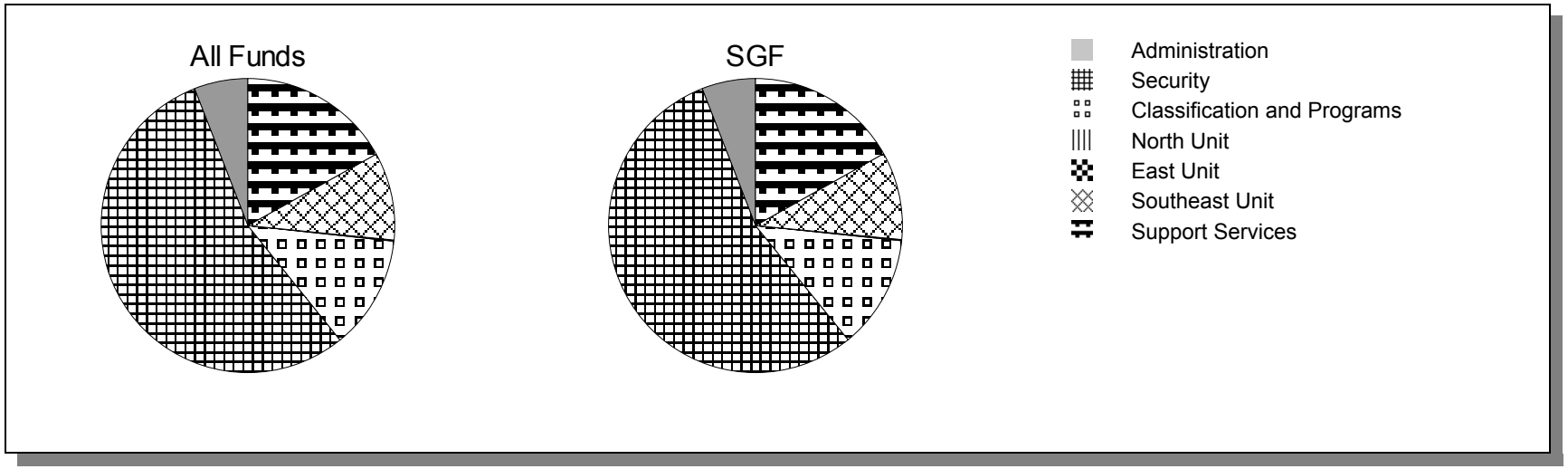
Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 1,272	$ 603	$ 603	$ 0	$ 0	$ 0	$ 0
Revenue	70,448	20,000	20,000	20,000	20,000	20,000	20,000
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 71,720	$ 20,603	$ 20,603	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Less: Expenditures	71,117	20,603	20,603	20,000	20,000	20,000	20,000
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 603	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Ending Balance as Percent of Expenditures	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Capacity and Average Daily Population

*Average daily population as of January 14, 2015

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	$ 1,657,878	5.9 %	$ 1,657,878	5.9 %
Security	15,400,081	54.9	15,400,081	54.9
Classification and Programs	3,502,108	12.5	3,502,108	12.5
North Unit	31,400	0.1	31,400	0.1
East Unit	4,979	0.0	4,979	0.0
Southeast Unit	2,709,989	9.7	2,709,989	9.7
Support Services	4,747,623	16.9	4,727,623	16.9
TOTAL	$ 28,054,058	100.0 %	$ 28,034,058	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	25.0	25.0	24.0	25.0	24.0	25.0	24.0
Security	318.0	318.0	318.0	318.0	318.0	318.0	318.0
Classification and Programs	51.0	56.0	55.0	56.0	55.0	56.0	55.0
North Unit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
East Unit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Southeast Unit	55.5	55.0	55.0	55.0	55.0	55.0	55.0
Support Services	31.0	31.0	31.0	31.0	31.0	31.0	31.0
TOTAL	480.5	485.0	483.0	485.0	483.0	485.0	483.0

A. Administration

The Administration program provides supervision, direction, and strategic and technical support for all institutional programs and activities, personnel management, fiscal management, and staff development. The staff within the program also acts as a liaison with other state agencies, federal and local units of government and the general public; maintains accreditation standards of the American Correctional Association; and administers internal audits. The Administration staff provides for the overall management and operations of EDCF. The Administration program also provides oversight to the North, East, and Southeast Units.

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	$ 1,495,527	$ 1,631,728	$ 1,616,845	$ 1,460,180	$ 1,445,687	$ 1,527,301	$ 1,512,518
Contractual Services	228,812	244,191	244,191	212,191	212,191	212,191	212,191
Commodities	515	0	0	0	0	0	0
Capital Outlay	300	0	0	0	0	0	0
Debt Service	16,579	7,237	7,237	0	0	0	0
Subtotal - Operations	$ 1,741,733	$ 1,883,156	$ 1,868,273	$ 1,672,371	$ 1,657,878	$ 1,739,492	$ 1,724,709
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	11,625	6,995	6,995	0	0	0	0
TOTAL	$ 1,753,358	$ 1,890,151	$ 1,875,268	$ 1,672,371	$ 1,657,878	$ 1,739,492	$ 1,724,709
Financing:							
State General Fund	$ 1,753,358	$ 1,890,151	$ 1,875,268	$ 1,672,371	$ 1,657,878	$ 1,739,492	$ 1,724,709
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,753,358	$ 1,890,151	$ 1,875,268	$ 1,672,371	$ 1,657,878	$ 1,739,492	$ 1,724,709
FTE Positions	25.0	25.0	24.0	25.0	24.0	25.0	24.0
Non-FTE Uncl. Perm. Pos.	1.0	0.0	1.0	0.0	1.0	0.0	1.0
TOTAL	26.0	25.0	25.0	25.0	25.0	25.0	25.0

The **agency** requests FY 2016 operating expenditures of $1.7 million, all from the State General Fund. The request is a decrease of $217,780, or 11.5 percent, below the FY 2015 estimate. The request includes 25.0 FTE positions, which is the same as the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $1.5 million for salaries and wages. The request is a decrease of $171,548, or 10.5 percent, below the FY 2015 estimate. The decrease is attributable to a one-time bonus paid in FY 2015 that is not made for FY 2016.

- **Contractual Services.** The agency requests $212,191 for contractual services. The request is a decrease of $32,000, or 13.1 percent, below the FY 2015 estimate. The decrease is due to lowered expenditures for advertising, computer programming, and travel.

- **Debt Service.** The agency does not have any debt service expenditures. The request is a decrease of $7,237, or 100.0 percent, below the FY 2015 estimate. The agency made its last debt service payment in FY 2015.

The **Governor** recommends FY 2016 operating expenditures of $1.7 million, all from the State General Fund. The recommendation is a decrease of $14,493. or 0.9 percent, below the agency's FY 2016 request. The decrease is due to the Governor recommending a reduction of $14,493 to reduce employer contributions for state employee health insurance. The recommendation includes 24.0 FTE positions, which is 1.0 less FTE position than the agency's request. The FTE decrease is a technical adjustment to accurately reflect the agency's current FTE total.

The **agency** requests FY 2017 operating expenditures of $1.7 million, all from the State General Fund. The request is an increase of $67,121, or 4.0 percent, above the FY 2016 request. The increase is attributable to a 27th payroll period which occurs in that fiscal year and converting a classified position to unclassified. The request includes 25.0 FTE positions, which is the same as the FY 2016 amount.

The **Governor** recommends FY 2017 operating expenditures of $1.7 million, all from the State General Fund. The recommendation is a decrease of $14,783, or 0.8 percent, below the agency's FY 2017 request. The decrease is due to the Governor recommending a reduction of $14,783 to reduce employer contributions for state employee health insurance. The recommendation includes 24.0 FTE positions, which is 1.0 less FTE position than the agency's request. The FTE decrease is a technical adjustment to accurately reflect the agency's current FTE total.

B. Security

The Security program provides supervision, surveillance and control of the entire inmate population. Security provides supervision of inmate activities and conducts searches throughout the facility to reduce contraband. Staff operate the Admissions and Discharge units which include property control, cell house detail supervision, compound security, work detail supervision and off-site inmate transportation. The Intelligence and Investigation, Special Security Team, SORT Team and K-9 Units are also part of the Security program.

SECURITY
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	$ 14,874,696	$ 15,270,042	$ 15,125,214	$ 15,453,652	$ 15,231,994	$ 16,053,694	$ 15,836,294
Contractual Services	14,152	22,192	22,192	17,192	17,192	17,192	17,192
Commodities	157,442	170,795	170,795	150,895	150,895	150,361	150,361
Capital Outlay	19,405	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 15,065,695	$ 15,463,029	$ 15,318,201	$ 15,621,739	$ 15,400,081	$ 16,221,247	$ 16,003,847
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 15,065,695	$ 15,463,029	$ 15,318,201	$ 15,621,739	$ 15,400,081	$ 16,221,247	$ 16,003,847
Financing:							
State General Fund	$ 15,058,812	$ 15,463,029	$ 15,318,201	$ 15,621,739	$ 15,400,081	$ 16,221,247	$ 16,003,847
All Other Funds	6,883	0	0	0	0	0	0
TOTAL	$ 15,065,695	$ 15,463,029	$ 15,318,201	$ 15,621,739	$ 15,400,081	$ 16,221,247	$ 16,003,847
FTE Positions	318.0	318.0	318.0	318.0	318.0	318.0	318.0
Non-FTE Uncl. Perm. Pos.	1.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	319.0	318.0	318.0	318.0	318.0	318.0	318.0

The **agency** requests FY 2016 operating expenditures of $15.6 million, all from the State General Fund. The request is an increase of $158,710, or 1.0 percent, above the FY 2015 estimate. The request includes 318.0 FTE positions, which is the same as the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $15.5 million for salaries and wages. The request is an increase of $183,610, or 1.2 percent, above the FY 2015 estimate. The increase is attributable to higher classified regular wages and health insurance rates, partially offset by decreases in holiday and shift differential pay.

- **Contractual Services.** The agency requests $17,192 for contractual services. The request is a decrease of $5,000, or 22.5 percent, below the FY 2015 estimate. The decrease is due to reduced travel expenditures.

- **Commodities.** The agency requests $150,895 for commodities. The request is a decrease of $19,900, or 11.7 percent, below the FY 2015 estimate. The decrease is attributable to reduced cost indices for clothing.

The **Governor** recommends FY 2016 operating expenditures of $15.4 million, all from the State General Fund. The recommendation is a decrease of $221,658, or 1.4 percent, below the agency's FY 2016 request. The decrease is due to the Governor recommending a reduction of $221,658 to reduce employer contributions for state employee health care. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $16.2 million, all from the State General Fund. The request is an increase of $599,508, or 3.8 percent, above the FY 2016 request. The increase is due to a 27th payroll period and increased contributions for KPERS, health insurance, and workers compensation. The request includes 318.0 FTE positions, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $16.0 million, all from the State General Fund. The recommendation is a decrease of $217,400, or 1.3 percent, below the agency's FY 2017 request. The decrease is due to the Governor recommending a reduction of $217,400 to reduce employer contributions for state employee health care. The Governor concurs with the agency's FTE request.

C. Classification and Programs

The Classification and Programs division contains several sub-programs. The Classification and Records subprogram provides the reporting and recording of all pertinent information regarding the movement and progress of the inmates at the facility, including sentencing computation, custody classification and program participation. The Programs division offers rehabilitation treatment to prepare inmates mentally, physically, and spiritually for return to society while providing minimal risk to the general public. The Religion, Recreation and Library departments provide numerous activities for inmates which the facility believes are essential to the rehabilitative treatment of inmates.

CLASSIFICATION AND PROGRAMS
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	$ 2,942,072	$ 2,852,144	$ 2,823,920	$ 3,063,408	$ 3,024,192	$ 3,214,287	$ 3,173,416
Contractual Services	232,641	250,426	250,426	237,426	237,426	237,426	237,426
Commodities	295,088	268,490	268,490	240,490	240,490	240,490	240,490
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 3,469,801	$ 3,371,060	$ 3,342,836	$ 3,541,324	$ 3,502,108	$ 3,692,203	$ 3,651,332
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 3,469,801	$ 3,371,060	$ 3,342,836	$ 3,541,324	$ 3,502,108	$ 3,692,203	$ 3,651,332
Financing:							
State General Fund	$ 3,469,801	$ 3,371,060	$ 3,342,836	$ 3,541,324	$ 3,502,108	$ 3,692,203	$ 3,651,332
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 3,469,801	$ 3,371,060	$ 3,342,836	$ 3,541,324	$ 3,502,108	$ 3,692,203	$ 3,651,332
FTE Positions	51.0	56.0	55.0	56.0	55.0	56.0	55.0
Non-FTE Uncl. Perm. Pos.	1.0	0.0	1.0	0.0	1.0	0.0	1.0
TOTAL	52.0	56.0	56.0	56.0	56.0	56.0	56.0

The **agency** requests FY 2016 operating expenditures of $3.5 million, all from the State General Fund. The request is an increase of $170,264, or 5.1 percent, above the FY 2015 estimate. The request includes 56.0 FTE positions, which is the same as the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $3.1 million for salaries and wages. The request is an increase of $211,264, or 7.4 percent, above the FY 2015 estimate. The increase is due to higher unclassified wages for three new positions.

- **Contractual Services.** The agency requests $237,426 for contractual services. The request is

a decrease of $13,000, or 5.2 percent, below the FY 2015 estimate. The decrease is due to lowered expenses for funeral services.

- **Commodities.** The agency requests $240,490 for commodities. The request is a decrease of $28,000, or 10.4 percent, below the FY 2015 estimate. The decrease is attributable to lower cost indices for clothing.

The **Governor** recommends FY 2016 operating expenditures of $3.5 million, all from the State General Fund. The recommendation is a decrease of $39,216, or 1.1 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor recommending a reduction of $39,216 to reduce employer contributions for state employee health insurance. The recommendation includes 55.0 FTE positions, which is 1.0 less FTE position than the agency's request. The FTE decrease is a technical adjustment to actively reflect the agency's current FTE total.

The **agency** requests FY 2017 operating expenditures of $3.7 million, all from the State General Fund. The request is an increase of $150,879, or 4.3 percent, above the FY 2016 request. The increase is mainly due to a 27th payroll period and increased KPERS and health insurance contributions. The request includes 56.0 FTE positions, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $3.7 million, all from the State General Fund. The recommendation is a decrease of $40,871, or 1.1 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor recommending a reduction of $40,871 to reduce employer contributions for state employee health insurance. The recommendation includes 55.0 FTE positions, which is 1.0 less FTE position than the agency's request. The FTE decrease is a technical adjustment to actively reflect the agency's current FTE total.

D. North Unit

The North Unit of the El Dorado Correctional Facility, formerly the El Dorado Honor Camp, was closed to housing inmates in 2009. The unit began operation in 1982 with 56 inmates and consolidated with EDCF in 1991. The unit does operate a shop in support of community projects and the Kansas Department of Wildlife, Parks and Tourism.

NORTH UNIT
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	28,530	28,137	28,137	29,013	29,013	29,959	29,959
Commodities	1,246	2,387	2,387	2,387	2,387	2,387	2,387
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 29,776	$ 30,524	$ 30,524	$ 31,400	$ 31,400	$ 32,346	$ 32,346
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 29,776	$ 30,524	$ 30,524	$ 31,400	$ 31,400	$ 32,346	$ 32,346
Financing:							
State General Fund	$ 29,776	$ 30,524	$ 30,524	$ 31,400	$ 31,400	$ 32,346	$ 32,346
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 29,776	$ 30,524	$ 30,524	$ 31,400	$ 31,400	$ 32,346	$ 32,346
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests FY 2016 operating expenditures of $31,400, all from the State General Fund. The request is an increase of $876, or 2.9 percent, above the FY 2015 estimate.

The **Governor** concurs with the agency's FY 2016 request.

The **agency** requests FY 2017 operating expenditures of $32,346, all from the State General Fund. The request is an increase of $946, or 3.0 percent, above the FY 2016 request.

The **Governor** concurs with the agency's FY 2017 request.

E. East Unit

The East Unit of the El Dorado Correctional Facility (EDCF), formerly known as the Toronto Honor Camp, was established in 1965 and consolidated with EDCF in 1991. The East Unit was closed to housing inmates in 2009.

EAST UNIT
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	4,419	4,824	4,824	4,979	4,979	5,148	5,148
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 4,419	$ 4,824	$ 4,824	$ 4,979	$ 4,979	$ 5,148	$ 5,148
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 4,419	$ 4,824	$ 4,824	$ 4,979	$ 4,979	$ 5,148	$ 5,148
Financing:							
State General Fund	$ 4,419	$ 4,824	$ 4,824	$ 4,979	$ 4,979	$ 5,148	$ 5,148
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 4,419	$ 4,824	$ 4,824	$ 4,979	$ 4,979	$ 5,148	$ 5,148
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests FY 2016 operating expenditures of $4,979, all from the State General Fund. The request is an increase of $155, or 3.2 percent, above the FY 2015 estimate.

The **Governor** concurs with the agency's FY 2016 request.

The **agency** requests FY 2017 operating expenditures of $5,148, all from the State General Fund. The request is an increase of $169, or 3.4 percent, above the FY 2016 request.

The **Governor** concurs with the agency's FY 2017 request.

F. Southeast Unit

The Southeast Unit of the El Dorado Correctional Facility, formerly known as the Labette Correctional Conservation Camp, was closed to housing inmates in 2009. During the 2012 Legislative Session, the Governor recommended renovating and repurposing the unit as a geriatric facility. The SE Unit houses up to 230 geriatric or infirmed inmates as well as 32 minimum-security inmates in what was formerly known as the Labette Women's Correctional Conservation Camp. The Unit began housing minimum-security inmates in fall 2012 and geriatric inmates in January 2013.

SOUTHEAST UNIT
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	$ 2,548,624	$ 2,512,942	$ 2,488,334	$ 2,179,518	$ 2,177,813	$ 2,386,674	$ 2,375,369
Contractual Services	316,665	379,120	379,120	377,658	377,658	382,269	382,269
Commodities	114,987	342,763	342,763	154,518	154,518	232,541	232,541
Capital Outlay	22,832	20,000	20,000	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 3,003,108	$ 3,254,825	$ 3,230,217	$ 2,711,694	$ 2,709,989	$ 3,001,484	$ 2,990,179
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	27	0	0	0	0	0	0
TOTAL	$ 3,003,135	$ 3,254,825	$ 3,230,217	$ 2,711,694	$ 2,709,989	$ 3,001,484	$ 2,990,179
Financing:							
State General Fund	$ 3,000,665	$ 3,254,825	$ 3,230,217	$ 2,711,694	$ 2,709,989	$ 3,001,484	$ 2,990,179
All Other Funds	2,470	0	0	0	0	0	0
TOTAL	$ 3,003,135	$ 3,254,825	$ 3,230,217	$ 2,711,694	$ 2,709,989	$ 3,001,484	$ 2,990,179
FTE Positions	55.5	55.0	55.0	55.0	55.0	55.0	55.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	55.5	55.0	55.0	55.0	55.0	55.0	55.0

The **agency** requests FY 2016 operating expenditures of $2.7 million, all from the State General Fund. The request is a decrease of $543,131, or 16.7 percent, below the FY 2015 estimate. The request includes 55.0 FTE positions, which is the same as the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $2.2 million for salaries and wages. The request is a decrease of $333,424, or 13.3 percent, below the FY 2015 estimate. The decrease is predominantly due to reduced health insurance rates.

- **Commodities.** The agency requests $154,518 for commodities. The request is a decrease of $188,245, or 54.9 percent, below the FY 2015 estimate. The decrease is mainly attributable to lowered cost indices for household supplies, other supplies, and clothing.

- **Capital Outlay.** The agency requests no capital outlay expenditures. The request is a decrease of $20,000, or 100.0 percent, below the FY 2015 estimate. The decrease is due to plant equipment purchased in FY 2015 that is not made for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of $2.7 million, all from the State General Fund. The recommendation is a decrease of $1,705, or 0.1 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor recommending a reduction of $1,705 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $3.0 million, all from the State General Fund. The request is an increase of $289,790, or 10.7 percent, above the FY 2016 request. The request includes 55.0 FTE positions, which is the same as the FY 2016 request. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $2.4 million for salaries and wages. The request is an increase of $207,156, or 9.5 percent, above the FY 2016 request. The increase is attributable to a 27th payroll period and increased contribution rates for KPERS and health insurance.

- **Commodities.** The agency requests $232,541 for commodities. The request is an increase of $78,023, or 50.5 percent, above the FY 2016 request. The increase is due to higher cost indices for household supplies and other supplies.

The **Governor** recommends FY 2017 operating expenditures of $3.0 million, all from the State General Fund. The recommendation is a decrease of $11,305, or 0.4 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor recommending a reduction of $11,305 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

G. Support Services

The Support Services program consists of two operations: Mechanical Services and Laundry and Warehouse. Mechanical Services provides maintenance and repairs for all equipment, buildings and grounds. Laundry and Warehouse provides all cleaning services and supplies for El Dorado Correctional Facility.

SUPPORT SERVICES
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	$ 1,740,323	$ 1,730,935	$ 1,713,861	$ 1,876,098	$ 1,639,242	$ 2,395,683	$ 1,777,057
Contractual Services	1,679,800	1,773,344	1,773,344	1,772,198	1,772,198	1,824,462	1,824,462
Commodities	995,557	1,081,671	870,266	1,191,626	1,094,510	1,058,603	961,487
Capital Outlay	190,945	95,730	95,730	339,463	241,673	109,740	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 4,606,625	$ 4,681,680	$ 4,453,201	$ 5,179,385	$ 4,747,623	$ 5,388,488	$ 4,563,006
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 4,606,625	$ 4,681,680	$ 4,453,201	$ 5,179,385	$ 4,747,623	$ 5,388,488	$ 4,563,006
Financing:							
State General Fund	$ 4,544,861	$ 4,661,077	$ 4,432,598	$ 5,159,385	$ 4,727,623	$ 5,368,488	$ 4,543,006
All Other Funds	61,764	20,603	20,603	20,000	20,000	20,000	20,000
TOTAL	$ 4,606,625	$ 4,681,680	$ 4,453,201	$ 5,179,385	$ 4,747,623	$ 5,388,488	$ 4,563,006
FTE Positions	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	31.0	31.0	31.0	31.0	31.0	31.0	31.0

The **agency** requests FY 2016 operating expenditures of $5.2 million, including $5.2 million from the State General Fund. The request is an increase of $497,705, or 10.6 percent, including a State General Fund increase of $498,308, or 10.7 percent, above the FY 2015 estimate. The request includes enhancements totaling $413,006, all from the State General Fund, for fringe benefit shortfalls, security equipment upgrades, and vehicle replacements. The request includes 31.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $4.8 million, including $4.7 million from the State General Fund. The request is an increase of $84,699, or 1.8 percent, including a State General Fund increase of $85,302, or 1.8 percent, above the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $1.9 million for salaries and wages. The request is an increase of $145,163, or 8.4 percent, above the FY 2015 estimate. The increase is primarily due to an enhancement of $218,100 for fringe benefit shortfalls, partially offset by reduced health insurance contributions and overtime pay. **Absent the enhancement**, the agency requests $1.7 million for salaries and wages.

- **Commodities.** The agency requests $1.2 million for commodities. The request is an increase of $109,955, or 10.2 percent, above the FY 2015 estimate. The increase is mainly attributable to an enhancement of $97,116, all from the State General Fund, for security upgrades. **Absent the enhancement**, the agency requests $1.1 million for commodities.

- **Capital Outlay.** The agency requests $339,463 for capital outlay. The request is an increase of $243,733, or 254.6 percent, above the FY 2015 estimate. The increase is predominantly due to purchasing new chairs, a washer, and enhancements totaling $97,790 for security upgrades and three vehicle replacements. **Absent the enhancements**, the agency requests $241,673 for capital outlay.

The **Governor** recommends FY 2016 operating expenditures of $4.7 million, including $4.7 million from the State General Fund. The recommendation is a decrease of $431,762, or 8.3 percent, all from the State General Fund, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $18,756, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $5.4 million, including $5.4 million from the State General Fund. The request is an increase of $209,103, or 4.0 percent, all from the State General Fund, above the FY 2016 request. The request includes enhancements totaling $800,264, for fringe benefit shortfalls, security equipment upgrades, and vehicle replacements. The request includes 31.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $4.6 million, including $4.6 million from the State General Fund. The request is a decrease of $178,155, or 3.7 percent, below the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $2.4 million for salaries and wages. The request is an increase of $519,585, or 27.7 percent, above the FY 2016 request. The increase is due to a larger enhancement for fringe benefit shortfalls ($593,408) and a 27th payroll period.

- **Contractual Services.** The agency requests $1.8 million for contractual services. The request is an increase of $52,264, or 2.9 percent, above the FY 2016 request. The increase is attributable to higher cost indices for utilities.

- **Commodities.** The agency requests $1.1 million for commodities. The request is a decrease of $133,023, or 11.2 percent, below the FY 2016 request. The decrease is due to lower cost indices for building materials and computer

service parts. The request includes an enhancement of $97,116, all from the State General Fund, for security upgrades. **Absent the enhancement**, the agency requests $961,487 for commodities.

- **Capital Outlay.** The agency requests $109,740 for capital outlay. The request is a decrease of $229,723, or 67.7 percent, below the FY 2016 request. The decrease is due to capital outlay upgrades made for FY 2016 that are not made for FY 2017. The request includes an enhancement of $109,740, all from the State General Fund, to replace three vehicles and security vests. **Absent the enhancement**, the agency does not request any capital outlay expenditures.

The **Governor** recommends FY 2017 operating expenditures of $4.6 million, including $4.5 million from the State General Fund. The recommendation is a decrease of $825,482, or 15.3 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $25,218, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

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
Debt Service - Principal	$ 244,740	$ 244,740	$ 0	$ 0	$ 0	$ 0
Rehabilitation and Repair	123,716	123,716	0	0	0	0
TOTAL	$ 368,456	$ 368,456	$ 0	$ 0	$ 0	$ 0
Financing:						
State General Fund	$ 244,740	$ 244,740	$ 0	$ 0	$ 0	$ 0
All Other Funds	123,716	123,716	0	0	0	0
TOTAL	$ 368,456	$ 368,456	$ 0	$ 0	$ 0	$ 0

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates FY 2015 capital improvement expenditures of $368,456, including $244,740 from the State General Fund. The request is an increase of $123,716, or 50.5 percent, above the FY 2015 approved amount. The major changes in FY 2015 include the following items.

- **Debt Service Principal.** The agency estimates $244,740 for debt service principal payments. This is the agency's last debt service payment.

- **Rehabilitation and Repair.** The agency estimates $123,716 for rehabilitation and repair. Projects include fixing a hot water heater and a chiller.

Current Year Governor Recommendation

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

Budget Year Agency Request

FY 2016 – Budget Year. The agency does not have any capital improvement requests. Capital improvement expenditures for FY 2016 will be made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

Budget Year Agency Request

FY 2017 – Budget Year. The agency does not have any capital improvement requests. Capital improvement expenditures for FY 2017 will be made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of escapes	0	0	0	0	0
Number of inmate assaults on staff	40	29	31	31	31

Ellsworth Correctional Facility

	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	$ 14,267,551	$ 14,500,119	$ 14,375,936	$ 14,892,911	$ 14,255,900	$ 15,440,371	$ 14,643,207
Other Funds	62,878	62,977	62,516	66,037	65,273	68,944	68,165
TOTAL	$ 14,330,429	$ 14,563,096	$ 14,438,452	$ 14,958,948	$ 14,321,173	$ 15,509,315	$ 14,711,372
Capital Improvements:							
State General Fund	$ 103,015	$ 94,291	$ 94,291	$ 0	$ 0	$ 0	$ 0
Other Funds	187,289	76,195	76,195	0	0	0	0
TOTAL	$ 290,304	$ 170,486	$ 170,486	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	**$ 14,620,733**	**$ 14,733,582**	**$ 14,608,938**	**$ 14,958,948**	**$ 14,321,173**	**$ 15,509,315**	**$ 14,711,372**
Percentage Change:							
Operating Expenditures							
State General Fund	0.4 %	1.6 %	0.8 %	2.7 %	(0.8) %	3.7 %	2.7 %
All Funds	0.4	1.6	0.8	2.7	(0.8)	3.7	2.7
FTE Positions	232.0	235.0	232.0	235.0	232.0	235.0	232.0
Non-FTE Perm.Uncl.Pos.	3.0	0.0	3.0	0.0	3.0	0.0	3.0
TOTAL	235.0	235.0	235.0	235.0	235.0	235.0	235.0

Planning for Ellsworth Correctional Facility (ECF) began in 1986 in response to the need for additional bed space due to a rapidly increasing inmate population. The first inmate was received in August 1988. Expansion projects were completed in the 632-bed medium and minimum-custody facility for male offenders in 1995 at a total construction cost of $19.7 million.

Between February 1994 and January 1996, ECF held only parole condition violators, conditional release violators and post-release supervision violators whom the Kansas Department of Corrections (KDOC) wanted to house separately from the general prison population. In January 1996, the agency returned to its original role of housing multi-custody level male inmates.

The 2000 Legislature approved expenditures of $6.1 million for the construction of a 100-cell housing unit at the facility. Due to the need for medium custody beds, the KDOC has opted to house 200 medium-custody inmates in the unit that was completed in May 2002. Also constructed during this time, using Violent Offender Incarceration/Truth in Sentencing funds and ten percent state matching funds, was the expansion (completed in March 2002) of the existing warehouse, a Staff Development building completed in September 2002, and an Industrial Building completed in November 2002.

In June 2002, the InnerChange Freedom Initiative (IFI) was transferred from the Winfield Correctional Facility to ECF. Working with the State of Kansas and Prison Fellowship, IFI advances the KDOC objectives of rehabilitation and recidivism reduction by exposing offenders to work, education, support groups, and victim-offender reconciliation.

MAJOR ISSUES FROM PRIOR YEARS

The **2009 Legislature** approved a 1.25 percent across-the-board State General Fund reduction in FY 2009 and FY 2010 and a 2.75 percent across-the-board State General Fund reduction in FY 2010. The reduction to the Ellsworth Correctional Facility budget totaled $150,563, all from the State General Fund, in FY 2009 and $496,762, all from the State General Fund, in FY 2010. Other changes include the following items.

- A decrease of $103,540, all from the State General Fund, to remove funding for longevity bonuses, which the agencies were instructed to fund from within existing resources; and
- An increase of $93,107, including $93,035 from the State General Fund, for undermarket pay adjustments as recommended in the Hay Group study that was completed in FY 2008.

The **2010 Legislature** deleted funding in FY 2010 for a 5.0 percent pay suspension for state officers, implemented a moratorium on death and disability contributions in FY 2010 and FY 2011, and deleted longevity payments in FY 2011. Those reductions totaled $20,196, all from the State General Fund, in FY 2010 and $100,497, all from the State General Fund, in FY 2011. Ellsworth Correctional Facility (ECF) did receive enhancement funding totaling $214,114 from the State General Fund in FY 2011 to reduce the salaries and wages shrinkage

rate. In addition, the Legislature approved an undermarket pay increase in FY 2011. ECF received $160,885, including $160,215 from the State General Fund, for its portion of the undermarket pay increases.

The **2011 Legislature** deleted $282,740 in FY 2012, including $282,467 from the State General Fund. The reductions were all part of statewide adjustments and included the following items.

- A decrease of $104,451, all from the State General Fund, for longevity bonus payments to employees.
- A decrease of $156,140, including $155,949 from the State General Fund, as part of a statewide operating reduction.

The **2012 Legislature** deleted $99,829 for FY 2013, including $99,685 from the State General Fund, all in the form of statewide reductions. The adjustments include the following items.

- $16,330, including $16,261 from the State General Fund, to reduce longevity bonus payments to the statutory level of $40 per year of service for eligible employees.
- $65,043, all from the State General Fund, to self-fund employee longevity bonus payments in FY 2013.
- $18,456, including $18,381 from the State General Fund, for a moratorium on employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for a three-month period.

The **2012 Legislature** also approved House Sub. for SB 434 to allow the Department of Corrections to buy the Saint Francis Boys' Home in Ellsworth for the purpose of operating it as a minimum-security unit known as the ECF East Unit. The Legislature appropriated 15.0 FTE positions to staff the East Unit and simultaneously deleted 14.0 non-FTE permanent unclassified positions. The unit began housing inmates in September 2012.

During the **2013 Legislative Session**, the Governor vetoed the agency's entire FY 2015 operating budget.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 total expenditures of $14.7 million, including $14.6 million from the State General Fund. The estimate is an increase of $200,557, or 1.4 percent, including a State General Fund increase of $124,183, or 0.9 percent, above the FY 2015 approved amount. The increase is due to increased capital improvement expenditures for rehabilitation and repair and the Governor's December 2014 Allotment that reduced approved State General Fund expenditures. The estimate includes 235.0 FTE positions, which is 3.0 FTE positions above the FY 2015 approved amount.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 total expenditures of $14.6 million, including $14.5 million from the State General Fund. The recommendation is a decrease of $124,644, or 0.8 percent, including a State General Fund decrease of $124,183, or 0.9 percent, below the agency's estimate. The decrease is attributable to inclusion of the Governor's December 2014 Allotment. The recommendation includes 232.0 FTE positions, which is 3.0 less FTE positions than the agency's estimate. The decrease is a technical adjustment that changed 3.0 FTE positions to non-FTE unclassified positions.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $15.0 million, including $14.9 million from the State General Fund. The request is an increase of $395,852, or 2.7 percent, including a State General Fund increase of $392,792, or 2.7 percent. The request includes enhancements totaling $462,647, all from the State General Fund, for fringe benefit shortfalls, longevity bonuses, security vests, vehicle replacements, new security equipment, and IT equipment replacement. The request includes 235.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $14.5 million, including $14.4 million from the State General Fund. The request is a decrease of $66,795, or 0.5 percent, including a State General Fund decrease of $69,855, or 0.5 percent, below the FY 2015 estimate. The decrease is due to one-time bonuses paid in FY 2015 that are not repeated for FY 2016 and a higher salaries and wages shrinkage rate, partially offset by higher cost indices for utilities and clothing.

The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $14.3 million, including $14.3 million from the State General Fund. The recommendation is a decrease of $637,775, or 4.3 percent, including a State General Fund decrease of $637,011, or 4.3 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending any of the agency's enhancement requests and recommending a reduction of $175,128, including $174,364 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 232.0 FTE positions, which is 3.0 less FTE positions than the agency's request. The decrease is a technical adjustment that changed 3.0 FTE positions to non-FTE unclassified positions.

The Governor concurs with the agency's capital improvements request.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $15.5 million, including $15.4 million from the State General Fund. The request is an increase of $550,367, or 3.7 percent, including a State General Fund increase of $547,460, or 3.7 percent, above the FY 2016 request. The request includes enhancements totaling $619,308, all from the State General Fund, for fringe benefit shortfalls, longevity bonuses, security vests, vehicle replacements, new security equipment, and IT equipment replacement. The request includes 235.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $14.9 million, including $14.8 million from the State General Fund. The request is an increase of $393,706 or 2.7 percent, including a State General Fund increase of $390,799, or 2.7 percent, above the FY 2016 request less enhancements. The increase is mainly attributable to a 27th payroll period in that fiscal year and higher cost indices for utilities.

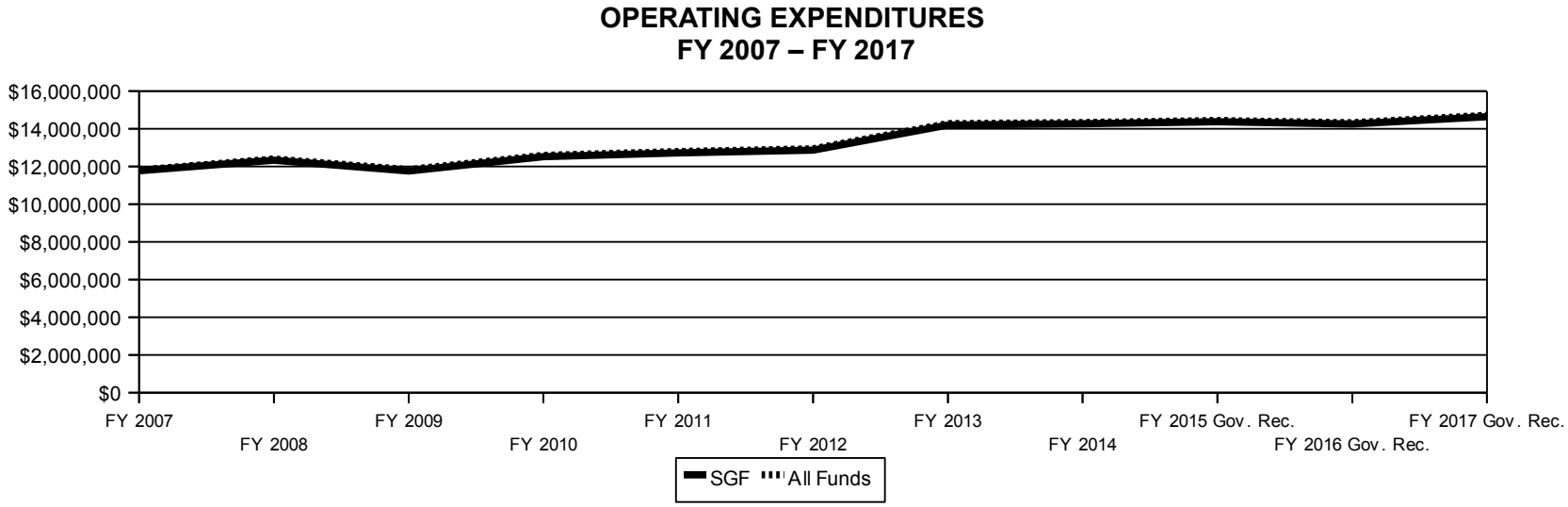
The **agency** does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $14.7 million, including $14.6 million from the State General Fund. The recommendation is a decrease of $797,943, or 5.1 percent, including a State General Fund decrease of $797,164, or 5.2 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and recommending a reduction of $178,635, including $177,856 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 232.0 FTE positions, which is 3.0 less FTE positions than the agency's request. The decrease is a technical adjustment that changed 3.0 FTE positions to non-FTE unclassified positions.

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

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 11,768,799	2.4 %	$ 11,810,780	2.3 %	221.0
2008	12,333,527	4.8	12,395,000	4.9	220.0
2009	11,755,533	(4.7)	11,833,358	(4.5)	219.0
2010	12,523,389	6.5	12,588,780	6.4	219.0
2011	12,725,606	1.6	12,793,345	1.6	220.0
2012	12,872,704	1.2	12,936,691	1.1	219.0
2013	14,206,365	10.4	14,274,089	10.3	232.0
2014	14,267,551	0.4	14,330,429	0.4	232.0
2015 Gov. Rec.	14,375,936	0.8	14,438,452	0.8	232.0
2016 Gov. Rec.	14,255,900	(0.8)	14,321,173	(0.8)	232.0
2017 Gov. Rec.	14,643,207	2.7	14,711,372	2.7	232.0
Eleven-Year Change	$ 2,874,408	24.4 %	$ 2,900,592	24.6 %	11.0

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 1,464,648	$ 1,266,946	$ 1,482,333	$ 215,387	17.0 %	$ 1,255,651	$ 1,296,428	$ 40,777	3.2 %
Security	7,668,088	8,369,846	8,206,276	(163,570)	(2.0)	8,290,296	8,076,176	(214,120)	(2.6)
Classification and Programs	2,121,589	2,072,597	2,007,118	(65,479)	(3.2)	2,054,507	1,982,221	(72,286)	(3.5)
Support Services	3,070,317	2,851,587	3,263,221	411,634	14.4	2,835,878	2,966,348	130,470	4.6
Debt Service	5,787	2,120	0	(2,120)	(100.0)	2,120	0	(2,120)	(100.0)
TOTAL	$ 14,330,429	$ 14,563,096	$ 14,958,948	$ 395,852	2.7 %	$ 14,438,452	$ 14,321,173	$ (117,279)	(0.8)%
By Major Object of Expenditure:									
Salaries and Wages	$ 11,629,431	$ 12,232,760	$ 12,231,262	$ (1,498)	(0.0) %	$ 12,114,680	$ 11,884,852	$ (229,828)	(1.9)%
Contractual Services	1,361,138	1,380,572	1,446,891	66,319	4.8	1,380,572	1,446,891	66,319	4.8
Commodities	939,530	928,272	1,097,759	169,487	18.3	921,708	979,206	57,498	6.2
Capital Outlay	363,868	0	172,812	172,812	--	0	0	0	--
Debt Service	5,387	1,720	0	(1,720)	(100.0)	1,720	0	(1,720)	(100.0)
Subtotal - Operations	$ 14,299,354	$ 14,543,324	$ 14,948,724	$ 405,400	2.8 %	$ 14,418,680	$ 14,310,949	$ (107,731)	(0.7)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	31,075	19,772	10,224	(9,548)	(48.3)	19,772	10,224	(9,548)	(48.3)
TOTAL	$ 14,330,429	$ 14,563,096	$ 14,958,948	$ 395,852	2.7 %	$ 14,438,452	$ 14,321,173	$ (117,279)	(0.8)%
Financing:									
State General Fund	$ 14,267,551	$ 14,500,119	$ 14,892,911	$ 392,792	2.7 %	$ 14,375,936	$ 14,255,900	$ (120,036)	(0.8)%
General Fees Fund	62,878	62,977	66,037	3,060	4.9	62,516	65,273	2,757	4.4
TOTAL	$ 14,330,429	$ 14,563,096	$ 14,958,948	$ 395,852	2.7 %	$ 14,438,452	$ 14,321,173	$ (117,279)	(0.8)%

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	$ 1,482,333	$ 1,705,677	$ 223,344	15.1 %	$ 1,296,428	$ 1,334,829	$ 38,401	3.0 %
Security	8,206,276	8,442,267	235,991	2.9	8,076,176	8,309,699	233,523	2.9
Classification and Programs	2,007,118	2,056,395	49,277	2.5	1,982,221	2,031,000	48,779	2.5
Support Services	3,263,221	3,304,976	41,755	1.3	2,966,348	3,035,844	69,496	2.3
Debt Service	0	0	0	--	0	0	0	--
TOTAL	$ 14,958,948	$ 15,509,315	$ 550,367	3.7 %	$ 14,321,173	$ 14,711,372	$ 390,199	2.7 %
By Major Object of Expenditure:								
Salaries and Wages	$ 12,231,262	$ 12,776,600	$ 545,338	4.5 %	$ 11,884,852	$ 12,242,033	$ 357,181	3.0 %
Contractual Services	1,446,891	1,482,827	35,936	2.5	1,446,891	1,482,827	35,936	2.5
Commodities	1,097,759	1,064,189	(33,570)	(3.1)	979,206	983,956	4,750	0.5
Capital Outlay	172,812	183,143	10,331	6.0	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 14,948,724	$ 15,506,759	$ 558,035	3.7 %	$ 14,310,949	$ 14,708,816	$ 397,867	2.8 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	10,224	2,556	(7,668)	(75.0)	10,224	2,556	(7,668)	(75.0)
TOTAL	$ 14,958,948	$ 15,509,315	$ 550,367	3.7 %	$ 14,321,173	$ 14,711,372	$ 390,199	2.7 %
Financing:								
State General Fund	$ 14,892,911	$ 15,440,371	$ 547,460	3.7 %	$ 14,255,900	$ 14,643,207	$ 387,307	2.7 %
General Fees Fund	66,037	68,944	2,907	4.4	65,273	68,165	2,892	4.4
TOTAL	$ 14,958,948	$ 15,509,315	$ 550,367	3.7 %	$ 14,321,173	$ 14,711,372	$ 390,199	2.7 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $14,587,846 for the Ellsworth Correctional Facility in FY 2015. Two adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $6,564, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- A reduction of $124,183, as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to $14,470,227. 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.

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	$ 14,470,227	$ 14,594,410	$ 124,183	$ 14,470,227	$ 0
All Other Funds	62,798	139,172	76,374	138,711	75,913
TOTAL	$ 14,533,025	$ 14,733,582	$ 200,557	$ 14,608,938	$ 75,913
FTE Positions	232.0	235.0	3.0	232.0	0.0

The **agency** estimates FY 2015 total expenditures of $14.7 million, including $14.6 million from the State General Fund. The estimate is an increase of $200,557, or 1.4 percent, including a State General Fund increase of $124,183, or 0.9 percent, above the FY 2015 approved amount. The increase is due to capital improvement expenditures for rehabilitation and repair and the

Governor's December 2014 Allotment that reduced approved State General Fund expenditures. The estimate includes 235.0 FTE positions, which is 3.0 FTE positions above the FY 2015 approved amount.

The **Governor** recommends FY 2015 total expenditures of $14.6 million, including $14.5 million from the State General Fund. The recommendation is a decrease of $124,644, or 0.8 percent, including a State General Fund decrease of $124,183, or 0.9 percent, below the agency's estimate. The decrease is attributable to inclusion of the Governor's December 2014 Allotment. The recommendation includes 232.0 FTE positions, which is 3.0 less FTE positions than the agency's estimate. The decrease is a technical adjustment that changed 3.0 FTE positions to non-FTE unclassified 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 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	$ 117,619	$ 117,619	0.0
Lapse Reappropriations	6,564	6,564	0.0
TOTAL	$ 124,183	$ 124,183	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $117,619, 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 $461 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of $118,080.

Reappropriations Lapse:

A reduction of $6,545, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $6,564 for the agency.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 14,958,948	$ 14,321,173	$ (637,775)
FTE Positions	235.0	232.0	(3.0)
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 392,792	$ (120,036)	
All Other Funds	3,060	2,757	
TOTAL	$ 395,852	$ (117,279)	
Percent Change:			
State General Fund	2.7 %	(0.8) %	
All Other Funds	4.9	4.4	
TOTAL	2.7 %	(0.8) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $15.0 million, including $14.9 million from the State General Fund. The request is an increase of $395,852, or 2.7 percent, including a State General Fund increase of $392,792, or 2.7 percent. The request includes enhancements totaling $462,647, all from the State General Fund, for fringe benefit shortfalls,

longevity bonuses, security vests, vehicle replacements, new security equipment, and IT equipment replacement. The request includes 235.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $14.5 million, including $14.4 million from the State General Fund. The request is a decrease of $66,795, or 0.5 percent, including a State General Fund decrease of $69,855, or 0.5 percent, below the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $12.2 million for salaries and wages. The request is a decrease of $1,498, or less than 0.1 percent, below the FY 2015 estimate. The request includes enhancements totaling $171,282, all from the State General Fund, for fringe benefit shortfalls and longevity bonuses. **Absent the enhancements**, the agency requests $12.1 million for salaries and wages. The overall decrease is due to one-time bonuses paid in FY 2015 that are not repeated for FY 2016 and a higher shrinkage rate.

- **Contractual Services.** The agency requests $1.4 million for contractual services. The request is an increase of $66,319, or 4.8 percent, above the FY 2015 estimate. The increase is attributable to higher cost indices for utilities.

- **Commodities.** The agency requests $1.1 million for commodities. The request is an increase of $169,487, or 18.3 percent, above the FY 2015 estimate. The increase is due to higher cost indices for clothing and an enhancement totaling $118,553, all from the State General Fund, for new security surveillance equipment and security vests. **Absent the enhancement**, the agency requests $979,206 for commodities.

- **Capital Outlay.** The agency requests $172,812 for capital outlay. The request is an increase of $172,812 above the FY 2015 estimate. The increase is attributable to an enhancement of $172,812 to replace one vehicle and 33.0 percent of the facility's IT equipment.

The **Governor** recommends FY 2016 operating expenditures of $14.3 million, including $14.3 million from the State General Fund. The recommendation is a decrease of $637,775, or 4.3 percent, including a State General Fund decrease of $637,011, or 4.3 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending any of the agency's enhancement requests and recommending a reduction of $175,128, including $174,364 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 232.0 FTE positions, which is 3.0 less FTE positions than the agency's request. The decrease is a technical adjustment that changed 3.0 FTE positions to non-FTE unclassified positions.

Enhancements Detail

FY 2016 ENHANCEMENTS

Enhancements	Agency Request SGF	Agency Request All Funds	Agency Request FTE	Governor's Recommendation SGF	Governor's Recommendation All Funds	Governor's Recommendation FTE
Fringe Benefit Shortfalls	$ 112,722	$ 112,722	0.0	$ 0	$ 0	0.0
Longevity Bonuses	58,560	58,560	0.0	0	0	0.0
Vehicle Replacement	21,500	21,500	0.0	0	0	0.0
IT Equipment Replacement	151,312	151,312	0.0	0	0	0.0
Security Equipment	111,683	111,683	0.0	0	0	0.0
Security Vests	6,870	6,870	0.0	0	0	0.0
TOTAL	**$ 462,647**	**$ 462,647**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $462,647, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $112,722 for fringe benefit shortfalls. The agency states it cannot fund the Kansas Public Employees Retirement System (KPERS) rate increase of 1.0 percent.

- **Longevity Bonuses.** The agency requests $58,560 for longevity bonuses. The agency states it cannot fund its longevity bonuses and will have to hold positions open to do so.

- **Vehicle Replacement.** The agency requests $21,500 to replace one inmate transportation vehicle.

- **IT Equipment Replacement.** The agency requests $151,312 for IT equipment replacement. The agency states this would allow it to replace 33.0 percent of the agency's out-of-date technology.

- **Security Equipment.** The agency requests $111,683 for security equipment. The agency states this would allow it to replace surveillance equipment throughout the facility to provide greater security of the facility.

- **Security Vests.** The agency requests $6,870 for to replace 12 out dated security vests for correctional officers.

The **Governor** does not recommend any of the agency's enhancement requests.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 15,509,315	$ 14,711,372	$ (797,943)
FTE Positions	235.0	232.0	(3.0)
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 547,460	$ 387,307	
All Other Funds	2,907	0	
TOTAL	$ 550,367	$ 387,307	
Percent Change:			
State General Fund	3.7 %	2.7 %	
All Other Funds	4.4	4.4	
TOTAL	3.7 %	2.7 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $15.5 million, including $15.4 million from the State General Fund. The request is an increase of $550,367, or 3.7 percent, including a State General Fund increase of $547,460, or 3.7 percent, above the FY 2016 request. The request includes enhancements totaling $619,308, all from the State General Fund, for fringe benefit shortfalls, longevity bonuses, security vests, vehicle replacements, new security equipment, and IT equipment replacement. The request includes 235.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $14.9 million, including $14.8 million from the State General Fund. The request is an increase of $393,706 or 2.7 percent, including a State General Fund increase of $390,799, or 2.7 percent, above the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $12.8 million for salaries and wages. The request is an increase of $545,338, or 4.5 percent, above the FY 2016 request. The increase is attributable to a 27th payroll period and enhancements totaling $355,932, all from the State General Fund, for fringe benefit shortfalls and longevity bonuses. **Absent the enhancements**, the agency requests $12.4 million for salaries and wages.

- **Contractual Services.** The agency requests $1.5 million for contractual services. The request is an increase of $35,936, or 2.5 percent, above the FY 2016 request. The increase is due to higher cost indices for utilities.

- **Commodities.** The agency requests $1.1 million for commodities. The request is a decrease of $33,570, or 3.1 percent, below the FY 2016 request. The decrease is predominantly attributable to reduced enhancements totaling $80,233 for new surveillance equipment and security vests. **Absent the enhancement**, the agency requests $983,956 for commodities.

- **Capital Outlay.** The agency requests $183,143 for capital outlay. The request is an increase of $10,331, or 6.0 percent, above the FY 2016 request. The increase is due to a higher enhancement to replace two vehicles and 33.0 percent of the agency's IT equipment.

The **Governor** recommends FY 2017 operating expenditures of $14.7 million, including $14.6 million from the State General Fund. The recommendation is a decrease of $797,943, or 5.1 percent, including a State General Fund decrease of $797,164, or 5.2 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and recommending a reduction of $178,635, including $177,856 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 232.0 FTE positions, which is 3.0 less FTE positions than the agency's request. The decrease is a technical adjustment that changed 3.0 FTE positions to non-FTE unclassified positions.

Enhancements Detail

FY 2017 ENHANCEMENTS

Enhancements	Agency Request SGF	Agency Request All Funds	Agency Request FTE	Governor's Recommendation SGF	Governor's Recommendation All Funds	Governor's Recommendation FTE
Fringe Benefit Shortfalls	$ 292,732	$ 292,732	0.0	$ 0	$ 0	0.0
Longevity Bonuses	63,200	63,200	0.0	0	0	0.0
Vehicle Replacement	37,600	37,600	0.0	0	0	0.0
IT Equipment Replacement	145,543	145,543	0.0	0	0	0.0
Security Equipment	73,363	73,363	0.0	0	0	0.0
Security Vests	6,870	6,870	0.0	0	0	0.0
TOTAL	**$ 619,308**	**$ 619,308**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $619,308, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $292,732 for fringe benefit shortfalls. The agency states it cannot fund the KPERS rate and health insurance rate increases.

- **Longevity Bonuses.** The agency requests $63,200 for longevity bonuses. The agency states it cannot fund its longevity bonuses and will have to hold positions open to do so.

- **Vehicle Replacement.** The agency requests $37,600 to replace two security vehicles.

- **IT Equipment Replacement.** The agency requests $145,543 for IT equipment replacement. The agency states this would allow it to replace 33.0 percent of the agency's out-of-date technology.

- **Security Equipment.** The agency requests $73,363 for security equipment. The agency states this would allow it to replace surveillance equipment throughout the facility to provide greater security of the facility.

- **Security Vests.** The agency requests $6,870 for to replace 12 outdated security vests for correctional officers.

The **Governor** does not recommend any of the agency's enhancement requests.

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 $57,932, including $57,713 from the State General Fund, and affects 186 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 $56,320, including $56,067 from the State General Fund, and FY 2017 longevity payments total $62,920, including $62,631 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 $175,128, including $174,364 from the State General Fund for FY 2016. This is a reduction of $178,635, including $177,856 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	99.6 %	99.5 %	99.6 %	99.5 %
General Fees Fund	0.4	0.5	0.4	0.5
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

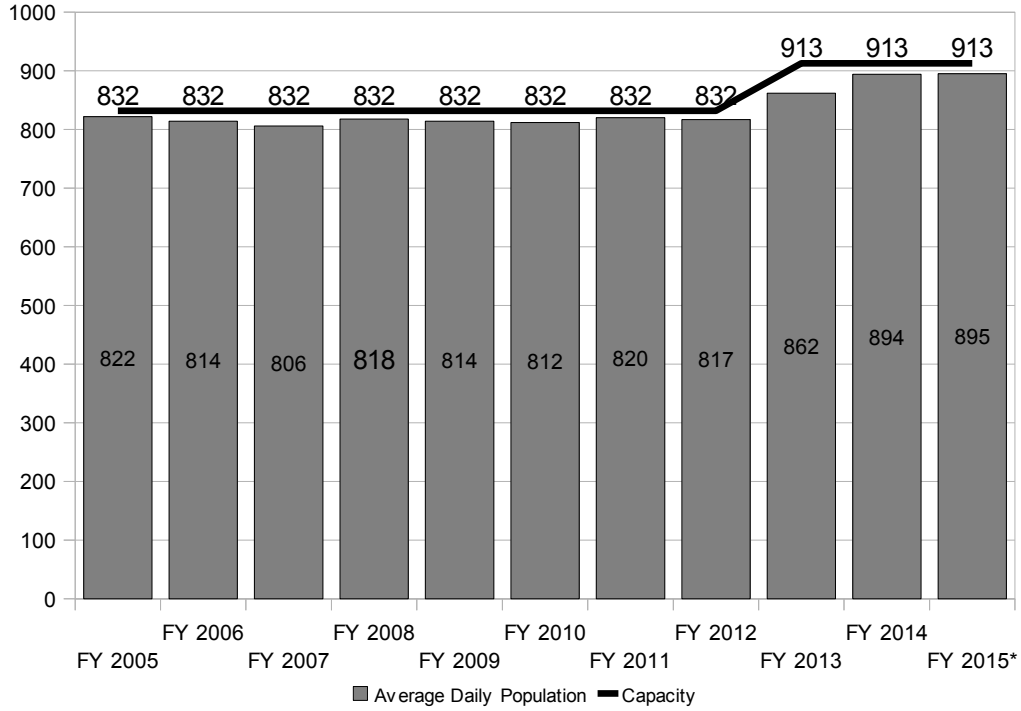
Note: Percentages may not add due to rounding.

General Fees Fund

Ellsworth Correctional Facility (ECF) supervises an inmate work detail assigned to the Kansas Department of Transportation (KDOT) for clean-up and maintenance on state highways. The payments received from KDOT make up the primary income for the ECF General Fees Fund. Other revenue includes the sale of surplus equipment and materials.

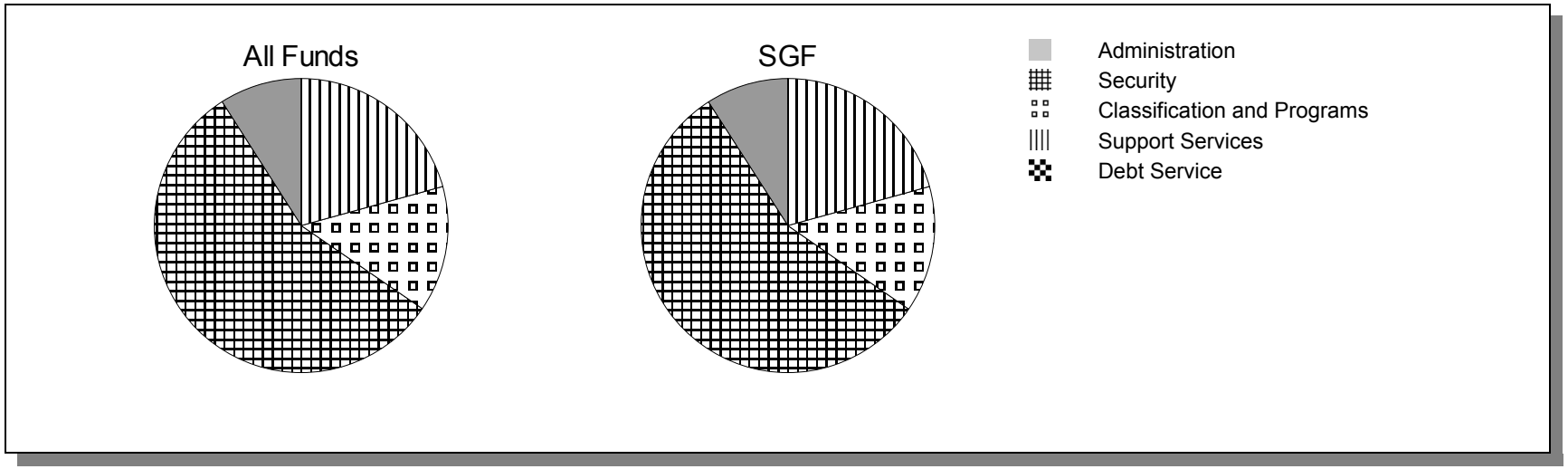
Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 23,971	$ 29,383	$ 29,383	$ 29,204	$ 29,665	$ 29,204	$ 30,429
Revenue	68,290	62,798	62,798	66,037	66,037	68,944	68,944
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 92,261	$ 92,181	$ 92,181	$ 95,241	$ 95,702	$ 98,148	$ 99,373
Less: Expenditures	62,878	62,977	62,516	66,037	65,273	68,944	68,165
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 29,383	$ 29,204	$ 29,665	$ 29,204	$ 30,429	$ 29,204	$ 31,208
Ending Balance as Percent of Expenditures	46.7%	46.4%	47.5%	44.2%	46.6%	42.4%	45.8%
	June	June	June	June	June	June	June
Month Highest Ending Balance	$ 29,384	$ 36,141	$ 36,141	$ 35,921	$ 36,488	$ 35,921	$ 37,428
	September	September	September	September	September	September	September
Month Lowest Ending Balance	$ 9,275	$ 10,872	$ 10,872	$ 10,805	$ 10,978	$ 10,805	$ 11,259

Capacity and Average Daily Population



*FY 2015 average daily population current as of January 14, 2015

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	$ 1,296,428	9.1 %	$ 1,296,428	9.1 %
Security	8,076,176	56.4	8,022,743	56.3
Classification and Programs	1,982,221	13.8	1,982,221	13.9
Support Services	2,966,348	20.7	2,954,508	20.7
Debt Service	0	0.0	0	0.0
TOTAL	$ 14,321,173	100.0 %	$ 14,255,900	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	18.0	20.0	18.0	20.0	18.0	20.0	18.0
Security	163.0	164.0	163.0	164.0	163.0	164.0	163.0
Classification and Programs	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Support Services	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	232.0	235.0	232.0	235.0	232.0	235.0	232.0

A. Administration

The Administration program provides management direction and technical assistance including fiscal, personnel, and training to the other programs within the agency. The program is administered by the Warden.

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	$ 1,193,355	$ 1,133,249	$ 1,121,954	$ 1,356,963	$ 1,171,058	$ 1,579,952	$ 1,209,104
Contractual Services	139,793	131,063	131,063	123,145	123,145	123,500	123,500
Commodities	5,020	2,222	2,222	2,225	2,225	2,225	2,225
Capital Outlay	125,302	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,463,470	$ 1,266,534	$ 1,255,239	$ 1,482,333	$ 1,296,428	$ 1,705,677	$ 1,334,829
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	1,178	412	412	0	0	0	0
TOTAL	$ 1,464,648	$ 1,266,946	$ 1,255,651	$ 1,482,333	$ 1,296,428	$ 1,705,677	$ 1,334,829
Financing:							
State General Fund	$ 1,464,648	$ 1,266,946	$ 1,255,651	$ 1,482,333	$ 1,296,428	$ 1,705,677	$ 1,334,829
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,464,648	$ 1,266,946	$ 1,255,651	$ 1,482,333	$ 1,296,428	$ 1,705,677	$ 1,334,829
FTE Positions	18.0	20.0	18.0	20.0	18.0	20.0	18.0
Non-FTE Uncl. Perm. Pos.	2.0	0.0	2.0	0.0	2.0	0.0	2.0
TOTAL	20.0	20.0	20.0	20.0	20.0	20.0	20.0

The **agency** requests FY 2016 operating expenditures of $1.5 million, all from the State General Fund. The request is an increase of $215,387, or 17.0 percent, above the FY 2015 estimate. The request contains enhancements totaling $171,282, all from the State General Fund, for fringe benefit shortfalls and longevity bonuses. The request includes 20.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $1.3 million, all from the State General Fund. The request is an increase of $44,105, or 3.5 percent, above the FY 2015 estimate. The increase is mainly due to higher health insurance rates.

The **Governor** recommends FY 2016 operating expenditures of $1.3 million, all from the State General Fund. The recommendation is a decrease of $185,905, or 12.5 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and recommending a reduction of

$14,623 to reduce employer contributions for state employee health insurance. The Governor recommends 18.0 FTE positions, which is 2.0 less FTE positions than the agency's request. The decrease is due to a technical adjustment.

The **agency** requests FY 2017 operating expenditures of $1.7 million, all from the State General Fund. The request is an increase of $223,344, or 15.1 percent, above the FY 2016 request. The request contains enhancements totaling $355,932, all from the State General Fund, for fringe benefit shortfalls and longevity bonuses. The request includes 20.0 FTE positions, the same as the FY 2016 request. **Absent the enhancements**, the agency requests $1.3 million, all from the State General Fund. The request is an increase of $38,694, or 3.0 percent, above the FY 2016 request less enhancements. The increase is primarily attributable to a 27th payroll period in that fiscal year.

The **Governor** recommends FY 2017 operating expenditures of $1.3 million, all from the State General Fund. The recommendation is a decrease of $370,848, or 21.7 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and recommending a reduction of $14,916 to reduce employer contributions for state employee health insurance. The Governor recommends 18.0 FTE positions, which is 2.0 less FTE positions than the agency's request. The decrease is attributable to a technical adjustment.

B. Security

The Security program provides supervision, surveillance, transportation and control of the inmate population at the agency. The program contains the agency's largest number of full-time equivalent positions to ensure protection to the public and staff and to keep the physical plant free from vandalism and contraband that outside sources may attempt to introduce into the facility. In the event of an escape or disturbance, Security has the primary responsibility to apprehend, investigate and recommend those responsible for prosecution. All duties are carried out in accordance with prescribed rules and regulations with the security standards that are a part of the training program operated at the agency.

SECURITY
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	$ 7,531,143	$ 8,264,163	$ 8,184,613	$ 8,088,996	$ 7,965,766	$ 8,324,937	$ 8,199,239
Contractual Services	3,428	7,964	7,964	8,010	8,010	8,010	8,010
Commodities	85,839	97,719	97,719	109,270	102,400	109,320	102,450
Capital Outlay	47,678	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 7,668,088	$ 8,369,846	$ 8,290,296	$ 8,206,276	$ 8,076,176	$ 8,442,267	$ 8,309,699
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 7,668,088	$ 8,369,846	$ 8,290,296	$ 8,206,276	$ 8,076,176	$ 8,442,267	$ 8,309,699
Financing:							
State General Fund	$ 7,618,213	$ 8,318,669	$ 8,239,580	$ 8,152,079	$ 8,022,743	$ 8,385,163	$ 8,253,374
All Other Funds	49,875	51,177	50,716	54,197	53,433	57,104	56,325
TOTAL	$ 7,668,088	$ 8,369,846	$ 8,290,296	$ 8,206,276	$ 8,076,176	$ 8,442,267	$ 8,309,699
FTE Positions	163.0	164.0	163.0	164.0	163.0	164.0	163.0
Non-FTE Uncl. Perm. Pos.	1.0	0.0	1.0	0.0	1.0	0.0	1.0
TOTAL	164.0	164.0	164.0	164.0	164.0	164.0	164.0

The **agency** requests FY 2016 operating expenditures of $8.2 million, including $8.2 million from the State General Fund. The request is a decrease of $163,570, or 2.0 percent, including a State General Fund decrease of $166,590, or 2.0 percent, below the FY 2015 estimate. The decrease is mainly attributable to one-time bonuses made in FY 2015 that are not made for FY 2016, partially offset by an increase in commodities for clothing costs. The request includes an enhancement of $6,870, all from the State General Fund, for new security vests. The request includes 164.0 FTE positions, which is the same as the FY 2015 estimate.

The **Governor** recommends FY 2016 operating expenditures of $8.1 million, including $8.0 million from the State General Fund. The recommendation is a decrease of $130,100, or 1.6 percent, including a State General Fund decrease of $129,336, or 1.6 percent, below the agency's FY 2016 request. The decrease is due to the Governor not

recommending the agency's enhancement request and recommending a reduction of $123,230, including $122,466 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 163.0 FTE positions, which is 1.0 less FTE position than the agency's request. The decrease is attributable to a technical adjustment.

The **agency** requests FY 2017 operating expenditures of $8.4 million, including $8.4 million from the State General Fund. The request is an increase of $235,991, or 2.9 percent, including a State General Fund increase of $233,084, or 2.9 percent, above the FY 2016 request. The increase is primarily due to a 27th payroll period, KPERS contribution rate increases, and health insurance rate increases. The request includes 164.0 FTE positions, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $8.3 million, including $8.3 million from the State General Fund. The recommendation is a decrease of $132,568, or 1.6 percent, including a State General Fund decrease of $131,789, or 1.6 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and recommending a reduction of $125,698, including $124,919 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 163.0 FTE positions, which is 1.0 less FTE position than the agency's request. The decrease is due to a technical adjustment.

C. Classification and Programs

Classification and Programs is composed of the following two subprograms: Classification and Records; and Religion, Recreation, and Library Services. Classification and Records reports and records all pertinent information regarding the movement and progress of agency inmates. Religion, Recreation, and Library Services provides recreational opportunities for inmates such as sports, social, cultural, and special events, as well as religious counseling and services.

CLASSIFICATION AND PROGRAMS
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	$ 1,894,317	$ 1,852,283	$ 1,834,193	$ 1,795,369	$ 1,770,472	$ 1,852,314	$ 1,826,919
Contractual Services	191,579	198,560	198,560	199,125	199,125	199,125	199,125
Commodities	5,796	2,394	2,394	2,400	2,400	2,400	2,400
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,091,692	$ 2,053,237	$ 2,035,147	$ 1,996,894	$ 1,971,997	$ 2,053,839	$ 2,028,444
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	29,897	19,360	19,360	10,224	10,224	2,556	2,556
TOTAL	$ 2,121,589	$ 2,072,597	$ 2,054,507	$ 2,007,118	$ 1,982,221	$ 2,056,395	$ 2,031,000
Financing:							
State General Fund	$ 2,121,589	$ 2,072,597	$ 2,054,507	$ 2,007,118	$ 1,982,221	$ 2,056,395	$ 2,031,000
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 2,121,589	$ 2,072,597	$ 2,054,507	$ 2,007,118	$ 1,982,221	$ 2,056,395	$ 2,031,000
FTE Positions	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	33.0	33.0	33.0	33.0	33.0	33.0	33.0

The **agency** requests FY 2016 operating expenditures of $2.0 million, all from the State General Fund. The request is a decrease of $65,479, or 3.2 percent, below the FY 2015 estimate. The decrease is predominantly attributable to a higher salaries and wages shrinkage rate. The request includes 33.0 FTE positions, which is the same as the FY 2015 estimate.

The **Governor** recommends FY 2016 operating expenditures of $2.0 million, all from the State General Fund. The recommendation is a decrease of $24,897, or 1.2 percent, below the agency's FY 2016 request. The decrease is due to the Governor recommending a reduction of $24,897 to reduce employer contributions for state employee health insurance. The recommendation includes 33.0 FTE positions, the same as the FY 2016 request.

The **agency** requests FY 2017 operating expenditures of $2.1 million, all from the State General Fund. The request is an

increase of $49,277, or 2.5 percent, above the FY 2016 request. The increase is mainly due to a 27th payroll period. The request includes 33.0 FTE positions, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $2.0 million, all from the State General Fund. The recommendation is a decrease of $25,395, or 1.2 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor recommending a reduction of $25,395 to reduce employer contributions for state employee health insurance. The recommendation includes 33.0 FTE positions, the same as the FY 2017 request.

D. Support Services

The Support Services program consists of the following operations: Mechanical Services, Laundry and Supply, and the Food Service Department. Mechanical Services provides maintenance and repairs for all equipment, building, and grounds, while Laundry and Supply provides all supplies and cleaning services for the facility. The Food Service Department is presently under contract with ARAMARK Correctional Service, Inc., which provides food and meal preparation services and is accounted for in the Department of Corrections budget.

SUPPORT SERVICES
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	$ 1,010,616	$ 983,065	$ 973,920	$ 989,934	$ 977,556	$ 1,019,397	$ 1,006,771
Contractual Services	1,025,938	1,042,585	1,042,585	1,116,611	1,116,611	1,152,192	1,152,192
Commodities	842,875	825,937	819,373	983,864	872,181	950,244	876,881
Capital Outlay	190,888	0	0	172,812	0	183,143	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 3,070,317	$ 2,851,587	$ 2,835,878	$ 3,263,221	$ 2,966,348	$ 3,304,976	$ 3,035,844
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 3,070,317	$ 2,851,587	$ 2,835,878	$ 3,263,221	$ 2,966,348	$ 3,304,976	$ 3,035,844
Financing:							
State General Fund	$ 3,057,314	$ 2,839,787	$ 2,824,078	$ 3,251,381	$ 2,954,508	$ 3,293,136	$ 3,024,004
All Other Funds	13,003	11,800	11,800	11,840	11,840	11,840	11,840
TOTAL	$ 3,070,317	$ 2,851,587	$ 2,835,878	$ 3,263,221	$ 2,966,348	$ 3,304,976	$ 3,035,844
FTE Positions	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	18.0	18.0	18.0	18.0	18.0	18.0	18.0

The **agency** requests FY 2016 operating expenditures of $3.3 million, including $3.3 million from the State General Fund. The request is an increase of $411,634, or 14.4 percent, including a State General Fund increase of $411,594, or 14.5 percent, above the FY 2015 estimate. The request includes enhancements totaling $284,495, all from the State General Fund, for vehicle, IT equipment, and security surveillance replacements. The request includes 18.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $3.0 million, including $3.0 million from the State General Fund. The request is an increase of $127,139, or 4.5 percent, including a State General Fund increase of $127,099, or 4.5 percent, above the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Contractual Services.** The agency requests $1.1 million for contractual services. The request is an increase of $74,026, or 7.1 percent, above the FY 2015 estimate. The increase is due to higher cost indices for utilities.

- **Commodities.** The agency requests $983,864 for commodities. The request is an increase of $157,927, or 19.1 percent, above the FY 2015 estimate. The increase is primarily attributable to an enhancement of $111,683, for new security surveillance equipment. **Absent the enhancement**, the agency requests $872,181 for commodities.

- **Capital Outlay.** The agency requests $172,812 for capital outlay. The request is an increase of $172,812 above the FY 2015 estimate. The increase is due to an enhancement of $172,812 to replace one vehicle and 33.0 percent of the agency's IT equipment.

The **Governor** recommends FY 2016 operating expenditures of $3.0 million, including $3.0 million from the State General Fund. The recommendation is a decrease of $296,873, or 9.1 percent, all from the State General Fund, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and recommending a reduction of $12,378, all from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 18.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $3.3 million, including $3.3 million from the State General Fund. The request is an increase of $41,755, or 1.3 percent, all from the State General Fund, above the FY 2016 request. The request includes enhancements totaling $256,506, all from the State General Fund, for vehicle, IT equipment, and security surveillance replacements. The request includes 18.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancement**, the agency requests $3.0 million, including $3.0 million from the State General Fund. The request is a decrease of $69,744, or 2.3 percent, all from the State General Fund, above the FY 2016 request. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $1.0 million for salaries and wages. The request is an increase of $29,463, or 3.0 percent, above the FY 2016 request. The increase is attributable to a 27th payroll period.

- **Contractual Services.** The agency requests $1.2 million for contractual services. The request is an increase of $35,581, or 3.2 percent, above the FY 2016 request. The increase is due to higher cost indices for utilities.

- **Commodities.** The agency requests $950,244 for commodities. The request is a decrease of $33,620, or 3.4 percent, below the FY 2016 request. The decrease is attributable to a smaller enhancement for new security surveillance equipment. **Absent the enhancement**, the agency requests $876,881 for commodities.

- **Capital Outlay.** The agency requests $183,143 for capital outlay. The request is an increase of $10,331, or 6.0 percent, above the FY 2016

request. The increase is due to a larger enhancement to replace two vehicles.

The **Governor** recommends FY 2017 operating expenditures of $3.0 million, including $3.0 million from the State General Fund. The recommendation is a decrease of $269,132, or 8.1 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and recommending a reduction of $12,626, all from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 18.0 FTE positions, the same as the agency's request.

E. Debt Service

Ellsworth Correctional Facility participates in the Facility Conservation Improvement Program (FCIP) administered by the Energy program of the Kansas Corporation Commission (KCC). The FCIP exists to help public entities conserve natural resources and reduce state expenditures. Through an Energy Service Company (ESCO) contracted by KCC, an investment grade energy audit was conducted, developing an implementation strategy including design, construction follow-up services such as staff training as well as measurement and verification of savings. The ESCO agreement is a long-term contract and becomes a partnership between the agency and the ESCO. As part of the Energy Service Contract, the savings are guaranteed and if the savings are not achieved, the ESCO makes up the difference. The funding for ESCO services and improvements is made through a Request for Proposals (RFP) that is arranged by the state of Kansas through the Department of Administration. The financing is customized to meet the cash flows associated with the project. The facility makes payments for the duration of the lease. Any savings that exceed the debt service payments are retained by the facility. The energy projects at Ellsworth Correctional Facility have a fifteen-year lease term, which began in FY 2004.

DEBT SERVICE
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	400	400	400	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	5,387	1,720	1,720	0	0	0	0
Subtotal - Operations	$ 5,787	$ 2,120	$ 2,120	$ 0	$ 0	$ 0	$ 0
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 5,787	$ 2,120	$ 2,120	$ 0	$ 0	$ 0	$ 0
Financing:							
State General Fund	$ 5,787	$ 2,120	$ 2,120	$ 0	$ 0	$ 0	$ 0
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 5,787	$ 2,120	$ 2,120	$ 0	$ 0	$ 0	$ 0
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** does not request any FY 2016 operating expenditures for debt service. The agency paid off its debt service in FY 2015.

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

The **agency** requests does not request any FY 2017 operating expenditures for debt service. The agency paid off its debt service in FY 2015.

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

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
Debt Service - Principal	$ 94,291	$ 94,291	$ 0	$ 0	$ 0	$ 0
Rehabilitation and Repair	76,195	76,195	0	0	0	0
TOTAL	$ 170,486	$ 170,486	$ 0	$ 0	$ 0	$ 0
Financing:						
State General Fund	$ 94,291	$ 94,291	$ 0	$ 0	$ 0	$ 0
All Other Funds	76,195	76,195	0	0	0	0
TOTAL	$ 170,486	$ 170,486	$ 0	$ 0	$ 0	$ 0

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates FY 2015 capital improvement expenditures of $170,486, including $94,291 from the State General Fund. The estimate is an increase of $76,195, or 80.0 percent, above the FY 2015 approved amount. The major changes for FY 2015 include the following items.

- **Debt Service Principal.** The agency requests $94,291 for debt service principal payments. This is the same as the FY 2015 amount.

- **Rehabilitation and Repair.** The agency requests $76,195 for rehabilitation and repair. Projects include replacing the upgrading the fire alarms in the East Unit and renovating the clinic.

Current Year Governor Recommendation

The **Governor** concurs with the agency's FY 2015 capital improvements revised estimate.

Budget Year Agency Request

FY 2016 – Budget Year. The **agency** does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

Budget Year Agency Request

FY 2017 – Budget Year. The **agency** does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of escapes	0	0	0	0	0
Number of inmate assaults on staff	7	9	9	9	9

Hutchinson Correctional Facility

	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	$ 30,301,700	$ 31,341,872	$ 30,853,953	$ 31,257,648	$ 30,609,650	$ 32,782,689	$ 31,692,604
Other Funds	202,877	231,738	229,618	228,996	225,885	235,179	232,006
TOTAL	$ 30,504,577	$ 31,573,610	$ 31,083,571	$ 31,486,644	$ 30,835,535	$ 33,017,868	$ 31,924,610
Capital Improvements:							
State General Fund	$ 54,749	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	327,526	43,518	43,518	0	0	0	0
TOTAL	$ 382,275	$ 43,518	$ 43,518	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	**$ 30,886,852**	**$ 31,617,128**	**$ 31,127,089**	**$ 31,486,644**	**$ 30,835,535**	**$ 33,017,868**	**$ 31,924,610**
Percentage Change:							
Operating Expenditures							
State General Fund	(1.9) %	3.4 %	1.8 %	(0.3) %	(0.8) %	4.9 %	3.5 %
All Funds	(1.9)	3.5	1.9	(0.3)	(0.8)	4.9	3.5
FTE Positions	504.0	504.0	504.0	504.0	504.0	504.0	504.0
Non-FTE Perm.Uncl.Pos.	5.0	5.0	5.0	5.0	5.0	5.0	5.0
TOTAL	509.0	509.0	509.0	509.0	509.0	509.0	509.0

The history of Hutchinson Correctional Facility (HCF) dates to 1888 when the Kansas Legislature appropriated $1.0 million for the Kansas State Industrial Reformatory. Modeled after the Elmira Reformatory of New York, the facility's first cell house, Cell House A, was completed in 1898, which contained 200 single occupancy cells, each 40 square feet in size.

Subsequent cell house construction revealed a trend toward larger cells. The 200 single occupancy cells in the 1912 unit, Cell House B, contained 48 square feet and the last unit, Cell House D, was completed in 1927 and contained 80 triple occupancy cells measuring 168 square feet per cell.

In 1978, the facility, now known as the Central Unit, began a renovation effort that was completed in 1986. Various additions brought on-line include: the Work Release Unit, the South Unit, and the East Unit. In 1990, the facility's name was changed to the Hutchinson Correctional Facility (HCF).

Today, HCF is a 1,768 bed, multi-unit correctional facility housing male inmates at the minimum, medium, and maximum security levels. The Central Unit houses maximum and medium-custody inmates in the traditional walled and secure prison environment. The East Unit is a medium-custody, fenced-in facility with several treatment programs, including the Industrial program which provides a number of inmate jobs. The South Unit is a minimum-security facility providing community service to the city of Hutchinson and other eligible organizations including several duties for the facility. The purpose of the Work Release Unit, opened in 1972 and contained in the South Unit, is to place inmates in a community job to facilitate their transition from the facility to society.

MAJOR ISSUES FROM PRIOR YEARS

The **2009 Legislature** approved a 1.25 percent across-the-board State General Fund reduction in FY 2009 and a 4.0 percent across-the-board State General Fund reduction in FY 2010. The reduction to the Hutchinson Correctional Facility budget totaled $346,283, all from the State General Fund, in FY 2009 and $575,651, all from the State General Fund in FY 2010.

In **FY 2010** the Department of Corrections received $40.5 million of federal American Recovery and Reinvestment Act (ARRA) funds in FY 2010 and FY 2011, which were distributed, and also reduced by the same amount of State General Fund, among three correctional facilities in the following manner.

- $20.5 million in FY 2010 and FY 2011 for Hutchinson Correctional Facility.
- $10.0 million in FY 2010 and FY 2011 for Norton Correctional Facility.
- $10.0 million in FY 2010 and FY 2011 for Winfield Correctional Facility.

The **2010 Legislature** approved FY 2010 reductions totaling $45,732, including $8,599 from the State General Fund, for a 5.0 percent state officer's salary reduction ($1,136 from the

State General Fund), which applied to the warden at Hutchinson Correctional Facility, and a moratorium on contributions to the KPERS death and disability fund ($44,596, including $7,463 from the State General Fund). In FY 2011 the Legislature approved the following changes.

- Approved $713,121 from the State General Fund in enhancement funding to lower the facility's salaries and wage shrinkage rate.

- Deleted $46,820, including $6,143 from the State General Fund for a moratorium on contributions to the KPERS death and disability fund.

- Deleted $33,273, all from the State General Fund, to have the facility fund longevity bonus payments from within existing resources.

- Approved an undermarket pay adjustment, which included $348,452, including $268,637 from the State General Fund, for positions at Hutchinson Correctional Facility.

In **FY 2011**, the Department of Corrections received $41.3 million in federal American Recovery and Reinvestment Act (ARRA) funds in FY 2010 and FY 2011, which was distributed, and also reduced by the same amount of State General Fund, among three correctional facilities in the following manner.

- $21.3 million in FY 2010 and FY 2011 for Hutchinson Correctional Facility.

- $10.0 million in FY 2010 and FY 2011 for Norton Correctional Facility.

- $10.0 million in FY 2010 and FY 2011 for Winfield Correctional Facility.

The **2011 Legislature** approved reductions totaling $666,528, including $664,446 from the State General Fund, which is 2.2 percent below the Governor's recommendation. Among the adjustments, the 2011 Legislature recommends the following items.

- Deleted $260,637, all from the State General Fund, for state employee longevity bonus that were to be self-funded in FY 2012.

- $361,045, including $359,289 from the State General Fund, as part of an across-the-board reduction.

- $38,428, including $38,169 from the State General Fund, for employer contributions to the KPERS death and disability insurance benefits.

HCF did not receive any federal American Recovery and Reinvestment Act (ARRA) funding beyond FY 2011.

The **2012 Legislature** approved reductions totaling $246,705, including $245,947 from the State General Fund, all in the form of statewide reductions. Among the adjustments, the Legislature recommends the following items.

- Deleted $40,975, including $40,609 from the State General Fund, to reduce longevity bonus payments to the statutory level of $40 per year of service for eligible employees.

- Deleted $162,438, all from the State General Fund, to self-fund employee longevity bonus payments in FY 2013.

- Deleted $43,292, including $42,900 from the State General Fund, for a moratorium on employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for a three-month period.

During the **2013 Legislative Session**, the Governor vetoed the agency's entire FY 2015 operating budget.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 total expenditures of $31.6 million, including $31.3 million from the State General Fund. The request is an overall increase of $513,751, or 1.7 percent, including a State General Fund increase of $487,919, or 1.6 percent, above the FY 2015 approved amount. The increase is predominantly attributable to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures and increased capital improvement expenditures for rehabilitation and repair. The estimate includes 504.0 FTE positions, the same as the FY 2015 approved amount.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 total expenditures of $31.1 million, including $30.9 million from the State General Fund. The recommendation is a decrease of $490,039 or 1.6 percent, including a State General Fund reduction of $487,919, or 1.6 percent, below the agency's FY 2015 estimate. The decrease is due to the inclusion of the Governor's December 2015 Allotment and an additional special revenue funds reduction for lowered KPERS employer contributions. The Governor concurs with the agency's FTE estimate.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $31.5 million, including $31.3 million from the State General Fund. The request is a decrease of $86,966, or 0.3 percent, including a State General Fund decrease of $84,224, or 0.3 percent, below the FY 2015 estimate. The request includes enhancements totaling $279,787, all from the State General Fund, for fringe benefit shortfalls and vehicle replacements. **Absent the enhancements**, the agency requests $31.2 million, including $31.0 million from the State General Fund. The request is a decrease of $366,753, or 1.2 percent, including a State General Fund decrease of $364,011, or 1.2 percent, below the FY 2015 estimate. The decrease is mainly due to

lowered salaries and wages for new employees hired to replace retiring employees, a higher shrinkage rate for salaries and wages, reduced rates for IT services, communication services, and building repairs, and a reduction in cost estimates for commodities. The request includes 504.0 FTE positions, the same as the FY 2015 estimate.

The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $30.8 million, including $30.6 million from the State General Fund. The recommendation is a decrease of $651,109, or 2.1 percent, including a State General Fund decrease of $647,998, or 2.1 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $371,322, including $368,211 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The Governor concurs with the agency's capital improvements request.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $33.0 million, including $32.8 million from the State General Fund. The request is an increase of $1.5 million, or 4.9 percent, including a State General Fund increase of $1.5 million, or 4.9 percent, above the FY 2016 request. The request includes enhancements totaling $714,500, all from the State General Fund, for fringe benefit shortfalls and vehicle replacements. **Absent the enhancements**, the agency requests $32.3 million, including $32.1 million from the State General Fund. The request is an increase of $1.1 million, or 3.5 percent, including a State General Fund increase of $1.1 million, or 3.5 percent, above the FY 2016 request less enhancements. The increase is primarily due to a 27th payroll period which occurs in that fiscal year, higher rates for information technology services, and higher cost estimates for commodities. The request includes 504.0 FTE positions, the same as the FY 2016 request.

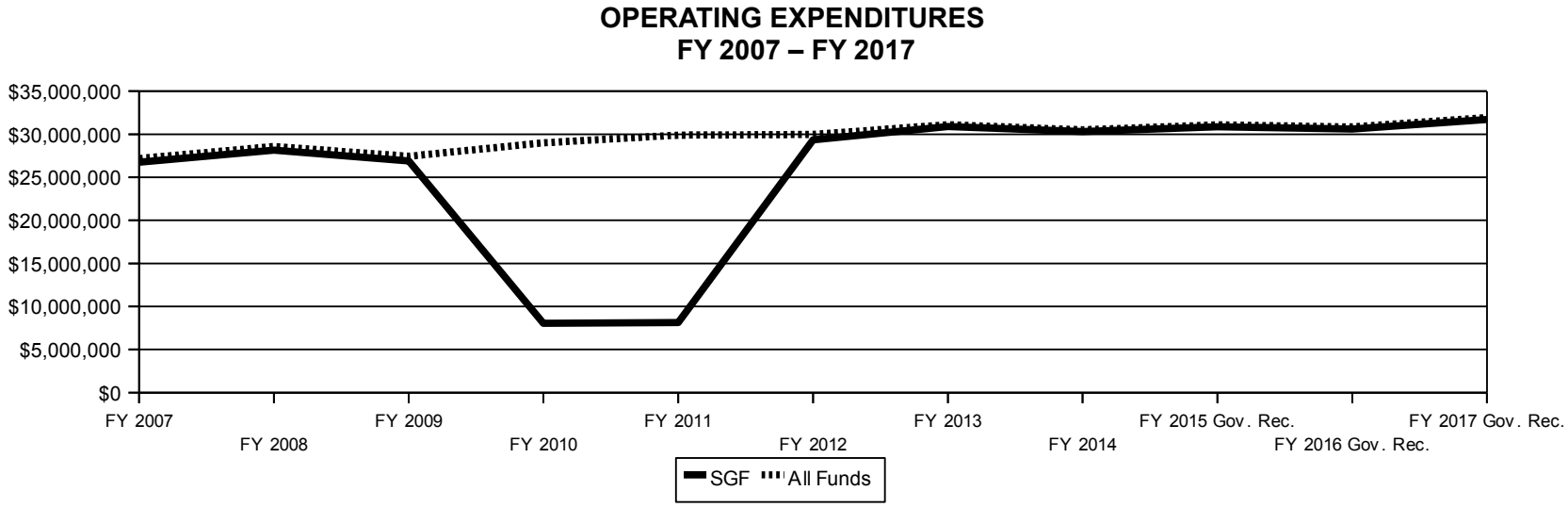
The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $31.9 million, including $31.7 million from the State General Fund. The recommendation is a decrease of $1.1 million, or 3.3 percent, including a State General Fund decrease of $1.1 million, or 3.3 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $378,758, including $375,585 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The Governor concurs with the agency's capital improvements request.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 26,760,612	2.9 %	$ 27,174,454	3.0 %	514.0
2008	28,152,378	5.2	28,581,237	5.2	513.0
2009	26,880,501	(4.5)	27,438,263	(4.0)	512.0
2010	8,036,267	(70.1)	29,000,375	5.7	512.0
2011	8,131,204	1.2	29,891,447	3.1	511.0
2012	29,359,020	261.1	29,964,009	0.2	508.0
2013	30,886,932	5.2	31,104,491	3.8	504.0
2014	30,301,700	(1.9)	30,504,577	(1.9)	504.0
2015 Gov. Rec.	30,853,953	1.8	31,083,571	1.9	504.0
2016 Gov. Rec.	30,609,650	(0.8)	30,835,535	(0.8)	504.0
2017 Gov. Rec.	31,692,604	3.5	31,924,610	3.5	504.0
Eleven-Year Change	$ 4,931,992	18.4 %	$ 4,750,156	17.5 %	(10.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 1,875,577	$ 1,876,817	$ 1,833,972	$ (42,845)	(2.3) %	$ 1,861,319	$ 1,813,651	$ (47,668)	(2.6)%
Security	17,260,781	18,056,053	18,221,640	165,587	0.9	17,883,735	17,755,634	(128,101)	(0.7)
Inmate Transportation	708,355	719,323	686,673	(32,650)	(4.5)	713,011	677,478	(35,533)	(5.0)
Classification and Programs	4,258,649	4,318,462	4,157,910	(160,552)	(3.7)	4,280,316	4,107,178	(173,138)	(4.0)
Support Services	6,401,215	6,602,955	6,586,449	(16,506)	(0.2)	6,345,190	6,481,594	136,404	2.1
TOTAL	$ 30,504,577	$ 31,573,610	$ 31,486,644	$ (86,966)	(0.3) %	$ 31,083,571	$ 30,835,535	$ (248,036)	(0.8)%
By Major Object of Expenditure:									
Salaries and Wages	$ 25,492,377	$ 26,207,103	$ 26,199,680	$ (7,423)	(0.0) %	$ 25,952,432	$ 25,621,623	$ (330,809)	(1.3)%
Contractual Services	2,515,595	2,978,257	2,899,162	(79,095)	(2.7)	2,978,257	2,899,162	(79,095)	(2.7)
Commodities	2,100,278	2,357,250	2,283,750	(73,500)	(3.1)	2,121,882	2,283,750	161,868	7.6
Capital Outlay	351,598	0	73,052	73,052	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 30,459,848	$ 31,542,610	$ 31,455,644	$ (86,966)	(0.3) %	$ 31,052,571	$ 30,804,535	$ (248,036)	(0.8)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	44,729	31,000	31,000	0	0.0	31,000	31,000	0	0.0
TOTAL	$ 30,504,577	$ 31,573,610	$ 31,486,644	$ (86,966)	(0.3) %	$ 31,083,571	$ 30,835,535	$ (248,036)	(0.8)%
Financing:									
State General Fund	$ 30,301,700	$ 31,341,872	$ 31,257,648	$ (84,224)	(0.3) %	$ 30,853,953	$ 30,609,650	$ (244,303)	(0.8)%
General Fees Fund	202,877	231,738	228,996	(2,742)	(1.2)	229,618	225,885	(3,733)	(1.6)
TOTAL	$ 30,504,577	$ 31,573,610	$ 31,486,644	$ (86,966)	(0.3) %	$ 31,083,571	$ 30,835,535	$ (248,036)	(0.8)%

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	$ 1,833,972	$ 1,917,236	$ 83,264	4.5 %	$ 1,813,651	$ 1,896,508	$ 82,857	4.6 %
Security	18,221,640	19,309,257	1,087,617	6.0	17,755,634	18,413,994	658,360	3.7
Inmate Transportation	686,673	733,251	46,578	6.8	677,478	723,872	46,394	6.8
Classification and Programs	4,157,910	4,275,730	117,820	2.8	4,107,178	4,223,982	116,804	2.8
Support Services	6,586,449	6,782,394	195,945	3.0	6,481,594	6,666,254	184,660	2.8
TOTAL	$ 31,486,644	$ 33,017,868	$ 1,531,224	4.9 %	$ 30,835,535	$ 31,924,610	$ 1,089,075	3.5 %
By Major Object of Expenditure:								
Salaries and Wages	$ 26,199,680	$ 27,467,278	$ 1,267,598	4.8 %	$ 25,621,623	$ 26,457,720	$ 836,097	3.3 %
Contractual Services	2,899,162	2,984,140	84,978	2.9	2,899,162	2,984,140	84,978	2.9
Commodities	2,283,750	2,451,750	168,000	7.4	2,283,750	2,451,750	168,000	7.4
Capital Outlay	73,052	83,700	10,648	14.6	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 31,455,644	$ 32,986,868	$ 1,531,224	4.9 %	$ 30,804,535	$ 31,893,610	$ 1,089,075	3.5 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	31,000	31,000	0	0.0	31,000	31,000	0	0.0
TOTAL	$ 31,486,644	$ 33,017,868	$ 1,531,224	4.9 %	$ 30,835,535	$ 31,924,610	$ 1,089,075	3.5 %
Financing:								
State General Fund	$ 31,257,648	$ 32,782,689	$ 1,525,041	4.9 %	$ 30,609,650	$ 31,692,604	$ 1,082,954	3.5 %
General Fees Fund	228,996	235,179	6,183	2.7	225,885	232,006	6,121	2.7
TOTAL	$ 31,486,644	$ 33,017,868	$ 1,531,224	4.9 %	$ 30,835,535	$ 31,924,610	$ 1,089,075	3.5 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $31,106,504 for the Hutchinson Correctional Facility in FY 2015. Two adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $235,368, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- A reduction of $487,919, as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to $30,853,953. 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.

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	$ 30,853,953	$ 31,341,872	$ 487,919	$ 30,853,953	$ 0
All Other Funds	249,424	275,256	25,832	273,136	23,712
TOTAL	$ 31,103,377	$ 31,617,128	$ 513,751	$ 31,127,089	$ 23,712
FTE Positions	504.0	504.0	0.0	504.0	0.0

The **agency** estimates FY 2015 total expenditures of $31.6 million, including $31.3 million from the State General Fund. The request is an overall increase of $513,751, or 1.7 percent, including a State General Fund increase of $487,919, or 1.6 percent, above the FY 2015 approved amount. The increase is predominantly attributable to the Governor's December 2014

Allotment that reduced approved State General Fund expenditures and increased capital improvement expenditures for rehabilitation and repair. The estimate includes 504.0 FTE positions, the same as the FY 2015 approved amount.

The **Governor** recommends FY 2015 total expenditures of $31.1 million, including $30.9 million from the State General Fund. The recommendation is a decrease of $490,039 or 1.5 percent, including a State General Fund reduction of $487,919, or 1.6 percent, below the agency's FY 2015 estimate. The decrease is due to the inclusion of the Governor's December 2014 Allotment and an additional special revenue funds reduction for lowered KPERS employer contributions. The Governor concurs with the agency's FTE estimate.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (252,551)	$ (252,551)	0.0
Lapse Reappropriations	(235,368)	(235,368)	0.0
TOTAL	$ (487,919)	$ (487,919)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $252,551, 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 $2,120 from special revenue funds is included in the Governor's budget recommendation resulting in a total reduction of $254,671.

Reappropriations Lapse:

A reduction of $235,368, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $235,368 for the agency.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 31,486,644	$ 30,835,535	$ (651,109)
FTE Positions	504.0	504.0	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ (84,224)	$ (244,303)	
All Other Funds	(2,742)	(3,733)	
TOTAL	$ (86,966)	$ (248,036)	
Percent Change:			
State General Fund	(0.3) %	(0.8) %	
All Other Funds	(1.2)	(1.6)	
TOTAL	(0.3) %	(0.8) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $31.5 million, including $31.3 million from the State General Fund. The request is a decrease of $86,966, or 0.3 percent, including a State General Fund decrease of $84,224, or 0.3

percent, below the FY 2015 estimate. The request includes enhancements totaling $279,787, all from the State General Fund, for fringe benefit shortfalls and vehicle replacements. **Absent the enhancements**, the agency requests $31.2 million, including $31.0 million from the State General Fund. The request is a decrease of $366,753, or 1.2 percent, including a State General Fund decrease of $364,011, or 1.2 percent, below the FY 2015 estimate. The request includes 504.0 FTE positions, the same as the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $26.2 million for salaries and wages. The request is a decrease of $7,423, or less than 0.1 percent, below the FY 2015 estimate. The request includes an enhancement of $206,735, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $26.0 million for salaries and wages. The request is a decrease of $214,158, or 0.8 percent, below the FY 2015 estimate. The decrease is due to reduced salaries and wages when hiring new employees to replace retiring employees and a higher shrinkage rate.

- **Contractual Services.** The agency requests $2.9 million for contractual services. The request is a decrease of $79,095, or 2.7 percent, below the FY 2015 estimate. The decrease is attributable to reduced rates for IT services, communication services, and building repairs.

- **Commodities.** The agency requests $2.3 million for commodities. The request is a decrease of $73,500, or 3.1 percent, below the FY 2015 estimate. The decrease is due to a reduction in cost estimates for commodities.

- **Capital Outlay.** The agency requests $73,052 for capital outlay. The request is an increase of $73,052, or 100.0 percent, above the FY 2015 estimate. The increase is attributable to an enhancement for vehicle replacements.

The **Governor** recommends FY 2016 operating expenditures of $30.8 million, including $30.6 million from the State General Fund. The recommendation is a decrease of $651,109, or 2.1 percent, including a State General Fund decrease of $647,998, or 2.1 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $371,322, including $368,211 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

Enhancements Detail

FY 2016 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 206,735	$ 206,735	0.0	$ 0	$ 0	0.0
Vehicle Replacements	73,052	73,052	0.0	0	0	0.0
TOTAL	**$ 279,787**	**$ 279,787**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $279,787, all from the State General Fund. The enhancement request includes:

- **Fringe Benefit Shortfalls.** The agency requests $206,735 for fringe benefit shortfalls. The agency states it cannot fund the Kansas Public Employees Retirement System (KPERS) contribution rate increase of 1.0 percent without holding 4.0 corrections officer positions open.
- **Vehicle Replacements.** The agency requests $73,052 for vehicle replacements. The agency states this will replace four vehicles used specifically for inmate transportation that have exceeded the mileage limits. The agency states undependable vehicles for inmate transportation pose a risk to public safety.

The **Governor** does not recommend any of the agency's enhancements.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 33,017,868	$ 31,924,610	$ (1,093,258)
FTE Positions	504.0	504.0	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 1,525,041	$ 1,082,954	
All Other Funds	0	0	
TOTAL	$ 1,525,041	$ 1,082,954	
Percent Change:			
State General Fund	4.9 %	3.5 %	
All Other Funds	2.7	2.7	
TOTAL	4.9 %	3.5 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $33.0 million, including $32.8 million from the State General Fund. The request is an increase of $1.5 million, or 4.9 percent, including a State General Fund increase of $1.5 million, or 4.9 percent, above the FY 2016 request. The request includes enhancements totaling $714,500, all from the State General Fund, for fringe benefit shortfalls and vehicle replacements. **Absent the enhancements**, the agency requests $32.3 million, including $32.1 million from the State General Fund. The request is an increase of $1.1 million, or 3.5 percent, including a State General Fund increase of $1.1 million, or 3.5 percent, above the FY 2016 request less enhancements. The request includes 504.0 FTE positions, the same as the FY 2016 request. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $27.5 million for salaries and wages. The request is an increase of $1.3 million, or 4.8 percent, above the FY 2016 request. The request includes an enhancement of $630,800, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $26.8 million. The request is an increase of $843,533, or 3.2 percent, above the FY 2016 request less enhancements. The increase is mainly due to a 27th payroll period.

- **Contractual Services.** The agency requests $3.0 million for contractual services. The request is an increase of $84,978, or 2.9 percent, above the FY 2016 request. The increase is primarily attributable to higher rates for information technology services.

- **Commodities.** The agency requests $2.5 million for commodities. The request is an increase of $168,000, or 7.4 percent, above the FY 2016 request. The increase is due to higher cost estimates for commodities.

- **Capital Outlay.** The agency requests $83,700 for capital outlay. The request is an increase of $10,648, or 14.6 percent, above the FY 2016 request. The increase is attributable to an enhancement for vehicle replacements.

The **Governor** recommends FY 2017 operating expenditures of $31.9 million, including $31.7 million from the State General Fund. The recommendation is a decrease of $1.1 million, or 3.3 percent, including a State General Fund decrease of $1.1 million, or 3.3 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $378,758, including $375,585 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 630,800	$ 630,800	0.0	$ 0	$ 0	0.0
Vehicle Replacements	83,700	83,700	0.0	0	0	0.0
TOTAL	**$ 714,500**	**$ 714,500**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $714,500, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $630,800 for fringe benefit shortfalls. The agency states it cannot fund the KPERS contribution rate and health insurance rate increases without holding 14.0 corrections officer positions open.
- **Vehicle Replacements.** The agency requests $83,700 for vehicle replacements. The agency states this will replace three vehicles used specifically for inmate transportation that have exceeded the mileage limits. The agency states undependable vehicles for inmate transportation pose a risk to public safety.

The **Governor** does not recommend any of the agency's 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 $129,718, including $128,642 from the State General Fund, and affects 417 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 $142,160, including $140,986 from the State General Fund, and FY 2017 longevity payments total $153,921, including $152,654 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 $371,322, including $368,211 from the State General Fund for FY 2016. This is a reduction of $378,758, including $375,585 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

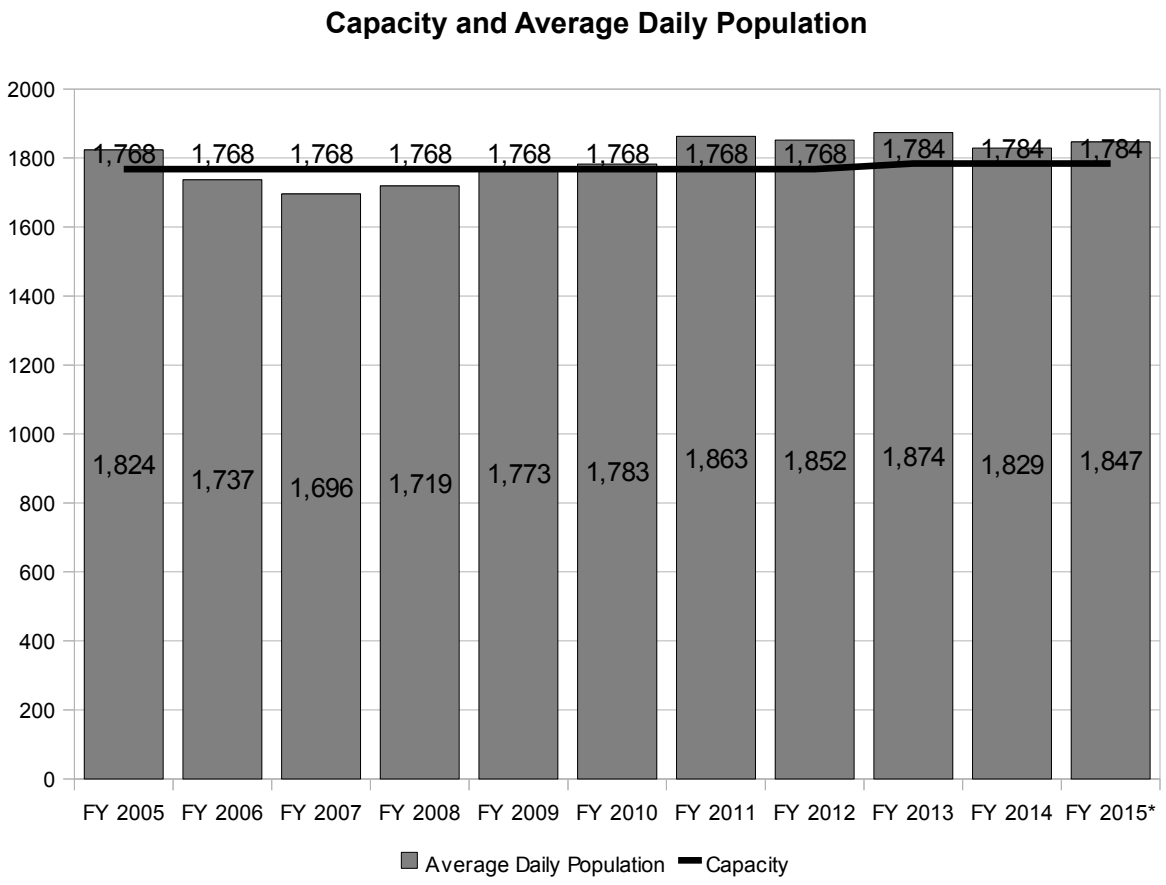
Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	99.3 %	99.3 %	99.3 %	99.3 %
General Fees Fund	0.7	0.7	0.7	0.7
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

General Fees Fund

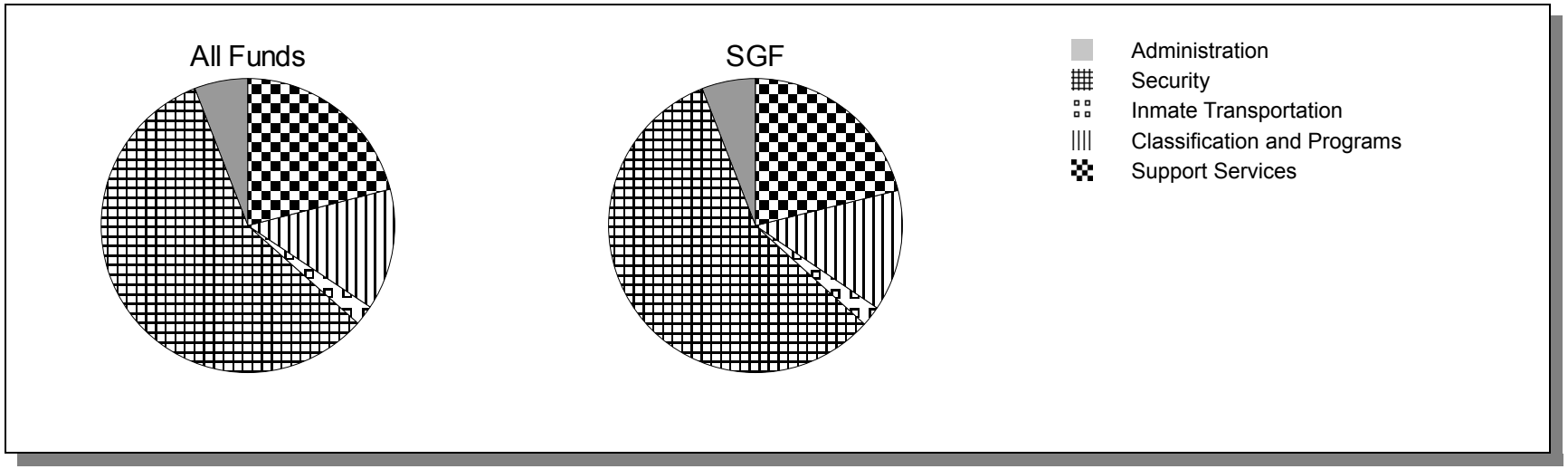
The General Fees fund at the Hutchinson Correctional Facility is primarily funded through the sale of manufactured products and reimbursement for services by other state agencies. Other revenue sources include the sale of salvaged materials and usable condemned equipment, recovery of current fiscal year expenses, and other reimbursement and refund receipts.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 126,797	$ 148,621	$ 148,621	$ 147,883	$ 150,003	$ 147,887	$ 153,118
Revenue	224,701	231,000	231,000	229,000	229,000	235,500	235,500
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 351,498	$ 379,621	$ 379,621	$ 376,883	$ 379,003	$ 383,387	$ 388,618
Less: Expenditures	202,877	231,738	229,618	228,996	225,885	235,179	232,006
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 148,621	$ 147,883	$ 150,003	$ 147,887	$ 153,118	$ 148,208	$ 156,612
Ending Balance as Percent of Expenditures	73.3%	63.8%	65.3%	64.6%	67.8%	63.0%	67.5%
	June	June	June	June	June	June	June
Month Highest Ending Balance	$ 148,352	$ 173,887	$ 173,887	$ 173,023	$ 175,504	$ 173,028	$ 179,148
	October	October	October	October	October	October	October
Month Lowest Ending Balance	$ 91,294	$ 107,007	$ 107,007	$ 106,476	$ 108,002	$ 106,479	$ 110,245



*Average Daily Population as of January 14, 2015

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	$ 1,813,651	5.9 %	$ 1,813,651	5.9 %
Security	17,755,634	57.6	17,563,013	57.4
Inmate Transportation	677,478	2.2	677,478	2.2
Classification and Programs	4,107,178	13.3	4,078,164	13.3
Support Services	6,481,594	21.0	6,477,344	21.2
TOTAL	$ 30,835,535	100.0 %	$ 30,609,650	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	22.0	23.0	23.0	23.0	23.0	23.0	23.0
Security	352.0	354.0	354.0	354.0	354.0	354.0	354.0
Inmate Transportation	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Classification and Programs	72.0	70.0	70.0	70.0	70.0	70.0	70.0
Support Services	44.0	43.0	43.0	43.0	43.0	43.0	43.0
TOTAL	504.0	504.0	504.0	504.0	504.0	504.0	504.0

A. Administration

The Administration program provides management direction and technical assistance including fiscal, personnel, and training assistance to the other programs within Hutchinson Correctional Facility. The Administration program also provides administrative and legal services and the program acts as a liaison with other state agencies, federal and local units of government, and the general public.

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	$ 1,629,158	$ 1,577,317	$ 1,561,819	$ 1,566,472	$ 1,546,151	$ 1,613,736	$ 1,593,008
Contractual Services	232,405	290,000	290,000	258,000	258,000	294,000	294,000
Commodities	229	2,500	2,500	2,500	2,500	2,500	2,500
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,861,792	$ 1,869,817	$ 1,854,319	$ 1,826,972	$ 1,806,651	$ 1,910,236	$ 1,889,508
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	13,785	7,000	7,000	7,000	7,000	7,000	7,000
TOTAL	$ 1,875,577	$ 1,876,817	$ 1,861,319	$ 1,833,972	$ 1,813,651	$ 1,917,236	$ 1,896,508
Financing:							
State General Fund	$ 1,875,577	$ 1,876,817	$ 1,861,319	$ 1,833,972	$ 1,813,651	$ 1,917,236	$ 1,896,508
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,875,577	$ 1,876,817	$ 1,861,319	$ 1,833,972	$ 1,813,651	$ 1,917,236	$ 1,896,508
FTE Positions	22.0	23.0	23.0	23.0	23.0	23.0	23.0
Non-FTE Uncl. Perm. Pos.	5.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	27.0	27.0	27.0	27.0	27.0	27.0	27.0

The **agency** requests FY 2016 operating expenditures of $1.8 million, all from the State General Fund. The request is a decrease of $42,845, or 2.3 percent, below the FY 2015 estimate. The decrease is due to a higher shrinkage rate for salaries and wages and reduced contractual services for information technology, copying, and communication expenditures.

The **Governor** recommends FY 2016 operating expenditures of $1.8 million, all from the State General Fund. The recommendation is a decrease of $20,321, or 1.1 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor recommending a reduction of $20,321 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $1.9 million, all from the State General Fund. The request is an increase of $83,264, or 4.5 percent, above the FY 2016 request. The increase is attributable to a higher KPERS contribution, a 27th payroll period, and higher cost estimates for contractual services for information technology, copying, and communication expenditures.

The **Governor** recommends FY 2017 operating expenditures of $1.9 million, all from the State General Fund. The recommendation is a decrease of $20,728, or 1.1 percent, below the agency's FY 2017 request. The decrease is due to the Governor recommending a reduction of $20,728 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

B. Security

The Security program provides supervision, surveillance, and control of the inmate population at Hutchinson Correctional Facility. This is achieved by ensuring the structural, physical, and procedural integration of the facility as well as the direct correctional supervision of the inmate population. Other key elements in this division includes inmate transportation, key control, intelligence and investigation, admissions and discharge, K-9 Unit, special operations and response teams, and emergency preparedness.

SECURITY
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	$ 16,984,054	$ 17,738,053	$ 17,565,735	$ 17,948,640	$ 17,482,634	$ 18,976,257	$ 18,080,994
Contractual Services	14,075	19,000	19,000	18,000	18,000	23,000	23,000
Commodities	228,237	299,000	299,000	255,000	255,000	310,000	310,000
Capital Outlay	34,415	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 17,260,781	$ 18,056,053	$ 17,883,735	$ 18,221,640	$ 17,755,634	$ 19,309,257	$ 18,413,994
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 17,260,781	$ 18,056,053	$ 17,883,735	$ 18,221,640	$ 17,755,634	$ 19,309,257	$ 18,413,994
Financing:							
State General Fund	$ 17,093,615	$ 17,858,062	$ 17,687,674	$ 18,026,167	$ 17,563,013	$ 19,108,075	$ 18,215,721
All Other Funds	167,166	197,991	196,061	195,473	192,621	201,182	198,273
TOTAL	$ 17,260,781	$ 18,056,053	$ 17,883,735	$ 18,221,640	$ 17,755,634	$ 19,309,257	$ 18,413,994
FTE Positions	352.0	354.0	354.0	354.0	354.0	354.0	354.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	352.0	354.0	354.0	354.0	354.0	354.0	354.0

The **agency** requests FY 2016 operating expenditures of $18.2 million, including $18.0 million from the State General Fund. The request is an increase of $165,587, or 0.9 percent, including a State General Fund increase of $168,105, or 0.9 percent, above the FY 2015 estimate. The increase is due to an enhancement of $206,735, all from the State General Fund, for fringe benefit shortfalls, partially offset by reduced cost estimates for commodities. **Absent the enhancement**, the agency requests $1.8 million, including $1.8 million from the State General Fund.

The **Governor** recommends FY 2016 operating expenditures of $17.8 million, including $17.6 million from the State General Fund. The recommendation is a decrease of $466,006, or 2.6 percent, including a State General Fund decrease of $463,154, or 2.6 percent, below the agency's FY

2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and a reduction of $259,271, including $256,419 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $19.3 million, including $19.1 million from the State General Fund. The request is an increase of $1.1 million, or 6.0 percent, including a State General Fund increase of $1.1 million, or 6.0 percent, above the FY 2016 request. The increase is primarily attributable to a 27th payroll period, increased expenditures for new officer equipment, and an enhancement of $630,800, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $18.7 million, including $18.5 million from the State General Fund.

The **Governor** recommends FY 2017 operating expenditures of $18.4 million, including $18.2 million from the State General Fund. The recommendation is a decrease of $895,263, or 4.6 percent, including a State General Fund decrease of $892,354, or 4.7 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement request and a reduction of $264,463, including $261,554 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

C. Inmate Transportation

The Inmate Transportation program began in March 1989 to provide regularly scheduled inmate transportation between correctional facilities. The program is composed of three hubs: one at Hutchinson Correctional Facility, one at Lansing Correctional Facility, and a small hub with a single employee at Norton Correctional Facility.

INMATE TRANSPORTATION
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	$ 673,294	$ 650,323	$ 644,011	$ 633,673	$ 624,478	$ 653,251	$ 643,872
Contractual Services	16,011	30,000	30,000	30,000	30,000	41,000	41,000
Commodities	18,506	39,000	39,000	23,000	23,000	39,000	39,000
Capital Outlay	544	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 708,355	$ 719,323	$ 713,011	$ 686,673	$ 677,478	$ 733,251	$ 723,872
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 708,355	$ 719,323	$ 713,011	$ 686,673	$ 677,478	$ 733,251	$ 723,872
Financing:							
State General Fund	$ 708,355	$ 719,323	$ 713,011	$ 686,673	$ 677,478	$ 733,251	$ 723,872
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 708,355	$ 719,323	$ 713,011	$ 686,673	$ 677,478	$ 733,251	$ 723,872
FTE Positions	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	14.0	14.0	14.0	14.0	14.0	14.0	14.0

The **agency** requests FY 2016 operating expenditures of $686,673, all from the State General Fund. The request is a decrease of $32,650, or 4.5 percent, below the FY 2015 estimate. The decrease is due to a higher shrinkage rate for salaries and reduced cost estimates for commodities.

The **Governor** recommends FY 2016 operating expenditures of $677,478, all from the State General Fund. The recommendation is a decrease of $9,195, or 1.3 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor recommending a reduction of $9,195 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $733,251, all from the State General Fund. The request is an

increase of $46,578, or 6.8 percent, all from the State General Fund, above the FY 2016 request. The increase is predominantly attributable to a 27th payroll period which occurs in that fiscal year and higher costs associated with inmate transportation such as vehicle repairs and vehicle part replacements.

The **Governor** recommends FY 2017 operating expenditures of $723,872, all from the State General Fund. The recommendation is a decrease of $9,379, or 1.3 percent, below the agency's FY 2017 request. The decrease is due to the Governor recommending a reduction of $9,379 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

D. Classification and Programs

Classification and Programs is composed of the following sub-programs: Classification and Records, Recreation, Pastoral Care, Work Release and Library Services. The Classification and Records program reports and records all pertinent information regarding the movement, behavior, disciplinary history, progress and program participation of Hutchinson Correctional Facility inmates. The Recreation program provides recreational opportunities for inmates and Pastoral Care provides religious counseling and services and oversees recruitment, training and placement of all HCF volunteers. The Work Release program allows selected inmates to become gainfully employed in the community while they are serving their sentences. Library Services provides a library program to inmates seven days a week and also maintains a law library.

CLASSIFICATION AND PROGRAMS
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	$ 3,913,453	$ 3,934,462	$ 3,896,316	$ 3,773,910	$ 3,723,178	$ 3,886,730	$ 3,834,982
Contractual Services	320,949	363,000	363,000	363,000	363,000	368,000	368,000
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 4,234,402	$ 4,297,462	$ 4,259,316	$ 4,136,910	$ 4,086,178	$ 4,254,730	$ 4,202,982
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	24,247	21,000	21,000	21,000	21,000	21,000	21,000
TOTAL	$ 4,258,649	$ 4,318,462	$ 4,280,316	$ 4,157,910	$ 4,107,178	$ 4,275,730	$ 4,223,982
Financing:							
State General Fund	$ 4,232,698	$ 4,288,965	$ 4,251,009	$ 4,128,637	$ 4,078,164	$ 4,245,983	$ 4,194,499
All Other Funds	25,951	29,497	29,307	29,273	29,014	29,747	29,483
TOTAL	$ 4,258,649	$ 4,318,462	$ 4,280,316	$ 4,157,910	$ 4,107,178	$ 4,275,730	$ 4,223,982
FTE Positions	72.0	70.0	70.0	70.0	70.0	70.0	70.0
Non-FTE Uncl. Perm. Pos.	0.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	72.0	71.0	71.0	71.0	71.0	71.0	71.0

The **agency** requests FY 2016 operating expenditures of $4.2 million, including $4.1 million from the State General Fund. The request is a decrease of $160,552, or 3.7 percent, including a State General Fund decrease of $160,328, or 3.7 percent, below the FY 2015 estimate. The decrease is attributable to reduced salaries and wages when hiring new employees to replace retiring employees and a higher shrinkage rate for salaries.

The **Governor** recommends FY 2016 operating expenditures of $4.1 million, including $4.1 million from the State General Fund. The recommendation is a decrease of $50,732, or 1.2 percent, including a State General Fund decrease of $50,473, or 1.2 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor recommending a reduction of $50,732, including $50,473 from the State General Fund, to reduce employer contributions for

state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $4.3 million, including $4.2 million from the State General Fund. The request is an increase of $117,820, or 2.8 percent, including a State General Fund increase of $117,346, or 2.8 percent, above the FY 2016 request. The increase is primarily due to a 27th payroll period, increased KPERS contributions, and higher insurance rates.

The **Governor** recommends FY 2017 operating expenditures of $4.2 million, including $4.2 million from the State General Fund. The recommendation is a decrease of $51,748, or 1.2 percent, including a State General Fund decrease of $51,484, or 1.2 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor recommending a reduction of $51,748, including $51,484 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

E. Support Services

The Support Services program consists of the following operations: Mechanical Services, Supply, Laundry, Food Services and Print Shop. Mechanical Services provides maintenance and repairs for equipment, buildings and the grounds at Hutchinson Correctional Facility while Laundry provides all cleaning services for the facility. Supply receives and issues supplies for the basic living needs for the inmates. The Food Services program is contracted by a food services provider with food preparation provided by inmates under the supervision of the contracted food personnel. The Print Shop, which is maintained at HCF, prints all the forms, envelopes, stationery, newsletter, bulletins and booklets for the Kansas Department of Corrections, its facilities, parole offices and contracted service providers.

SUPPORT SERVICES
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	$ 2,292,418	$ 2,306,948	$ 2,284,551	$ 2,276,985	$ 2,245,182	$ 2,337,304	$ 2,304,864
Contractual Services	1,932,155	2,276,257	2,276,257	2,230,162	2,230,162	2,258,140	2,258,140
Commodities	1,853,306	2,016,750	1,781,382	2,003,250	2,003,250	2,100,250	2,100,250
Capital Outlay	316,639	0	0	73,052	0	83,700	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 6,394,518	$ 6,599,955	$ 6,342,190	$ 6,583,449	$ 6,478,594	$ 6,779,394	$ 6,663,254
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,697	3,000	3,000	3,000	3,000	3,000	3,000
TOTAL	$ 6,401,215	$ 6,602,955	$ 6,345,190	$ 6,586,449	$ 6,481,594	$ 6,782,394	$ 6,666,254
Financing:							
State General Fund	$ 6,391,455	$ 6,598,705	$ 6,340,940	$ 6,582,199	$ 6,477,344	$ 6,778,144	$ 6,662,004
All Other Funds	9,760	4,250	4,250	4,250	4,250	4,250	4,250
TOTAL	$ 6,401,215	$ 6,602,955	$ 6,345,190	$ 6,586,449	$ 6,481,594	$ 6,782,394	$ 6,666,254
FTE Positions	44.0	43.0	43.0	43.0	43.0	43.0	43.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	44.0	43.0	43.0	43.0	43.0	43.0	43.0

The **agency** requests FY 2016 operating expenditures of $6.6 million, including $6.6 million from the State General Fund. The request is a decrease of $16,506, or 0.2 percent, all from the State General Fund, below the FY 2015 estimate. The request includes an enhancement of $73,052, all from the State General Fund, for vehicle replacements. **Absent the enhancement**, the agency requests $6.5 million, including $6.5 million from the State General Fund. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $2.3 million for salaries and wages. The request is a decrease of $29,963, or 1.3 percent, below the FY 2015 estimate. The decrease is due to lower salaries and wages when hiring new employees to replace retiring employees and a higher shrinkage rate.

- **Contractual Services.** The agency requests $2.2 million for contractual services. The request is a decrease of $46,095, or 2.0 percent, below the FY 2015 estimate. The decrease is attributable to lowered computer programming and building repair expenditures.

- **Commodities.** The agency requests $2.0 million for commodities. The request is a decrease of $13,500, or 0.7 percent, below the FY 2015 estimate. The decrease is due to reduced cost estimates for commodities.

- **Capital Outlay.** The agency requests $73,052 for capital outlay. The request is an increase of $73,052 above the FY 2015 estimate. The request is an enhancement for vehicle replacements.

The **Governor** recommends FY 2016 operating expenditures of $6.5 million, including $6.5 million from the State General Fund. The recommendation is a decrease of $104,855, or 1.6 percent, all from State General Fund, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and a reduction of $31,803, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $6.8 million, including $6.8 million from the State General Fund. The request is an increase of $195,945, or 3.0 percent, all from the State General Fund, above the FY 2016 request. The request includes an enhancement of $83,700, all from the State General Fund, for vehicle replacements. **Absent the enhancement**, the agency requests $6.7 million, including $6.7 million from the State General Fund. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $2.3 million for salaries and wages. The request is an increase of $60,319, or 2.6 percent, above the FY 2016 request. The increase is attributable to a 27th payroll period and higher KPERS contribution and health insurance rates.

- **Contractual Services.** The agency requests $2.3 million for contractual services. The request is an increase of $27,978, or 1.3 percent, above the FY 2016 request. The increase is due to higher rates for information technology services.

- **Commodities.** The agency requests $2.1 million for commodities. The request is an increase of $97,000, or 4.8 percent, above the FY 2016 request. The increase is attributable to higher cost estimates for commodities.

- **Capital Outlay.** The agency requests $83,700 for capital outlay. The request is an increase of $10,648, or 14.6 percent, above the FY 2016 request. The request is an enhancement for vehicle replacements.

The **Governor** recommends FY 2017 operating expenditures of $6.7 million, including $6.7 million from the State General Fund. The recommendation is a decrease of $116,140, or 1.7 percent, all from State General Fund, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and a reduction of $32,440, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Rehabilitation and Repair	$ 43,518	$ 43,518	$ 0	$ 0	$ 0	$ 0
Financing:						
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	43,518	43,518	0	0	0	0
TOTAL	$ 43,518	$ 43,518	$ 0	$ 0	$ 0	$ 0

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates capital improvement expenditures of $43,518, all from special revenue funds. The estimate is for rehabilitation and repair projects including renovating the hot water system in Dorm 1 and replacing the automatic switching unit in East Unit.

Current Year Governor Recommendation

The **Governor** concurs with the agency's capital improvements estimate.

Budget Year Agency Request

FY 2016 – Budget Year. The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

Budget Year Agency Request

FY 2017 – Budget Year. The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of escapes	0	3	0	0	0
Number of inmate assaults on staff	55	47	36	36	36

Lansing Correctional Facility

	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	$ 39,904,002	$ 40,330,391	$ 40,251,117	$ 41,662,730	$ 40,257,689	$ 43,298,522	$ 41,624,544
Other Funds	340,000	340,000	340,000	340,000	340,000	340,000	340,000
TOTAL	$ 40,244,002	$ 40,670,391	$ 40,591,117	$ 42,002,730	$ 40,597,689	$ 43,638,522	$ 41,964,544
Capital Improvements:							
State General Fund	$ 421,871	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	1,931,500	460,883	460,883	0	0	0	0
TOTAL	$ 2,353,371	$ 460,883	$ 460,883	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	**$ 42,597,373**	**$ 41,131,274**	**$ 41,052,000**	**$ 42,002,730**	**$ 40,597,689**	**$ 43,638,522**	**$ 41,964,544**
Percentage Change:							
Operating Expenditures							
State General Fund	(0.4) %	1.1 %	0.9 %	3.3 %	0.0 %	3.9 %	3.4 %
All Funds	(0.8)	1.1	0.9	3.3	0.0	3.9	3.4
FTE Positions	681.0	681.0	681.0	681.0	681.0	681.0	681.0
Non-FTE Perm.Uncl.Pos.	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	682.0	682.0	682.0	682.0	682.0	682.0	682.0

Lansing Correctional Facility (LCF), authorized by the *Kansas Constitution* in 1859 as the Kansas State Penitentiary, is the state's largest facility for the incarceration and rehabilitation of adult male offenders at the minimum, medium, and maximum-custody levels. LCF is comprised of three units with a total capacity of 2,405. The Central Unit has capacity for 1,038 maximum security inmates inside the walled unit that covers 2,637 acres that encompass the Facility's Central and East Units. In 1990, the name of the Kansas State Penitentiary was changed to Lansing Correctional Facility. An additional 743 beds are in the adjacent medium-custody facility. The medium security facility is a pod design rather than the traditional cell house configuration.

The East Unit, formerly known as the Kansas Correctional Institution at Lansing, contains 628 minimum-custody beds. The East Unit dates back to 1917 when the Legislature provided for a separate institution for women prisoners at Lansing known as the State Industrial Farm for Women. For a period of time, the East Unit had been a co-ed facility housing both male and female inmates. The female prisoners were transferred to the Topeka Correctional Facility during FY 2005.

In FY 1992, Osawatomie Correctional Facility consolidated with the Lansing Correctional Facility. The Osawatomie Correctional Facility is an 80-bed, minimum-security work facility located on the grounds of the Osawatomie State Hospital. The facility was closed in FY 2009 to achieve budget savings.

The LCF complex includes 128 buildings on 2,637 acres of land. The headquarters of Kansas Correctional Industries (KCI), as well as many of the KCI manufacturing shops, is located on the LCF grounds.

MAJOR ISSUES FROM PRIOR YEARS

The **2009 Legislature** approved a 1.25 percent across-the-board State General Fund reduction in FY 2009 and FY 2010 and a 2.75 percent across-the-board State General Fund reduction in FY 2010. The reduction to the Lansing Correctional Facility budget totaled $457,273, all from the State General Fund, in FY 2009 and $1.5 million, all from the State General Fund in FY 2010. Due to budget cuts the Department of Corrections suspended operations at the Osawatomie Correctional Facility (OCF), a minimum-custody facility operating by the Lansing Correctional Facility. The capacity at OCF was 70 male inmates.

The **2010 Legislature** approved FY 2010 reductions of $1,410 from the State General Fund for a 5.0 percent salary reduction, which applied to the warden, and $56,597 from the State General Fund for a moratorium on contributions to the Kansas Public Employees Retirement System (KPERS) death and disability fund. For FY 2011, the Legislature approved the following adjustments.

- Approved $690,932 from the State General Fund in enhancement funding to reduce the salaries and wages shrinkage rate.

- Deleted $56,913 from the State General Fund for a three-month moratorium on contributions to the KPERS death and disability fund.

- Deleted $275,450 from the State General Fund and instructed the agency to fund longevity bonus payments from within existing resources.

- Approved an undermarket pay adjustment, which included an increase of $474,971 from the State General Fund for Lansing Correctional Facility.

The **2011 Legislature** approved FY 2012 reductions totaling $865,387, including $864,405 from the State General Fund. These adjustments included the following items.

- A decrease of $340,166, all from the State General Fund, for state employee longevity bonuses that were to be self-funded in FY 2012.

- A decrease of $464,443, including $463,447 from the State General Fund, as part of an across-the-board reduction.

- A decrease of $53,641, all from the State General Fund, for a three month moratorium on contributions to the KPERS death and disability fund.

The **2012 Legislature** approved FY 2013 reductions totaling $305,650, all from the State General Fund. The adjustments included the following items.

- A decrease of $49,960, all from the State General Fund, to reduce longevity bonus payments to the statutory $40 per year of service for eligible employees.

- A decrease of $199,840, all from the State General Fund, to require the agency to self-fund longevity bonus payments.

- A decrease of $55,850, all from the State General Fund, to suspend employer contributions to the KPERS group insurance fund for a three month period.

During the **2013 Legislative Session**, the Governor vetoed the agency's entire FY 2015 operating budget.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 total expenditures of $41.1 million, including $40.3 million from the State General Fund. The estimate is an increase of $580,157, or 1.4 percent, including a State General Fund increase of $79,274, or 0.2 percent,above the FY 2015 amount. The overall increase is due to higher capital improvement expenditures for rehabilitation and repair. The agency's estimate does not include the Governor's December 2014 Allotment that reduced approved State General

Fund expenditures and net transfers between the agency and the Department of Corrections system. The estimate includes 681.0 FTE positions, the same as the FY 2015 approved amount.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 total expenditures of $41.1 million, including $40.3 million from the State General Fund. The recommendation is a decrease of $79,274, or 0.2 percent, below the agency's FY 2015 estimate. The decrease is due to the inclusion of the Governor's December 9th Allotment. The Governor concurs with the agency's FTE estimate.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $42.0 million, including $41.7 million from the State General Fund. The request is an increase of $1.3 million, or 3.3 percent, all from the State General Fund, above the FY 2015 estimate. The request includes enhancements totaling $957,779, all from the State General Fund, for fringe benefit shortfalls, vehicle replacements, capital outlay funding, security vests, and information technology equipment replacement. The request includes 681.0 FTE positions, the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $41.0 million, including $40.7 from the State General Fund. The request is an increase of $374,540, or 0.9 percent, all from the State General Fund, above the FY 2015 estimate. The increase is primarily attributable to higher workers compensation rates, longevity bonuses, and higher cost indices for utilities, partially offset by a reduction in cost indices for commodities.

The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $40.6 million. The recommendation is a decrease of $1.4 million, or 3.3 percent, all from the State General Fund, below the agency's FY 2016 request. The decrease is due to the Governor not recommending any of the agency's enhancement requests and a reduction of $447,242 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The Governor concurs with the agency's capital improvements request.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $43.6 million, including $43.3 million from the State General Fund. The request is an increase of $1.6 million, or 3.9 percent, above the FY 2016 request. The request includes enhancements totaling $1.2 million, all from the State General Fund, for fringe benefit shortfalls, vehicle replacements, capital outlay funding, security vests, and information technology equipment replacement. The request includes 681.0 FTE positions, the same as the FY 2016 request. **Absent the enhancements**, the agency requests $42.4 million, including $42.1 million from the State General Fund. The request is an increase of $1.4 million, or 3.4 percent, above the FY 2016 request less enhancements. The increase is mainly due to a 27th payroll period, increased inmate incentive pay based on population projections, and higher cost indices for utilities, partially offset by reduction in cost indices for commodities.

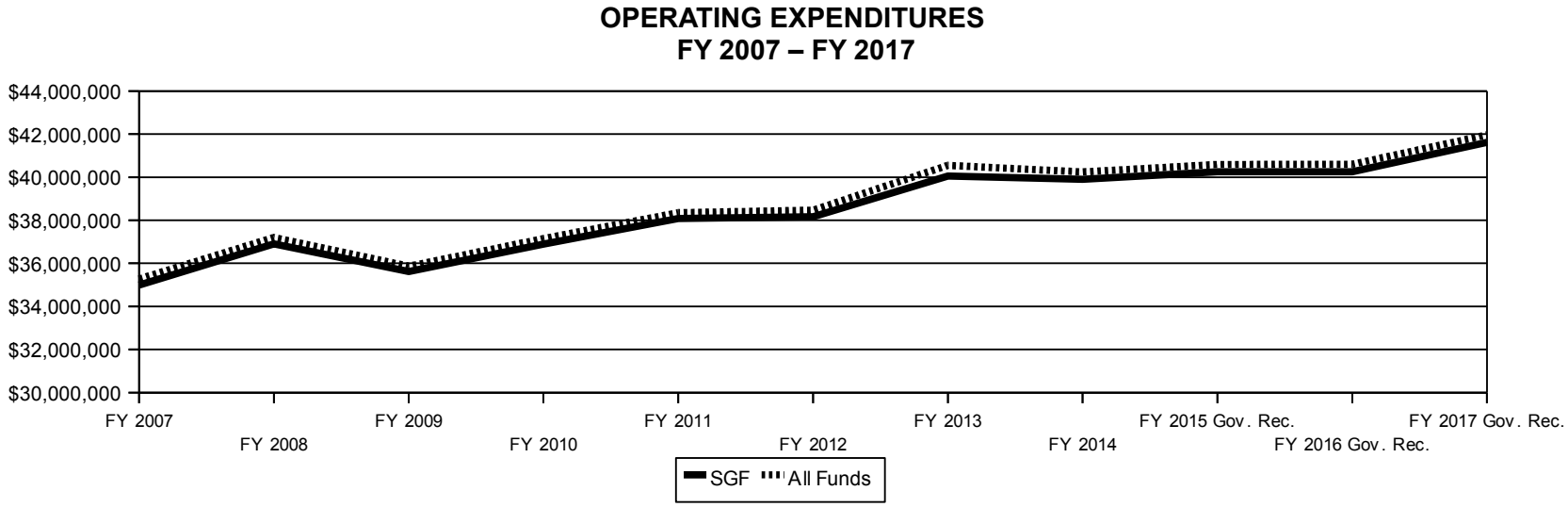
The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $42.0 million, including $41.6 million from the State General Fund. The recommendation is a decrease of $1.7 million, or 3.8 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $456,198 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The Governor concurs with the agency's capital improvements request.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 34,989,672	2.5 %	$ 35,274,672	2.8 %	696.0
2008	36,902,999	5.5	37,202,998	5.5	696.0
2009	35,616,680	(3.5)	35,866,680	(3.6)	701.0
2010	36,897,354	3.6	37,147,354	3.6	699.0
2011	38,077,905	3.2	38,352,934	3.2	683.0
2012	38,167,746	0.2	38,467,746	0.3	680.0
2013	40,057,674	5.0	40,549,655	5.4	679.0
2014	39,904,002	(0.4)	40,244,002	(0.8)	681.0
2015 Gov. Rec.	40,251,117	0.9	40,591,117	0.9	681.0
2016 Gov. Rec.	40,257,689	0.0	40,597,689	0.0	681.0
2017 Gov. Rec.	41,624,544	3.4	41,964,544	3.4	681.0
Eleven-Year Change	$ 6,634,872	19.0 %	$ 6,689,872	19.0 %	(15.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 2,716,305	$ 2,674,892	$ 3,022,222	$ 347,330	13.0 %	$ 2,651,393	$ 2,679,843	$ 28,450	1.1 %
Security	25,165,886	25,523,465	26,033,309	509,844	2.0	25,539,889	25,414,488	(125,401)	(0.5)
Inmate Transportation	342,916	334,866	340,839	5,973	1.8	332,308	335,510	3,202	1.0
Classification and Programs	4,161,246	4,202,819	4,277,348	74,529	1.8	4,164,720	4,198,803	34,083	0.8
Support Services	7,846,057	7,934,349	8,329,012	394,663	5.0	7,902,807	7,969,045	66,238	0.8
Debt Service	11,592	0	0	0	--	0	0	0	--
TOTAL	$ 40,244,002	$ 40,670,391	$ 42,002,730	$ 1,332,339	3.3 %	$ 40,591,117	$ 40,597,689	$ 6,572	0.0 %
By Major Object of Expenditure:									
Salaries and Wages	$ 34,659,556	$ 34,873,344	$ 35,520,960	$ 647,616	1.9 %	$ 34,796,066	$ 34,779,640	$ (16,426)	(0.0)%
Contractual Services	3,546,134	3,573,698	3,657,454	83,756	2.3	3,573,698	3,657,454	83,756	2.3
Commodities	1,971,996	2,150,490	2,081,236	(69,254)	(3.2)	2,148,494	2,074,786	(73,708)	(3.4)
Capital Outlay	53,311	72,859	743,080	670,221	919.9	72,859	85,809	12,950	17.8
Debt Service	11,392	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 40,242,389	$ 40,670,391	$ 42,002,730	$ 1,332,339	3.3 %	$ 40,591,117	$ 40,597,689	$ 6,572	0.0 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	1,613	0	0	0	--	0	0	0	--
TOTAL	$ 40,244,002	$ 40,670,391	$ 42,002,730	$ 1,332,339	3.3 %	$ 40,591,117	$ 40,597,689	$ 6,572	0.0 %
Financing:									
State General Fund	$ 39,904,002	$ 40,330,391	$ 41,662,730	$ 1,332,339	3.3 %	$ 40,251,117	$ 40,257,689	$ 6,572	0.0 %
General Fees Fund	340,000	340,000	340,000	0	0.0	340,000	340,000	0	0.0
TOTAL	$ 40,244,002	$ 40,670,391	$ 42,002,730	$ 1,332,339	3.3 %	$ 40,591,117	$ 40,597,689	$ 6,572	0.0 %

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	$ 3,022,222	$ 3,150,262	$ 128,040	4.2 %	$ 2,679,843	$ 2,779,281	$ 99,438	3.7 %
Security	26,033,309	27,259,541	1,226,232	4.7	25,414,488	26,414,221	999,733	3.9
Inmate Transportation	340,839	355,083	14,244	4.2	335,510	346,708	11,198	3.3
Classification and Programs	4,277,348	4,477,550	200,202	4.7	4,198,803	4,352,482	153,679	3.7
Support Services	8,329,012	8,396,086	67,074	0.8	7,969,045	8,071,852	102,807	1.3
Debt Service	0	0	0	--	0	0	0	--
TOTAL	$ 42,002,730	$ 43,638,522	$ 1,635,792	3.9 %	$ 40,597,689	$ 41,964,544	$ 1,366,855	3.4 %
By Major Object of Expenditure:								
Salaries and Wages	$ 35,520,960	$ 37,299,949	$ 1,778,989	5.0 %	$ 34,779,640	$ 36,146,495	$ 1,366,855	3.9 %
Contractual Services	3,657,454	3,773,365	115,911	3.2	3,657,454	3,773,365	115,911	3.2
Commodities	2,081,236	1,966,202	(115,034)	(5.5)	2,074,786	1,959,752	(115,034)	(5.5)
Capital Outlay	743,080	599,006	(144,074)	(19.4)	85,809	84,932	(877)	(1.0)
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 42,002,730	$ 43,638,522	$ 1,635,792	3.9 %	$ 40,597,689	$ 41,964,544	$ 1,366,855	3.4 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	$ 42,002,730	$ 43,638,522	$ 1,635,792	3.9 %	$ 40,597,689	$ 41,964,544	$ 1,366,855	3.4 %
Financing:								
State General Fund	$ 41,662,730	$ 43,298,522	$ 1,635,792	3.9 %	$ 40,257,689	$ 41,624,544	$ 1,366,855	3.4 %
General Fees Fund	340,000	340,000	0	0.0	340,000	340,000	0	0.0
TOTAL	$ 42,002,730	$ 43,638,522	$ 1,635,792	3.9 %	$ 40,597,689	$ 41,964,544	$ 1,366,855	3.4 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $40,328,395 for the Lansing Correctional Facility in FY 2015. Several adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $1,996, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.

- An increase of $263,365, as the result of net transfers within the Department of Corrections system.

- A reduction of $342,639, as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to $40,251,117. 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.

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	$ 40,251,117	$ 40,330,391	$ 79,274	$ 40,251,117	$ 0
All Other Funds	300,000	800,883	500,883	800,883	500,883
TOTAL	$ 40,551,117	$ 41,131,274	$ 580,157	$ 41,052,000	$ 500,883
FTE Positions	681.0	681.0	0.0	681.0	0.0

The **agency** estimates FY 2015 total expenditures of $41.1 million, including $40.3 million from the State General Fund. The estimate is an increase of $580,157, or 1.4 percent, including a State General Fund increase of $79,274, or 0.2 percent,above the FY 2015 amount. The overall increase is due to higher capital improvement expenditures for rehabilitation and repair. The agency's estimate does not include the Governor's December 9th Allotment that reduced approved State General Fund expenditures and net transfers between the agency and the Department of Corrections system. The estimate includes 681.0 FTE positions, the same as the FY 2015 approved amount.

The **Governor** recommends FY 2015 total expenditures of $41.1 million, including $40.3 million from the State General Fund. The recommendation is a decrease of $79,274, or 0.2 percent, below the agency's FY 2015 estimate. The decrease is due to the inclusion of the Governor's December 2014 Allotment. The Governor concurs with the agency's FTE estimate.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (340,643)	$ (340,643)	0.0
Lapse Reappropriations	(1,996)	(1,996)	0.0
TOTAL	$ (342,639)	$ (342,639)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $340,643, 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 State General Fund expenditures.

Reappropriations Lapse:

A reduction of $1,996, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $1,996 for the agency.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 42,002,730	$ 40,597,689	$ (1,405,041)
FTE Positions	681.0	681.0	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 1,332,339	$ 6,572	
All Other Funds	0	0	
TOTAL	$ 1,332,339	$ 6,572	
Percent Change:			
State General Fund	3.3 %	0.0 %	
All Other Funds	0.0	0.0	
TOTAL	3.3 %	0.0 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $42.0 million, including $41.7 million from the State General Fund. The request is an increase of $1.3 million, or 3.3 percent, all from the State General Fund, above the FY 2015 estimate. The request includes enhancements totaling $957,779, all from the State General Fund, for fringe benefit shortfalls, vehicle replacements, capital outlay funding, security vests, and information technology equipment replacement. The request includes 681.0 FTE positions, the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $41.0 million, including $40.7 from the State General Fund. The request is an increase of $374,540, or 0.9 percent, all from the State General Fund, above the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The request includes $35.5 million for salaries and wages. The request is an increase of $647,616, or 1.9 percent, above the FY 2015 estimate. The increase is mainly due to longevity bonuses, workers compensation rates, and an enhancement of $294,078, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $35.2 million for salaries and wages.

- **Contractual Services.** The agency requests $3.7 million for contractual services. The request is an increase of $83,756, or 2.3 percent, above the FY 2015 estimate. The increase is primarily attributable to higher cost indices for computer services, printing, electricity, and natural gas services.

- **Commodities.** The agency requests $2.1 million for commodities. The request is a decrease of $69,254, or 3.2 percent, below the FY 2015 estimate. The decrease is predominantly due to reduced cost indices for clothing and household supplies partially offset by an enhancement of $6,450, all from the State General Fund, for new security vests. **Absent the enhancement**, the agency requests $2.1 million for commodities.

- **Capital Outlay.** The agency requests $743,080 for capital outlay. The request is an increase of $670,221, or 919.9 percent, above the FY 2015 estimate. The increase is mainly attributable to enhancements totaling $657,271, all from the State General Fund, for vehicle replacements, capital outlay upgrades, and IT equipment replacements. **Absent the enhancements**, the agency requests $85,809 for capital outlay.

The **Governor** recommends FY 2016 operating expenditures of $40.6 million. The recommendation is a decrease of $1.4 million, or 3.3 percent, all from the State General Fund, below the agency's FY 2016 request. The decrease is due to the Governor not recommending any of the agency's enhancement requests and a reduction of $447,242 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

Enhancements Detail

FY 2016 ENHANCEMENTS

Enhancements	Agency Request SGF	Agency Request All Funds	Agency Request FTE	Governor's Recommendation SGF	Governor's Recommendation All Funds	Governor's Recommendation FTE
Fringe Benefit Shortfalls	$ 294,078	$ 294,078	0.0	$ 0	$ 0	0.0
Vehicle Replacements	168,936	168,936	0.0	0	0	0.0
Capital Outlay Upgrade	196,910	196,910	0.0	0	0	0.0
IT Equipment Replacement	291,425	291,425	0.0	0	0	0.0
Security Vests	6,450	6,450	0.0	0	0	0.0
TOTAL	**$ 957,799**	**$ 957,799**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $957,799, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $294,078 for fringe benefit shortfalls. The agency states it cannot fund the KPERS rate and health insurance rate increases without holding an additional 5.7 FTE positions open.

- **Vehicle Replacements.** The agency requests $168,936 for vehicle replacements. The agency would like to replace eight vehicles for FY 2016 including three inmate transport vans, two sedans, one used inmate work crew bus, one mid-size utility vehicle, and one pickup for the maintenance department.

- **Capital Outlay Funding.** The agency requests $196,910 for capital outlay funding. The agency states it needs to replace its industrial washers, a heartbeat detector for security, and other various maintenance items.

- **IT Equipment Replacement.** The agency requests $291,425 for IT equipment replacement. This would allow the agency to update 25.0 percent of its out-of-date technology.

- **Security Vests.** The agency requests $6,450 to purchase 25 additional security vests.

The **Governor** does not recommend any of the agency's enhancement requests.

C FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 43,638,522	$ 41,964,544	$ (1,673,978)
FTE Positions	681.0	681.0	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 1,635,792	$ 1,366,855	
All Other Funds	0	0	
TOTAL	$ 1,635,792	$ 1,366,855	
Percent Change:			
State General Fund	3.9 %	3.4 %	
All Other Funds	0.0	0.0	
TOTAL	3.9 %	3.4 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $43.6 million, including $43.3 million from the State General Fund. The request is an increase of $1.6 million, or 3.9 percent, above the FY 2016 request. The request includes enhancements totaling $1.2 million, all from the State General Fund, for fringe benefit shortfalls, vehicle replacements, capital outlay funding, security vests, and information technology equipment replacement. The request includes 681.0 FTE positions, the same as the FY 2016 request. **Absent the enhancements**, the agency requests $42.4 million, including $42.1 million from the State General Fund. The request is an increase of $1.4 million, or 3.4 percent, above the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $37.3 million for salaries and wages. The request is an increase of $1.8 million, or 5.0 percent, above the FY 2016 request. The increase is mainly due to a 27th payroll period and an enhancement of $697,256, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $36.6 million.

- **Contractual Services.** The agency requests $3.8 million for contractual services. The request is an increase of $115,911, or 3.2 percent, above the FY 2016 request. The increase is primarily attributable to increased inmate incentive pay based on population projections and higher cost indices for computer services, electricity, and natural gas services.

- **Commodities.** The agency requests $2.0 million for commodities. The request is a decrease of $115,034, or 5.5 percent, below the FY 2016 request. The decrease is predominantly due to reduced cost indices for clothing and household supplies partially offset by an enhancement of $6,450, all from the State General Fund, for new security vests. **Absent the enhancement**, the agency requests $2.0 million for commodities.

- **Capital Outlay.** The agency requests $599,006 for capital outlay. The request is a decrease of $144,074, or 19.4 percent, below the FY 2016 request. The decrease is mainly attributable to a lowered enhancement request of $514,074, all from the State General Fund, for vehicle replacements, capital outlay upgrades, and IT equipment replacements. **Absent the enhancements**, the agency requests $84,932.

The **Governor** recommends FY 2017 operating expenditures of $42.0 million, including $41.6 million from the State General Fund. The recommendation is a decrease of $1.7 million, or 3.8 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $456,198 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 697,256	$ 697,256	0.0	$ 0	$ 0	0.0
Vehicle Replacements	107,100	107,100	0.0	0	0	0.0
Capital Outlay Upgrades	115,549	115,549	0.0	0	0	0.0
IT Equipment Replacement	291,425	291,425	0.0	0	0	0.0
Security Vests	6,450	6,450	0.0	0	0	0.0
TOTAL	**$ 1,217,780**	**$ 1,217,780**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $1.2 million, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $697,256 for fringe benefit shortfalls. The agency states it cannot fund the KPERS rate and health insurance rate increases without holding an additional 12.8 FTE positions open.

- **Vehicle Replacements.** The agency requests $107,100 for vehicle replacements. The agency would like to replace five vehicles for FY 2017 including two sedans, two vans, and one pickup.

- **Capital Outlay Funding.** The agency requests $115,549 for capital outlay funding. The agency states it needs to replace its industrial washers, a heartbeat detector for security, and other various maintenance items.

- **IT Equipment Replacement.** The agency requests $291,425 for IT equipment replacement. This would allow the agency to update 25.0 percent of its out-of-date technology.

- **Security Vests.** The agency requests $6,450 for security vests. This would allow for 25 additional security vests to be purchased.

The **Governor** does not recommend any of the agency's enhancement requests.

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 $186,829, all from the State General Fund, and affects 601 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 $186,840, all from the State General Fund, and FY 2017 longevity payments total $208,360, all 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 $447,242, all from the State General Fund for FY 2016. This is a reduction of $456,198, all 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	99.2 %	99.2 %	99.2 %	99.2 %
General Fees Fund	0.8	0.8	0.8	0.8
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

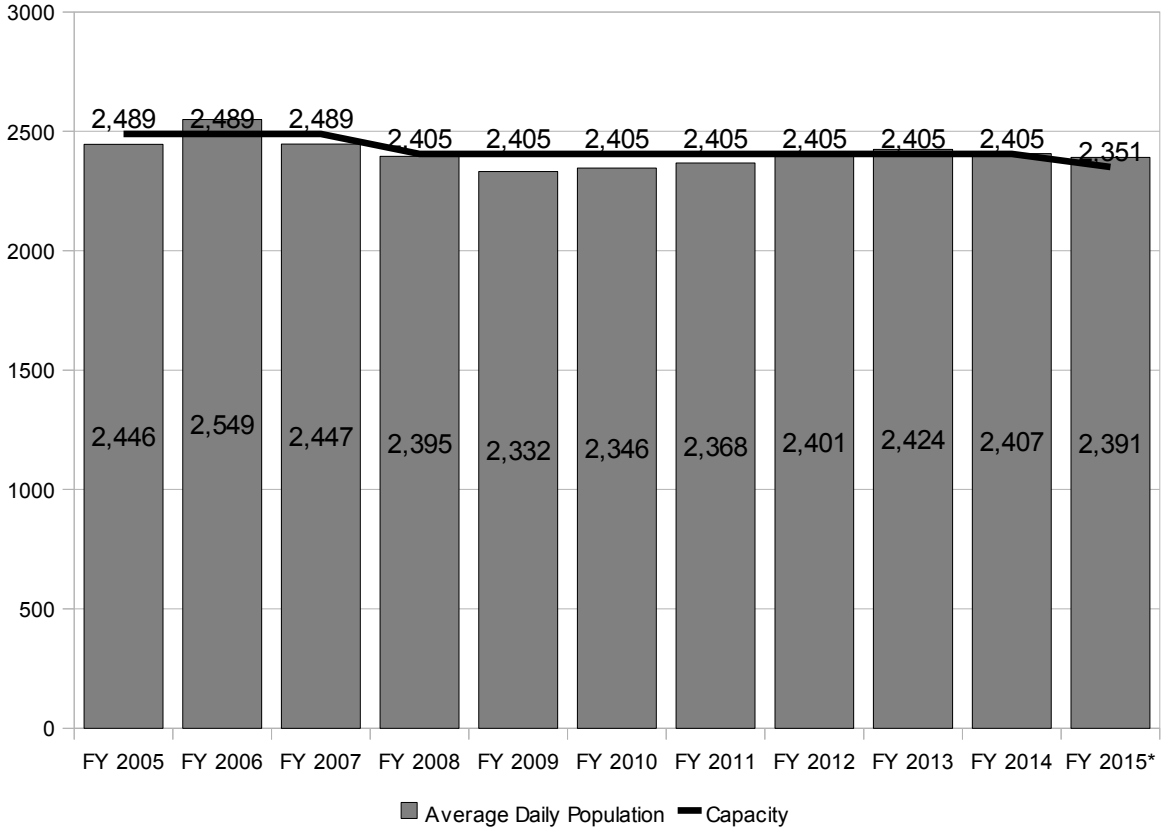
Note: Percentages may not add due to rounding.

General Fees Fund

The General Fees Fund at Lansing Correctional facility is funded primarily through salary reimbursement of inmates employed by private industry in the facility. Other receipts could include the sale of grease and scrap materials, insurance payments, and restitution payments, but the actual receipt sources vary from year to year.

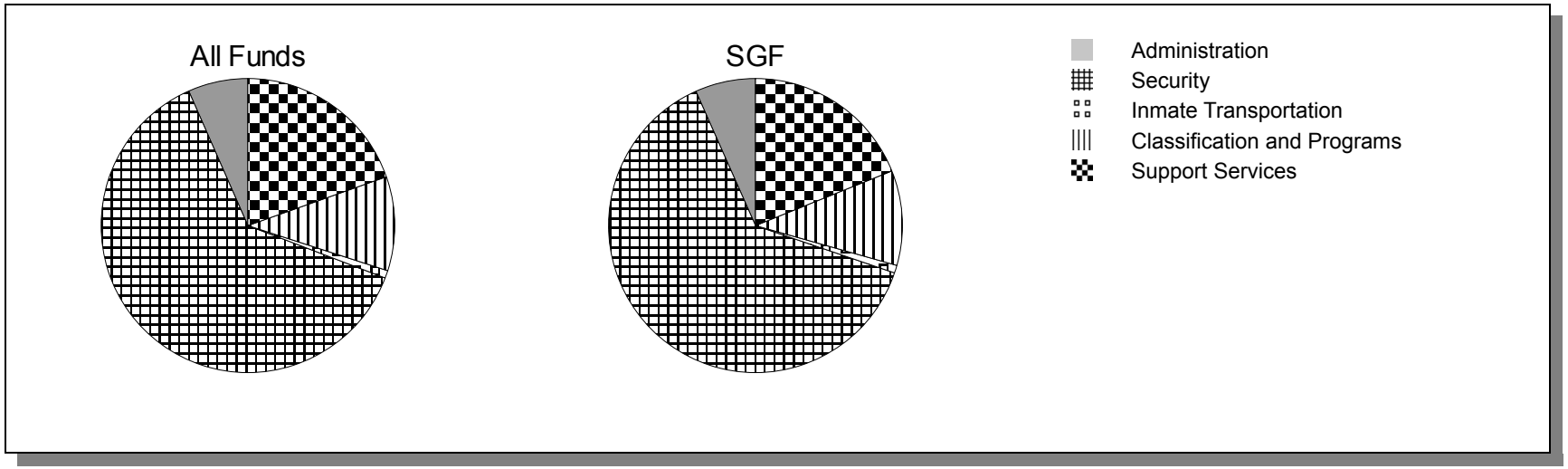
Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 156,343	$ 154,096	$ 154,096	$ 108,921	$ 108,921	$ 64,745	$ 64,745
Revenue	337,931	294,825	294,825	295,824	295,824	298,862	298,862
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 494,274	$ 448,921	$ 448,921	$ 404,745	$ 404,745	$ 363,607	$ 363,607
Less: Expenditures	340,000	340,000	340,000	340,000	340,000	340,000	340,000
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	178	0	0	0	0	0	0
Ending Balance	$ 154,096	$ 108,921	$ 108,921	$ 64,745	$ 64,745	$ 23,607	$ 23,607
Ending Balance as Percent of Expenditures	45.3%	32.0%	32.0%	19.0%	19.0%	6.9%	6.9%
	December	December	December	December	December	December	December
Month Highest Ending Balance	$ 267,347	$ 263,504	$ 263,504	$ 186,255	$ 186,255	$ 110,714	$ 110,714
	April	April	April	April	April	April	April
Month Lowest Ending Balance	$ 126,638	$ 124,818	$ 124,818	$ 88,226	$ 88,226	$ 52,443	$ 52,443

Capacity and Average Daily Population



*Average Daily Population as of January 14, 2015

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	$ 2,679,843	6.6 %	$ 2,679,843	6.7 %
Security	25,414,488	62.6	25,414,488	63.1
Inmate Transportation	335,510	0.8	335,510	0.8
Classification and Programs	4,198,803	10.3	4,198,803	10.4
Support Services	7,969,045	19.6	7,629,045	19.0
TOTAL	$ 40,597,689	100.0 %	$ 40,257,689	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	44.0	44.0	44.0	44.0	44.0	44.0	44.0
Security	506.0	505.0	505.0	505.0	505.0	505.0	505.0
Inmate Transportation	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Classification and Programs	70.0	71.0	71.0	71.0	71.0	71.0	71.0
Support Services	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	681.0	681.0	681.0	681.0	681.0	681.0	681.0

A. Administration

The Administration program provides overall management and operation control of the Lansing Correctional Facility. Functions of the Administration program include program direction and technical assistance, including fiscal, personnel, training assistance to the other programs within the facility, and security resources and support as liaison with other state agencies, federal and local units of government, and the general public.

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	$ 2,471,929	$ 2,443,829	$ 2,420,330	$ 2,490,178	$ 2,439,224	$ 2,614,066	$ 2,534,510
Contractual Services	235,368	226,868	226,868	232,512	232,512	239,805	239,805
Commodities	5,843	4,195	4,195	4,287	4,287	4,386	4,386
Capital Outlay	1,552	0	0	295,245	3,820	292,005	580
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,714,692	$ 2,674,892	$ 2,651,393	$ 3,022,222	$ 2,679,843	$ 3,150,262	$ 2,779,281
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	1,613	0	0	0	0	0	0
TOTAL	$ 2,716,305	$ 2,674,892	$ 2,651,393	$ 3,022,222	$ 2,679,843	$ 3,150,262	$ 2,779,281
Financing:							
State General Fund	$ 2,716,305	$ 2,674,892	$ 2,651,393	$ 3,022,222	$ 2,679,843	$ 3,150,262	$ 2,779,281
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 2,716,305	$ 2,674,892	$ 2,651,393	$ 3,022,222	$ 2,679,843	$ 3,150,262	$ 2,779,281
FTE Positions	44.0	44.0	44.0	44.0	44.0	44.0	44.0
Non-FTE Uncl. Perm. Pos.	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	45.0	45.0	45.0	45.0	45.0	45.0	45.0

The **agency** requests FY 2016 operating expenditures of $3.0 million, all from the State General Fund. The request is an increase of $347,330, or 13.0 percent, above the FY 2015 estimate. The request contains enhancements totaling $313,403, all from the State General Fund, for fringe benefit shortfalls and IT equipment replacement. The request includes 44.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $2.7 million. The request is an increase of $33,927, or 1.3 percent, above the FY 2015 estimate. The increase is due to higher fringe benefit costs and contractual services for computer services and printing.

The **Governor** recommends FY 2016 operating expenditures of $2.7 million, all from the State General Fund. The recommendation is a decrease of $342,379, or 11.3

percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $28,976 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $3.2 million, all from the State General Fund. The request is an increase of $128,040, or 4.2 percent, above the FY 2016 request. The request contains enhancements totaling $341,425, all from the State General Fund, for fringe benefit shortfalls and IT equipment replacement. The request includes 44.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $2.8 million. The request is an increase of $100,018, or 3.7 percent, above the FY 2016 request less enhancements. The increase is mainly attributable to a 27th payroll period and higher contractual services for computer services.

The **Governor** recommends FY 2017 operating expenditures of $2.8 million, all from the State General Fund. The recommendation is a decrease of $370,981, or 11.8 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $29,556 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

B. Security

The Security program provides supervision, surveillance, and control of the inmate population. Other responsibilities include security for work detail and program assignment, operation of the admission and discharge unit, inmate property section, yard security, dining hall security, intra-institution movement, search of inmates, and inmate activities. Security also provides the services of an intelligence and investigation section for the investigation of all major and minor incidents relating to the security of the institution including background investigations of prospective employees, volunteers and inmate visitors. The program contains the agency's largest number of FTE positions.

SECURITY
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	$ 24,981,634	$ 25,290,129	$ 25,306,553	$ 25,758,223	$ 25,217,252	$ 27,053,270	$ 26,214,400
Contractual Services	45,779	51,584	51,584	53,548	53,548	55,419	55,419
Commodities	127,628	161,704	161,704	123,810	117,360	124,762	118,312
Capital Outlay	10,845	20,048	20,048	97,728	26,328	26,090	26,090
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 25,165,886	$ 25,523,465	$ 25,539,889	$ 26,033,309	$ 25,414,488	$ 27,259,541	$ 26,414,221
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 25,165,886	$ 25,523,465	$ 25,539,889	$ 26,033,309	$ 25,414,488	$ 27,259,541	$ 26,414,221
Financing:							
State General Fund	$ 25,165,886	$ 25,523,465	$ 25,539,889	$ 26,033,309	$ 25,414,488	$ 27,259,541	$ 26,414,221
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 25,165,886	$ 25,523,465	$ 25,539,889	$ 26,033,309	$ 25,414,488	$ 27,259,541	$ 26,414,221
FTE Positions	506.0	505.0	505.0	505.0	505.0	505.0	505.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	506.0	505.0	505.0	505.0	505.0	505.0	505.0

The **agency** requests FY 2016 operating expenditures of $26.0 million, all from the State General Fund. The request is an increase of $509,844, or 2.0 percent, above the FY 2015 estimate. The request contains enhancements totaling $87,352, all from the State General Fund, for fringe benefit shortfalls, security system upgrades, and new security vests. The request includes 505.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $25.7 million. The request is an increase of $222,492, or 0.9 percent, above the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $25.8 million for salaries and wages. The request is an increase of $468,094, or 1.9 percent, above the FY 2015 estimate. The increase is mainly

attributable to higher workers compensation rates, and an enhancement of $209,502, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $25.5 million for salaries and wages.

- **Commodities.** The agency requests $123,810 for commodities. The request is a decrease of $37,894, or 23.4 percent, below the FY 2015 estimate. The decrease is due to lowered cost indices for commodities, partially offset by an enhancement request of $6,450, all from the State General Fund, for new security vests. **Absent the enhancement**, the agency requests $117,360 for commodities.

- **Capital Outlay.** The agency requests $97,728 for capital outlay. The request is an increase of $77,680, or 387.5 percent, above the FY 2015 estimate. The increase is primarily attributable to an enhancement totaling $71,400, all from the State General Fund, for security equipment replacement. **Absent the enhancement**, the agency requests $26,328 for capital outlay.

The **Governor** recommends FY 2016 operating expenditures of $25.4 million, all from the State General Fund. The recommendation is a decrease of $618,821, or 2.4 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $331,469 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $27.3 million, all from the State General Fund. The request is an increase of $1.2 million, or 4.7 percent, above the FY 2016 request. The request contains enhancements totaling $507,213, all from the State General Fund, for fringe benefit shortfalls and new security vests. The request includes 505.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $26.8 million. The request is an increase of $1.0 million, or 3.9 percent, above the FY 2016 request less enhancements. The increase is predominantly due to a 27th payroll period.

The **Governor** recommends FY 2017 operating expenditures of $26.4 million, all from the State General Fund. The recommendation is a decrease of $845,320, or 3.1 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $338,107 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

C. Inmate Transportation

The Inmate Transportation program provides for the orderly and secure movement of inmates by using a regularly scheduled program of transportation. The inmates transported consist of those transferred to and from other jurisdictions, both in-state and out-of-state. The program is composed of three hubs: one at Lansing Correctional Facility, one at Hutchinson Correctional Facility, and a small hub with a single employee at Norton Correctional Facility. Lansing Correctional Facility assumed responsibility of the second hub during March 2001, following the relocation of the Reception and Diagnostic Unit to El Dorado Correctional Facility from Topeka Correctional Facility. One Corrections Specialist I and four Corrections Officer II currently staff the Lansing Correctional Facility Inmate Transportation Unit.

INMATE TRANSPORTATION
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	$ 267,946	$ 257,061	$ 254,503	$ 261,470	$ 256,141	$ 274,176	$ 265,801
Contractual Services	68,924	70,388	70,388	71,937	71,937	73,460	73,460
Commodities	6,046	7,417	7,417	7,432	7,432	7,447	7,447
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 342,916	$ 334,866	$ 332,308	$ 340,839	$ 335,510	$ 355,083	$ 346,708
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 342,916	$ 334,866	$ 332,308	$ 340,839	$ 335,510	$ 355,083	$ 346,708
Financing:							
State General Fund	$ 342,916	$ 334,866	$ 332,308	$ 340,839	$ 335,510	$ 355,083	$ 346,708
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 342,916	$ 334,866	$ 332,308	$ 340,839	$ 335,510	$ 355,083	$ 346,708
FTE Positions	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	5.0	5.0	5.0	5.0	5.0	5.0	5.0

The **agency** requests FY 2016 operating expenditures of $340,839, all from the State General Fund. The request is an increase of $5,973, or 1.8 percent, above the FY 2015 estimate. The increase is attributable to longevity bonuses and an enhancement of $2,189, all from the State General Fund, for fringe benefit shortfalls. The request includes 5.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $338,650.

The **Governor** recommends FY 2016 operating expenditures of $335,510, all from the State General Fund. The recommendation is a decrease of $5,329, or 1.6 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and a reduction of $3,140 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $355,083, all from the State General Fund. The request is an increase of $14,244, or 4.2 percent, above the FY 2016 request. The increase is due to a 27th payroll period and an enhancement of $5,172, all from the State General Fund, for fringe benefit shortfalls. The request includes 5.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancement**, the agency requests $349,911.

The **Governor** recommends FY 2017 operating expenditures of $346,708, all from the State General Fund. The recommendation is a decrease of $8,375, or 2.4 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $3,203 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

D. Classification and Programs

Classification and Programs is composed of the following sub-programs: Classification and Records, which reports and records all pertinent information regarding the movement and progress of Lansing Correctional Facility inmates including the inmates movements, behavior, progress, disciplinary history and program participation; Activities and Fitness, which provides recreational opportunities for inmates and is responsible for arts and crafts, the music program and inmate self-help organizations such as Alcoholics/Narcotics Anonymous; Library Services are available in all LCF facilities providing traditional book and periodical services plus law library services; Chaplaincy Services, which provides religious counseling and services; Volunteer services, which recruits, screens, selects, trains, develops, and conducts the services of over 350 religious activities, administrative and self-help volunteers; and supervision/coordination of the Facility's extensive outside volunteer services.

CLASSIFICATION AND PROGRAMS
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	$ 3,803,058	$ 3,843,199	$ 3,805,100	$ 3,913,644	$ 3,835,099	$ 4,108,109	$ 3,983,041
Contractual Services	353,873	358,127	358,127	359,318	359,318	365,054	365,054
Commodities	1,462	1,493	1,493	1,526	1,526	1,527	1,527
Capital Outlay	2,853	0	0	2,860	2,860	2,860	2,860
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 4,161,246	$ 4,202,819	$ 4,164,720	$ 4,277,348	$ 4,198,803	$ 4,477,550	$ 4,352,482
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 4,161,246	$ 4,202,819	$ 4,164,720	$ 4,277,348	$ 4,198,803	$ 4,477,550	$ 4,352,482
Financing:							
State General Fund	$ 4,161,246	$ 4,202,819	$ 4,164,720	$ 4,277,348	$ 4,198,803	$ 4,477,550	$ 4,352,482
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 4,161,246	$ 4,202,819	$ 4,164,720	$ 4,277,348	$ 4,198,803	$ 4,477,550	$ 4,352,482
FTE Positions	70.0	71.0	71.0	71.0	71.0	71.0	71.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	70.0	71.0	71.0	71.0	71.0	71.0	71.0

The **agency** requests FY 2016 operating expenditures of $4.3 million, all from the State General Fund. The request is an increase of $74,529, or 1.8 percent, above the FY 2015 estimate. The request contains an enhancement totaling $32,702, all from the State General Fund, for fringe benefit shortfalls. The request includes 71.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $4.2 million. The request is an increase of $41,827, or 1.0 percent, above the FY 2015 estimate. The increase is mainly due to higher workers compensation rates, longevity bonuses, and replacing floor buffers.

The **Governor** recommends FY 2016 operating expenditures of $4.2 million, all from the State General Fund. The recommendation is a decrease of $78,545, or 1.8 percent, below the agency's FY 2016 request. The decrease is

attributable to the Governor not recommending the agency's enhancement requests and a reduction of $45,843 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $4.5 million, all from the State General Fund. The request is an increase of $200,202, or 4.7 percent, above the FY 2016 request. The increase is attributable to a 27th payroll period, higher offender incentive pay based on prison population projections, and an enhancement of $78,307, all from the State General Fund, for fringe benefit shortfalls. The request includes 71.0 FTE positions, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $4.4 million, all from the State General Fund. The recommendation is a decrease of $125,068, or 2.8 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $46,761 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

E. Support Services

The Support Services program consists of three sub-programs: Mechanical Services, Maintenance, and Laundry and Supply. Mechanical Services provides maintenance and repairs for all equipment, buildings, locking systems, and grounds. Mechanical Services also performs facility renovations, construction, oversight/services for ongoing capital improvement projects, solid waste disposal, waste water collection and disposal, water treatment and distribution, electric power distribution and emergency power distribution. Maintenance responsibilities include the vehicle maintenance operation which oversees the preventive maintenance, repair, and fuel for all vehicles and a multitude of small engine items. Laundry and Supply provides laundry services to inmates as well as the supply functions of requisitioning, stocking, issuance and maintaining inventory for all institutional expendable supplies and equipment.

SUPPORT SERVICES
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	$ 3,134,989	$ 3,039,126	$ 3,009,580	$ 3,097,445	$ 3,031,924	$ 3,250,328	$ 3,148,743
Contractual Services	2,841,990	2,866,731	2,866,731	2,940,139	2,940,139	3,039,627	3,039,627
Commodities	1,831,017	1,975,681	1,973,685	1,944,181	1,944,181	1,828,080	1,828,080
Capital Outlay	38,061	52,811	52,811	347,247	52,801	278,051	55,402
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 7,846,057	$ 7,934,349	$ 7,902,807	$ 8,329,012	$ 7,969,045	$ 8,396,086	$ 8,071,852
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 7,846,057	$ 7,934,349	$ 7,902,807	$ 8,329,012	$ 7,969,045	$ 8,396,086	$ 8,071,852
Financing:							
State General Fund	$ 7,506,057	$ 7,594,349	$ 7,562,807	$ 7,989,012	$ 7,629,045	$ 8,056,086	$ 7,731,852
All Other Funds	340,000	340,000	340,000	340,000	340,000	340,000	340,000
TOTAL	$ 7,846,057	$ 7,934,349	$ 7,902,807	$ 8,329,012	$ 7,969,045	$ 8,396,086	$ 8,071,852
FTE Positions	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	56.0	56.0	56.0	56.0	56.0	56.0	56.0

The **agency** requests FY 2016 operating expenditures of $8.3 million, including $8.0 million from the State General Fund. The request is an increase of $394,663, or 5.0 percent, all from the State General Fund, above the FY 2015 estimate. The request contains enhancements totaling $322,153, all from the State General Fund, for fringe benefit shortfalls, vehicle replacements, and capital outlay upgrades. The request includes 56.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $8.0 million, including $7.7 million from the State General Fund. The request is an increase of $72,150, or 0.9 percent, all from the State General Fund, above the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $3.1 million for salaries and wages. The request is an

increase of $58,319, or 1.9 percent, above the FY 2015 estimate. The increase is primarily attributable to longevity bonuses and an enhancement of $27,707, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $3.1 million.

- **Contractual Services.** The agency requests $2.9 million for contractual services. The request is an increase of $73,408, or 2.6 percent, above the FY 2015 estimate. The increase is due to higher cost indices for electricity and natural gas services.

- **Commodities.** The agency requests $1.9 million for commodities. The request is a decrease of $31,500, or 1.6 percent, below the FY 2015 estimate. The decrease is attributable to reduced cost indices for household supplies and clothing.

- **Capital Outlay.** The agency requests $347,247 for capital outlay. The request is an increase of $294,436, or 557.5 percent, above the FY 2015 estimate. The increase is predominantly due to enhancements totaling $294,446, all from the State General Fund, for vehicle replacements and capital outlay upgrades.

The **Governor** recommends FY 2016 operating expenditures of $8.0 million, including $7.6 from the State General Fund. The recommendation is a decrease of $359,967, or 4.3 percent, all from the State General Fund, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $37,814 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $8.4 million, including $8.1 million from the State General Fund. The request is an increase of $67,074, or 0.8 percent, above the FY 2016 request. The request contains enhancements totaling $285,663, all from the State General Fund, for fringe benefit shortfalls, vehicle replacements, and capital outlay upgrades. The request includes 56.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $8.1 million, including $7.8 million from the State General Fund. The request is an increase of $103,564, or 1.3 percent, above the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $3.3 million for salaries and wages. The request is an increase of $152,883, or 4.9 percent, above the FY 2016 request. The increase is mainly attributable to a 27th payroll period and an enhancement of $63,014, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $3.2 million.

- **Contractual Services.** The agency requests $3.0 million for contractual services. The request is an increase of $99,488, or 3.4 percent, above the FY 2016 request. The increase is due to higher cost indices for electricity, natural gas, and sewage services.

- **Commodities.** The agency requests $1.8 million for commodities. The request is a decrease of $116,101, or 6.0 percent, below the FY 2016

request. The decrease is primarily attributable to lower cost indices for household supplies and clothing.

- **Capital Outlay.** The agency requests $278,051 for capital outlay. The request is a decrease of $69,196, or 19.9 percent, below the FY 2016 request. The decrease is mainly due to reduced enhancements totaling $222,649, all from the State General Fund, for vehicle replacements ($107,100) and IT upgrades ($115,549).

The **Governor** recommends FY 2017 operating expenditures of $8.1 million, including $7.7 from the State General Fund. The recommendation is a decrease of $324,234, or 3.9 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $38,571 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

F. Debt Service

Lansing Correctional Facility participated in the Facility Conservation Improvement Program (FCIP) during FY 2004. The program consisted of a contract with an Energy Service Company (ESCO) to complete an energy audit and develop an implementation strategy to achieve fiscal savings through various efficiencies. The agency repays the ESCO through a master-lease program with the savings achieved and in turn the ESCO guarantees the savings. The ESCO retains any savings above the lease payments each year. FY 2014 will be the last year of a ten-year repayment plan.

DEBT SERVICE
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	200	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	11,392	0	0	0	0	0	0
Subtotal - Operations	$ 11,592	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 11,592	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Financing:							
State General Fund	$ 11,592	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 11,592	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** does not request any FY 2016 debt service expenditures.

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

The **agency** does not request any FY 2017 debt service expenditures.

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

CAPITAL IMPROVEMENTS	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Rehabilitation and Repair	$ 460,883	$ 460,883	$ 0	$ 0	$ 0	$ 0
Financing:						
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	460,883	460,883	0	0	0	0
TOTAL	$ 460,883	$ 460,883	$ 0	$ 0	$ 0	$ 0

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates FY 2015 capital improvement expenditures of $460,883, all from the special revenue funds. The estimate is for rehabilitation and repair projects including replacing the locking system in Cellhouse B and fixing hot water heaters.

Current Year Governor Recommendation

The **Governor** concurs with the agency's capital improvements estimate.

Budget Year Agency Request

FY 2016 – Budget Year. The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

Budget Year Agency Request

FY 2017 – Budget Year. The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of escapes	0	2	1	0	0
Number of inmate assaults on staff	5	6	6	5	5

Larned Correctional Mental Health Facility

	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	$ 10,487,154	$ 10,741,058	$ 10,640,716	$ 10,851,710	$ 10,548,414	$ 11,277,735	$ 10,870,875
Other Funds	12,000	0	0	0	0	0	0
TOTAL	$ 10,499,154	$ 10,741,058	$ 10,640,716	$ 10,851,710	$ 10,548,414	$ 11,277,735	$ 10,870,875
Capital Improvements:							
State General Fund	$ 20,866	$ 18,557	$ 18,557	$ 0	$ 0	$ 0	$ 0
Other Funds	69,551	180,234	180,234	0	0	0	0
TOTAL	$ 90,417	$ 198,791	$ 198,791	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	**$ 10,589,571**	**$ 10,939,849**	**$ 10,839,507**	**$ 10,851,710**	**$ 10,548,414**	**$ 11,277,735**	**$ 10,870,875**
Percentage Change:							
Operating Expenditures							
State General Fund	(0.7) %	2.4 %	1.5 %	1.0 %	(0.9) %	3.9 %	3.1 %
All Funds	(0.8)	2.3	1.3	1.0	(0.9)	3.9	3.1
FTE Positions	182.0	186.0	184.0	186.0	184.0	186.0	184.0
Non-FTE Perm.Uncl.Pos.	2.0	0.0	2.0	0.0	2.0	0.0	2.0
TOTAL	184.0	186.0	186.0	186.0	186.0	186.0	186.0

Larned Correctional Mental Health Facility (LCMHF) houses and treats inmates who are unable to function in the general population of a correctional facility for mental health reasons but are not in need of acute care or hospitalization. Inmates are referred to LCMHF by other correctional facilities or by the Larned State Hospital. LCMHF is a transitional program in which inmates enter and leave the program, rather than remaining at LCMHF for a specific length of time. LCMHF was constructed to bring the state into compliance with a United States District Court consent decree order and began receiving inmates in January 1992. The facility's Central Unit contains 150 beds with future expansion capabilities to 300 beds. In addition, the West Unit contains 288 minimum-custody beds, mostly for male inmates who provide work detail labor for Larned State Hospital and local communities. However, some beds are for inmates with medical problems or who attend a chemical dependency recovery program.

The facility has a structured three step program. Step A is the most restrictive with minimal privileges. All inmates entering the program spend at least 72 hours on this level. Step B offers increased out-of-cell time, cafeteria privileges, activity therapy and group therapy in the living unit. Step C provides access to all programs, work assignments and activities. Inmates may gain or lose step status based on program participation and behavior.

Prior to FY 2001, the Chemical Dependency program, which provides intensive evaluation and treatment for inmates, was operated by Larned State Hospital for the Kansas Department of Corrections (KDOC). The 2000 Legislature shifted the program and funding, including capital improvement funding of $300,000 from the Correctional Institutions Building Fund, for renovation of space for the program at LCMHF.

MAJOR ISSUES FROM PRIOR YEARS

The **2009 Legislature** approved a 1.25 percent across-the-board State General Fund reduction in FY 2009 and FY 2010 and a 2.75 percent across-the-board State General Fund reduction in FY 2010. The reduction to the Larned Correctional Mental Health Facility budget totaled $117,721, all from the State General Fund, in FY 2009 and $389,161, all from the State General Fund in FY 2010. Other changes include the following items.

- A decrease of $90,803, all from the State General Fund, to remove funding for longevity bonuses, which the agencies were instructed to fund from within existing resources.
- An increase of $69,074, all from the State General Fund, for undermarket pay adjustments as recommended in the Hay Group study that was completed in FY 2008.

The **2010 Legislature** deleted State General Fund expenditures in FY 2010 for a 5.0 percent pay suspension for state officers ($1,052) and a moratorium on employer contributions ($15,639) and in FY 2011 for a three-month moratorium on employer contributions ($15,665) and self-funded longevity payments ($71,200). Larned Correctional Mental Health Facility also received a portion of the funding

approved for undermarket pay increases ($121,663 from the State General Fund).

The **2011 Legislature** deleted $226,949 from the FY 2012 allocated budget, including $226,907 from the State General Fund. The adjustments included a reduction of $87,594, all from the State General Fund, for state employee longevity bonuses that were to be self-funded in FY 2012, and $121,304, including $121,264 from the State General Fund, as part of an across-the-board reduction.

The **2012 Legislature** deleted $82,647, all from the State General Fund, and all in the form of statewide reductions. The adjustments include the following items.

- A decrease of $13,480, all from the State General Fund, to reduce longevity bonus payments to the statutory $40 per year of service for eligible employees.
- A decrease of $53,920, all from the State General Fund, to require the agency to self-fund longevity bonus payments.
- A decrease of $15,247, all from the State General Fund, to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund for a three-month period.

During the **2013 Legislative Session**, the Governor vetoed the agency's entire FY 2015 operating budget.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 total expenditures of $10.9 million, including $10.8 million from the State General Fund. The estimate is an increase of $280,576, or 2.6 percent, including a State General Fund increase of $100,342, or 0.9 percent, above the FY 2015 approved amount. The increase is due to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures and capital improvement expenditures for rehabilitation and repair. The estimate includes 186.0 FTE positions, which is 4.0 more FTE positions than the FY 2015 approved amount. The FTE increase is attributable to a technical adjustment to accurately reflect total FTE positions.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 total expenditures of $10.8 million, including $10.7 million from the State General Fund. The recommendation is a decrease of $100,342, or 0.9 percent, all from the State General Fund, below the agency's FY 2015 estimate. The decrease is due to the inclusion of the Governor's December 2014 Allotment. The Governor's recommendation includes an adjustment to reclassify 2.0 FTE positions to non-FTE unclassified positions for a total of 184.0 FTE positions and 2.0 non-FTE unclassified positions.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $10.9 million, all from the State General Fund. The request is an increase of $110,652, or 1.0 percent, above the FY 2015 estimate. The request includes enhancements totaling $169,447, all from the State General Fund, for fringe benefit shortfalls, information technology replacements, one vehicle replacement, and security vests. The request includes 186.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $10.7 million, all from the State General Fund. The request is a decrease of $58,795, or 0.5 percent, below the FY 2015 estimate. The decrease is mainly attributable to one-time bonuses made in FY 2015 that are not made for 2016 and lowered cost indices for commodities, partially offset by higher offender incentive pay based on prison population projections.

The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $10.5 million, all from the State General Fund. The recommendation is a decrease of $303,296, or 2.8 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $133,849 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes an adjustment to reclassify 2.0 FTE positions to non-FTE unclassified positions for a total of 184.0 FTE positions and 2.0 non-FTE unclassified positions.

The Governor concurs with the agency's capital improvements request.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $11.3 million, all from the State General Fund. The request is an increase of $426,025, or 3.9 percent, above the FY 2016 request. The request includes enhancements totaling $270,330, all from the State General Fund, for fringe benefit shortfalls, IT equipment replacement, two vehicle replacements, and security vests. The request includes 186.0 FTE positions, the same as the FY 2016 request. **Absent the enhancement**, the agency requests $11.0 million, all from the State General Fund. The request is an increase of $325,142, or 3.0 percent, above the FY 2016 request less enhancements. The increase is primarily due to a 27th payroll period in the fiscal year.

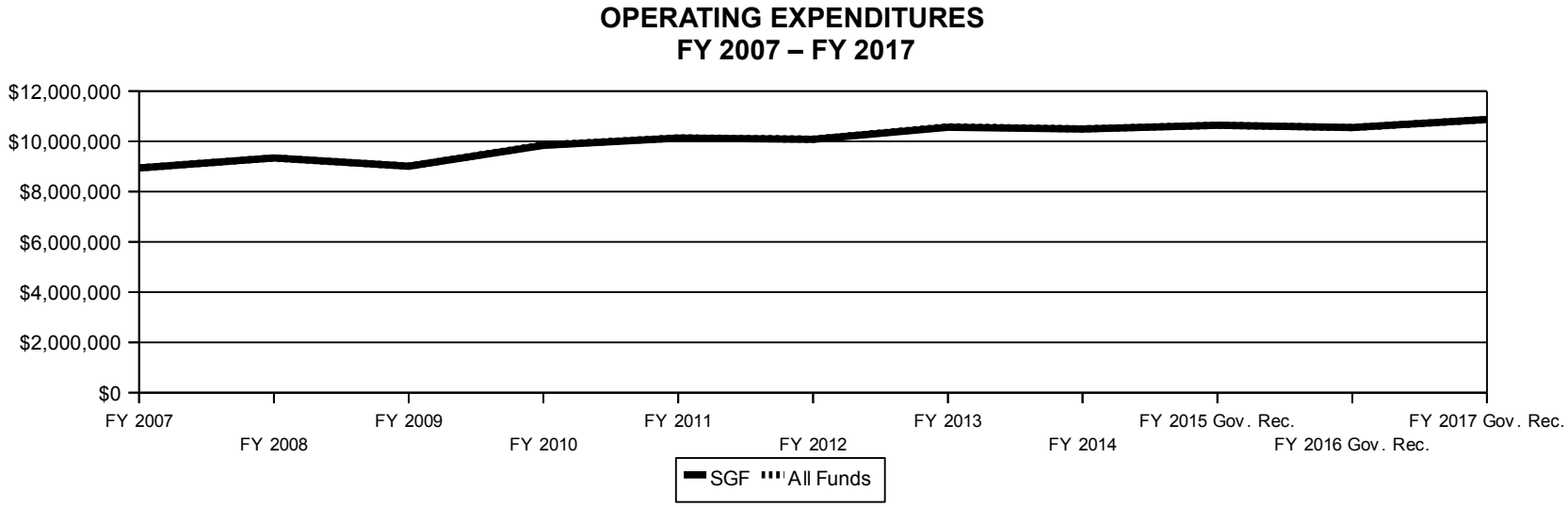
The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $10.9 million, all from the State General Fund. The recommendation is a decrease of $406,860, or 3.6 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $136,530 to reduce employer contributions for state employee health insurance.

The Governor concurs with the agency's capital improvements request.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 8,941,435	2.6 %	$ 8,943,502	2.4 %	186.0
2008	9,339,146	4.4	9,339,176	4.4	185.0
2009	9,011,518	(3.5)	9,013,718	(3.5)	185.0
2010	9,844,828	9.2	9,858,128	9.4	185.0
2011	10,135,641	3.0	10,137,951	2.8	184.0
2012	10,075,159	(0.6)	10,086,784	(0.5)	183.0
2013	10,564,537	4.9	10,579,537	4.9	182.0
2014	10,487,154	(0.7)	10,499,154	(0.8)	182.0
2015 Gov. Rec.	10,640,716	1.5	10,640,716	1.3	184.0
2016 Gov. Rec.	10,548,414	(0.9)	10,548,414	(0.9)	184.0
2017 Gov. Rec.	10,870,875	3.1	10,870,875	3.1	184.0
Eleven-Year Change	$ 1,929,440	21.6 %	$ 1,927,373	21.6 %	(2.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 1,189,384	$ 1,157,804	$ 1,255,979	$ 98,175	8.5 %	$ 1,147,740	$ 1,177,748	$ 30,008	2.6 %
Security	6,305,256	6,624,331	6,658,567	34,236	0.5	6,561,168	6,495,394	(65,774)	(1.0)
Classification and Programs	1,180,205	1,163,118	1,156,698	(6,420)	(0.6)	1,153,009	1,134,153	(18,856)	(1.6)
Chemical Dependency Recovery	269,969	266,917	274,665	7,748	2.9	264,331	268,499	4,168	1.6
Support Services	1,554,340	1,528,888	1,505,801	(23,087)	(1.5)	1,514,468	1,472,620	(41,848)	(2.8)
TOTAL	$ 10,499,154	$ 10,741,058	$ 10,851,710	$ 110,652	1.0 %	$ 10,640,716	$ 10,548,414	$ (92,302)	(0.9)%
By Major Object of Expenditure:									
Salaries and Wages	$ 9,283,917	$ 9,528,728	$ 9,564,440	$ 35,712	0.4 %	$ 9,436,266	$ 9,340,733	$ (95,533)	(1.0)%
Contractual Services	545,275	619,253	633,008	13,755	2.2	619,253	633,008	13,755	2.2
Commodities	538,678	585,230	572,838	(12,392)	(2.1)	577,350	567,678	(9,672)	(1.7)
Capital Outlay	120,934	0	74,429	74,429	--	0	0	0	--
Debt Service	1,032	1,500	0	(1,500)	(100.0)	1,500	0	(1,500)	(100.0)
Subtotal - Operations	$ 10,489,836	$ 10,734,711	$ 10,844,715	$ 110,004	1.0 %	$ 10,634,369	$ 10,541,419	$ (92,950)	(0.9)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	9,318	6,347	6,995	648	10.2	6,347	6,995	648	10.2
TOTAL	$ 10,499,154	$ 10,741,058	$ 10,851,710	$ 110,652	1.0 %	$ 10,640,716	$ 10,548,414	$ (92,302)	(0.9)%
Financing:									
State General Fund	$ 10,487,154	$ 10,741,058	$ 10,851,710	$ 110,652	1.0 %	$ 10,640,716	$ 10,548,414	$ (92,302)	(0.9)%
General Fees Fund	12,000	0	0	0	--	0	0	0	--
TOTAL	$ 10,499,154	$ 10,741,058	$ 10,851,710	$ 110,652	1.0 %	$ 10,640,716	$ 10,548,414	$ (92,302)	(0.9)%

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	$ 1,255,979	$ 1,295,577	$ 39,598	3.2 %	$ 1,177,748	$ 1,208,014	$ 30,266	2.6 %
Security	6,658,567	6,941,259	282,692	4.2	6,495,394	6,719,971	224,577	3.5
Classification and Programs	1,156,698	1,200,386	43,688	3.8	1,134,153	1,168,563	34,410	3.0
Chemical Dependency Recovery	274,665	285,608	10,943	4.0	268,499	277,089	8,590	3.2
Support Services	1,505,801	1,554,905	49,104	3.3	1,472,620	1,497,238	24,618	1.7
TOTAL	$ 10,851,710	$ 11,277,735	$ 426,025	3.9 %	$ 10,548,414	$ 10,870,875	$ 322,461	3.1 %
By Major Object of Expenditure:								
Salaries and Wages	$ 9,564,440	$ 9,972,701	$ 408,261	4.3 %	$ 9,340,733	$ 9,664,009	$ 323,276	3.5 %
Contractual Services	633,008	633,480	472	0.1	633,008	633,480	472	0.1
Commodities	572,838	576,796	3,958	0.7	567,678	571,636	3,958	0.7
Capital Outlay	74,429	93,008	18,579	25.0	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 10,844,715	$ 11,275,985	$ 431,270	4.0 %	$ 10,541,419	$ 10,869,125	$ 327,706	3.1 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	6,995	1,750	(5,245)	(75.0)	6,995	1,750	(5,245)	(75.0)
TOTAL	$ 10,851,710	$ 11,277,735	$ 426,025	3.9 %	$ 10,548,414	$ 10,870,875	$ 322,461	3.1 %
Financing:								
State General Fund	$ 10,851,710	$ 11,277,735	$ 426,025	3.9 %	$ 10,548,414	$ 10,870,875	$ 322,461	3.1 %
General Fees Fund	0	0	0	--	0	0	0	--
TOTAL	$ 10,851,710	$ 11,277,735	$ 426,025	3.9 %	$ 10,548,414	$ 10,870,875	$ 322,461	3.1 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $10,751,735 for the Larned Correctional Mental Health Facility in FY 2015. Two adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $7,870, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- A reduction of $100,342, as the result of the Governor's December 9th State General Fund allotment.

This adjustment changes the FY 2015 approved State General Fund to $10,659,273. 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.

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	$ 10,659,273	$ 10,759,615	$ 100,342	$ 10,659,273	$ 0
All Other Funds	0	180,234	180,234	180,234	180,234
TOTAL	$ 10,659,273	$ 10,939,849	$ 280,576	$ 10,839,507	$ 180,234
FTE Positions	182.0	186.0	4.0	184.0	2.0

The **agency** estimates FY 2015 total expenditures of $10.9 million, including $10.8 million from the State General Fund. The estimate is an increase of $280,576, or 2.6 percent, including a State General Fund increase of $100,342, or 0.9 percent, above the FY 2015 approved amount. The increase is due to the Governor's December 2014 Allotment and capital improvement expenditures for rehabilitation and repair. The estimate includes 186.0 FTE positions, which is 4.0 more FTE positions than the FY 2015 approved amount. The FTE increase is attributable to a technical adjustment to accurately reflect total FTE positions.

The **Governor** recommends FY 2015 total expenditures of $10.8 million, including $10.7 million from the State General Fund. The recommendation is a decrease of $100,342, or 0.9 percent, all from the State General Fund, below the agency's FY 2015 estimate. The decrease is due to the Governor's December 2014 Allotment. The Governor's recommendation includes an adjustment to reclassify 2.0 FTE positions to non-FTE unclassified positions for a total of 184.0 FTE positions and 2.0 non-FTE unclassified 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 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	$ (92,462)	$ (92,462)	0.0
Lapse Reappropriations	(7,880)	(7,880)	0.0
TOTAL	$ (100,342)	$ (100,342)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $92,462, 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.

Reappropriations Lapse:

A reduction of $7,880, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $7,880 for the agency. This allotment will decrease available funding for positions.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 10,851,710	$ 10,548,414	$ (303,296)
FTE Positions	186.0	184.0	(2.0)
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 110,652	$ (92,302)	
All Other Funds	0	0	
TOTAL	$ 110,652	$ (92,302)	
Percent Change:			
State General Fund	1.0 %	(0.9) %	
All Other Funds	--	--	
TOTAL	1.0 %	(0.9) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $10.9 million, all from the State General Fund. The request is an increase of $110,652, or 1.0 percent, above the FY 2015 estimate. The request includes enhancements totaling $169,447, all from the State General Fund, for fringe benefit shortfalls, information technology replacements, one vehicle replacement, and security vests. The request includes 186.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $10.7 million, all from the State General Fund. The request is a decrease of $58,795, or 0.5 percent, below the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $9.6 million for salaries and wages. The request is an increase of $35,712, or 0.4 percent, above the

FY 2015 estimate. The request includes an enhancement totaling $89,858, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $9.5 million for salaries and wages. The request is a decrease of $54,146, or 0.6 percent, below the FY 2015 estimate. The decrease is due to one-time bonuses made in FY 2015 that are not made for FY 2016.

- **Contractual Services.** The agency requests $633,008 for contractual services. The request is an increase of $13,755, or 2.2 percent, above the FY 2015 estimate. The increase is attributable to higher offender incentive pay based on prison population projections.

- **Commodities.** The agency requests $572,838 for commodities. The request is a decrease of $12,392, or 2.1 percent, below the FY 2015 estimate. The decrease is due to lower cost indices for commodities, partially offset by an enhancement of $5,160, all from the State General Fund, for new security vests.

- **Capital Outlay.** The agency requests $74,429 for capital outlay. The request is for enhancements to replace 25.0 percent of its outdated IT equipment and one security vehicle. **Absent the enhancements**, the agency requests no capital outlay expenditures.

The **Governor** recommends FY 2016 operating expenditures of $10.5 million, all from the State General Fund. The recommendation is a decrease of $303,296, or 2.8 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $133,849 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes an adjustment to reclassify 2.0 FTE positions to non-FTE unclassified positions for a total of 184.0 FTE positions and 2.0 non-FTE unclassified positions.

Enhancements Detail

FY 2016 ENHANCEMENTS

Enhancements	Agency Request SGF	Agency Request All Funds	Agency Request FTE	Governor's Recommendation SGF	Governor's Recommendation All Funds	Governor's Recommendation FTE
Fringe Benefit Shortfalls	$ 89,858	$ 89,858	0.0	$ 0	$ 0	0.0
IT Equipment Replacement	55,850	55,850	0.0	0	0	0.0
Vehicle Replacement	18,579	18,579	0.0	0	0	0.0
Security Vests	5,160	5,160	0.0	0	0	0.0
TOTAL	**$ 169,447**	**$ 169,447**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $169,447, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $89,858 for fringe benefit shortfalls. The agency states it cannot fund the Kansas Public Employees Retirement System (KPERS) contribution rate increases scheduled for FY 2016.

- **IT Equipment Replacement.** The agency requests $55,850 for IT equipment replacement. The agency states this would allow replacement of 25.0 percent of the agency's outdated IT equipment.

- **Vehicle Replacement.** The agency requests $18,579 to replace one vehicle. The agency states this vehicle is a security vehicle used for perimeter patrol.

- **Security Vests.** The agency requests $5,160 for security vests. This would allow the agency to replace 20.0 percent of its outdated security vests.

The **Governor** does not recommend the agency's enhancement requests.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 11,277,735	$ 10,870,875	$ (406,860)
FTE Positions	186.0	184.0	(2.0)
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 426,025	$ 322,461	
All Other Funds	0	0	
TOTAL	$ 426,025	$ 322,461	
Percent Change:			
State General Fund	3.9 %	3.1 %	
All Other Funds	--	--	
TOTAL	3.9 %	(0.9) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $11.3 million, all from the State General Fund. The request is an increase of $426,025, or 3.9 percent, above the FY 2016 request. The request includes enhancements totaling $270,330, all from the State General Fund, for fringe benefit shortfalls, IT equipment replacement, two vehicle replacements, and security vests. The request includes 186.0 FTE positions, the same as the FY 2016 request. **Absent the enhancement**, the agency requests $11.0 million, all from the State General Fund. The request is an increase of $325,142, or 3.0 percent, above the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $10.0 million for salaries and wages. The request is an increase of $408,261, or 4.3 percent, above the FY 2016 request. The increase is due to a 27th payroll period and an enhancement of $172,162, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $9.8 million for salaries and wages.

- **Commodities.** The agency requests $576,796 for commodities. The request is an increase of $3,958, or 0.7 percent, above the FY 2016 request. The increase is attributable to an enhancement of $5,160, all from the State General Fund, for new security vests. **Absent the enhancement**, the agency requests $571,636 for commodities.

- **Capital Outlay.** The agency requests $93,008 for capital outlay. The request is an increase of $18,579, or 25.0 percent, above the FY 2016 request. The request is for enhancements for new IT equipment and two security vehicle replacements. **Absent the enhancements**, the agency does not request any capital outlay expenditures.

The **Governor** recommends FY 2017 operating expenditures of $10.9 million, all from the State General Fund. The recommendation is a decrease of $406,860, or 3.6 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $136,530 to reduce employer contributions for state employee health insurance.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 172,162	$ 172,162	0.0	$ 0	$ 0	0.0
IT Equipment Replacements	55,850	55,850	0.0	0	0	0.0
Vehicle Replacements	37,158	37,158	0.0	0	0	0.0
Security Vests	5,160	5,160	0.0	0	0	0.0
TOTAL	**$ 270,330**	**$ 270,330**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $270,330, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $172,162 for fringe benefit shortfalls. The agency states it cannot fund the KPERS contribution and health insurance rate increases scheduled for FY 2017.

- **IT Equipment Replacement.** The agency requests $55,850 for IT equipment replacement. The agency states this would allow replacement of 25.0 percent of the agency's outdated IT equipment.

- **Vehicle Replacement.** The agency requests $37,158 for vehicle replacements. The agency states this would allow it to replace two security vehicles.

- **Security Vests.** The agency requests $5,160 for security vests. This would allow the agency to replace 20.0 percent of its outdated security vests.

The **Governor** does not recommend the agency's enhancement requests.

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 $49,415, all from the State General Fund, and affects 159 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 $48,280, all from the State General Fund, and FY 2017 longevity payments total $53,280, all 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 $133,849, all from the State General Fund for FY 2016. This is a reduction of $136,530, all 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	100.0 %	100.0 %	100.0 %	100.0 %
General Fees Fund	0.0	0.0	0.0	0.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

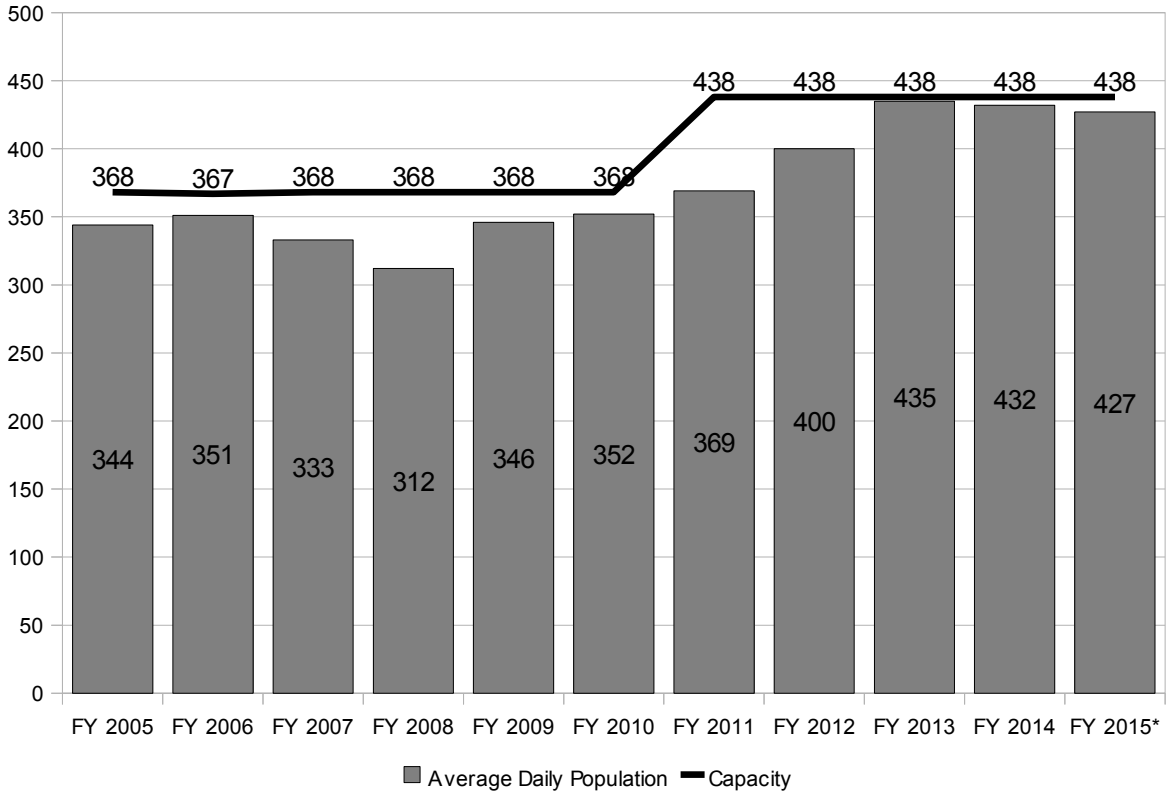
Note: Percentages may not add due to rounding.

General Fees Fund

The Larned Correctional Mental Health Facility General Fees fund is used to deposit funds received for the sale of scrap metal, sale of kitchen grease, and rent received from some unused facility grounds being used for agricultural production.

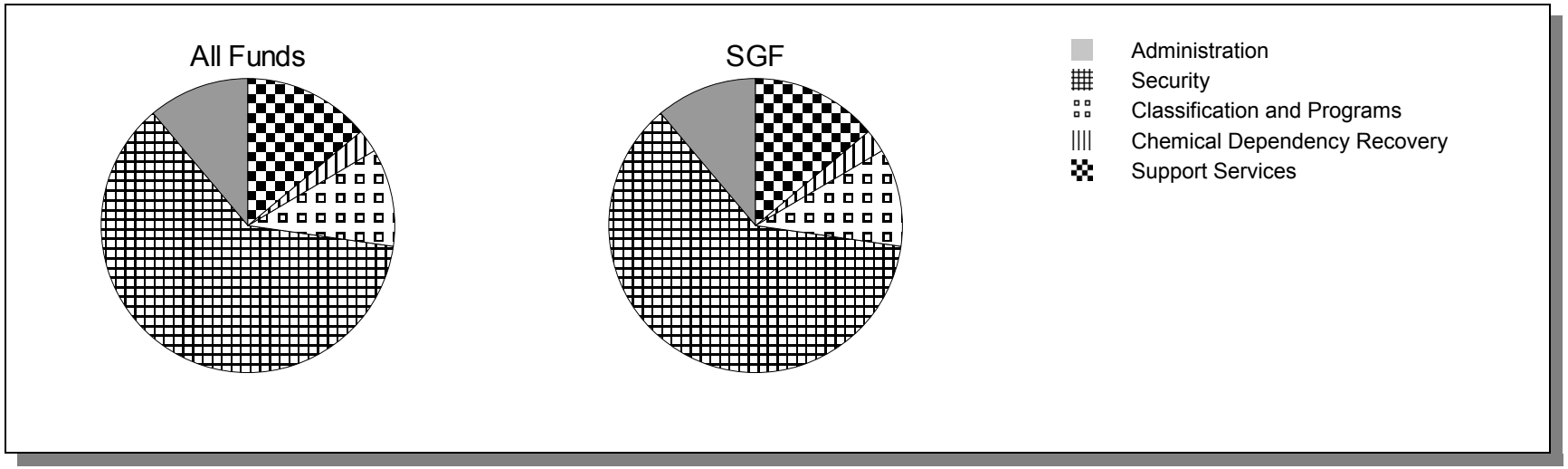
Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 10,941	$ 7,007	$ 7,007	$ 13,007	$ 13,007	$ 19,007	$ 19,007
Revenue	8,066	6,000	6,000	6,000	6,000	6,000	6,000
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 19,007	$ 13,007	$ 13,007	$ 19,007	$ 19,007	$ 25,007	$ 25,007
Less: Expenditures	12,000	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 7,007	$ 13,007	$ 13,007	$ 19,007	$ 19,007	$ 25,007	$ 25,007
Ending Balance as Percent of Expenditures	58.4%	185.6%	185.6%	146.1%	146.1%	131.6%	131.6%

Capacity and Average Daily Population



*FY 2015 average daily population current as of January 14, 2015

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	$ 1,177,748	11.2 %	$ 1,177,748	11.2 %
Security	6,495,394	61.6	6,495,394	61.6
Classification and Programs	1,134,153	10.8	1,134,153	10.8
Chemical Dependency Recovery	268,499	2.5	268,499	2.5
Support Services	1,472,620	14.0	1,472,620	14.0
TOTAL	$ 10,548,414	100.0 %	$ 10,548,414	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	15.0	18.0	16.0	18.0	16.0	18.0	16.0
Security	131.0	132.0	132.0	132.0	132.0	132.0	132.0
Classification and Programs	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Chemical Dependency Recovery	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Support Services	13.0	13.0	13.0	13.0	13.0	13.0	13.0
TOTAL	182.0	186.0	184.0	186.0	184.0	186.0	184.0

A. Administration

The Administration program provides management direction and technical assistance, including fiscal, personnel, and training assistance to the other programs within the facility, and acts as a liaison with other state agencies, federal and local units of government, and the general public.

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	$ 1,065,479	$ 1,026,235	$ 1,016,171	$ 1,063,276	$ 1,040,895	$ 1,108,309	$ 1,076,596
Contractual Services	110,782	124,572	124,572	126,708	126,708	126,518	126,518
Commodities	4,237	650	650	3,150	3,150	3,150	3,150
Capital Outlay	0	0	0	55,850	0	55,850	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,180,498	$ 1,151,457	$ 1,141,393	$ 1,248,984	$ 1,170,753	$ 1,293,827	$ 1,206,264
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	8,886	6,347	6,347	6,995	6,995	1,750	1,750
TOTAL	$ 1,189,384	$ 1,157,804	$ 1,147,740	$ 1,255,979	$ 1,177,748	$ 1,295,577	$ 1,208,014
Financing:							
State General Fund	$ 1,189,384	$ 1,157,804	$ 1,147,740	$ 1,255,979	$ 1,177,748	$ 1,295,577	$ 1,208,014
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,189,384	$ 1,157,804	$ 1,147,740	$ 1,255,979	$ 1,177,748	$ 1,295,577	$ 1,208,014
FTE Positions	15.0	18.0	16.0	18.0	16.0	18.0	16.0
Non-FTE Uncl. Perm. Pos.	2.0	0.0	2.0	0.0	2.0	0.0	2.0
TOTAL	17.0	18.0	18.0	18.0	18.0	18.0	18.0

The **agency** requests FY 2016 operating expenditures of $1.3 million, all from the State General Fund. The request is an increase of $98,175, or 8.5 percent, above the FY 2015 estimate. The increase is mainly due to onetime bonuses made in FY 2015 that are not made for FY 2016, the reallocation of a position from the Security program, and an enhancement totaling $65,357, all from the State General Fund, for fringe benefit shortfalls ($9,507) and IT equipment replacement ($55,850). The request includes 18.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $1.2 million.

The **Governor** recommends FY 2016 operating expenditures of $1.2 million, all form the State General Fund. The recommendation is a decrease of $78,231, or 6.2 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and a reduction of $12,874 to reduce

employer contributions for state employee health insurance. The Governor's recommendation includes an adjustment to reclassify 2.0 FTE positions to non-FTE unclassified positions.

The **agency** requests FY 2017 operating expenditures of $1.3 million, all from the State General Fund. The request is an increase of $39,598, or 3.2 percent, above the FY 2016 request. The increase is attributable to a 27th payroll period and a larger enhancement totaling $74,431, all from the State General Fund, for fringe benefit shortfalls ($18,581) and IT equipment replacement ($55,850). The request includes 18.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $1.2 million.

The **Governor** recommends FY 2017 operating expenditures of $1.2 million, all from the State General Fund. The recommendation is a decrease of $87,563, or 6.8 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement request and a reduction of $13,132 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes an adjustment to reclassify 2.0 FTE positions to non-FTE unclassified positions.

B. Security

The Security program provides security, procedural security, safe and humane supervision and control of inmates, and safety and security of staff and visitors at the Larned Correctional Mental Health Facility. The program contains the agency's largest number of FTE positions.

SECURITY
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	$ 6,222,418	$ 6,527,718	$ 6,464,555	$ 6,551,973	$ 6,393,960	$ 6,832,695	$ 6,616,567
Contractual Services	21,331	24,150	24,150	16,900	16,900	17,100	17,100
Commodities	36,647	72,463	72,463	89,694	84,534	91,464	86,304
Capital Outlay	24,428	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 6,304,824	$ 6,624,331	$ 6,561,168	$ 6,658,567	$ 6,495,394	$ 6,941,259	$ 6,719,971
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	432	0	0	0	0	0	0
TOTAL	$ 6,305,256	$ 6,624,331	$ 6,561,168	$ 6,658,567	$ 6,495,394	$ 6,941,259	$ 6,719,971
Financing:							
State General Fund	$ 6,305,256	$ 6,624,331	$ 6,561,168	$ 6,658,567	$ 6,495,394	$ 6,941,259	$ 6,719,971
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 6,305,256	$ 6,624,331	$ 6,561,168	$ 6,658,567	$ 6,495,394	$ 6,941,259	$ 6,719,971
FTE Positions	131.0	132.0	132.0	132.0	132.0	132.0	132.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	131.0	132.0	132.0	132.0	132.0	132.0	132.0

The **agency** requests FY 2016 operating expenditures of $6.7 million, all from the State General Fund. The request is an increase of $34,236, or 0.5 percent, above the FY 2015 estimate. The request contains enhancements totaling $69,112, all from the State General Fund, for fringe benefit shortfalls and new security vests. The request includes 132.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $6.6 million. The request is a decrease of $34,876, or 0.5 percent, below the FY 2015 estimate. The decrease is due to the reallocation of a position to the Administration program and repair services for communication devices, partially offset by increases in cost indices for commodities.

The **Governor** recommends FY 2016 operating expenditures of $6.5 million, all from the State General Fund. The recommendation is a decrease of $163,173, or 2.5 percent, below the agency's FY 2016 request. The decrease is

attributable to the Governor not recommending the agency's enhancement request and a reduction of $94,061 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 132.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $6.9 million, all from the State General Fund. The request is an increase of $282,692, or 4.2 percent, above the FY 2016 request. The increase is attributable to a 27th payroll period and enhancements totaling $125,344, all from the State General Fund, for fringe benefit shortfalls and new security vests. The request includes 132.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $6.8 million.

The **Governor** recommends FY 2017 operating expenditures of $6.7 million, all from the State General Fund. The recommendation is a decrease of $221,288, or 3.2 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and a reduction of $95,944 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 132.0 FTE positions, the same as the agency's request.

C. Classification and Programs

Classification and Programs is composed of the following sub-programs: Classification and Records, which reports and records all pertinent information regarding the movement and progress of Larned Correctional Mental Health Facility inmates; Recreational Activities; and Chaplaincy Services, which provide religious counseling and services.

CLASSIFICATION AND PROGRAMS
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	$ 1,051,587	$ 1,029,133	$ 1,019,024	$ 1,009,886	$ 987,341	$ 1,053,574	$ 1,021,751
Contractual Services	127,952	133,985	133,985	146,812	146,812	146,812	146,812
Commodities	666	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,180,205	$ 1,163,118	$ 1,153,009	$ 1,156,698	$ 1,134,153	$ 1,200,386	$ 1,168,563
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 1,180,205	$ 1,163,118	$ 1,153,009	$ 1,156,698	$ 1,134,153	$ 1,200,386	$ 1,168,563
Financing:							
State General Fund	$ 1,180,205	$ 1,163,118	$ 1,153,009	$ 1,156,698	$ 1,134,153	$ 1,200,386	$ 1,168,563
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,180,205	$ 1,163,118	$ 1,153,009	$ 1,156,698	$ 1,134,153	$ 1,200,386	$ 1,168,563
FTE Positions	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	18.0	18.0	18.0	18.0	18.0	18.0	18.0

The **agency** requests FY 2016 operating expenditures of $1.2 million, all from the State General Fund. The request is a decrease of $6,420, or 0.6 percent, below the FY 2015 estimate. The request contains an enhancement of $9,088, all from the State General Fund, for fringe benefit shortfalls. The request includes 18.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $1.1 million. The request is a decrease of $15,508, or 1.3 percent, below the FY 2015 estimate. The decrease is primarily due to reduced salaries and wages for staff turnover, partially offset by higher offender incentive pay based on prison population projections.

The **Governor** recommends FY 2016 operating expenditures of $1.1 million, all from the State General Fund. The recommendation is a decrease of $22,545, or 1.9 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's

enhancement request and a reduction of $13,457 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 18.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $1.2 million, all from the State General Fund. The request is an increase of $43,688, or 3.8 percent, above the FY 2016 request. The increase is mainly attributable to a 27th payroll period in the fiscal year and an enhancement of $18,096, all from the State General Fund, for fringe benefit shortfalls. The request includes 18.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancement**, the agency requests $1.2 million.

The **Governor** recommends FY 2017 operating expenditures of $1.2 million, all from the State General Fund. The recommendation is a decrease of $31,823, or 2.7 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement request and a reduction of $13,727 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 18.0 FTE positions, the same as the agency's request.

D. Chemical Dependency Recovery

The Chemical Dependency Recovery program provides intensive evaluation and treatment for inmates. Prior to FY 2001, the program was operated by the Larned State Hospital for the Kansas Department of Corrections. The 2000 Legislature shifted the program and funding, including capital improvements funding of $300,000, from the Correctional Institutions Building Fund to the State General Fund for renovation of space for the program at the facility. Currently, 40 slots are available for minimum security inmates to participate in the program.

CHEMICAL DEPENDENCY RECOVERY
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	$ 266,805	$ 264,867	$ 262,281	$ 271,365	$ 265,199	$ 282,308	$ 273,789
Contractual Services	1,114	1,800	1,800	2,300	2,300	2,300	2,300
Commodities	1,347	250	250	1,000	1,000	1,000	1,000
Capital Outlay	703	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 269,969	$ 266,917	$ 264,331	$ 274,665	$ 268,499	$ 285,608	$ 277,089
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 269,969	$ 266,917	$ 264,331	$ 274,665	$ 268,499	$ 285,608	$ 277,089
Financing:							
State General Fund	$ 269,969	$ 266,917	$ 264,331	$ 274,665	$ 268,499	$ 285,608	$ 277,089
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 269,969	$ 266,917	$ 264,331	$ 274,665	$ 268,499	$ 285,608	$ 277,089
FTE Positions	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	5.0	5.0	5.0	5.0	5.0	5.0	5.0

The **agency** requests FY 2016 operating expenditures of $274,665, all from the State General Fund. The request is an increase of $7,748, or 2.9 percent, above the FY 2015 estimate. The increase is due to higher health insurance rates and an enhancement of $2,173, all from the State General Fund, for increased KPERS contribution rates. The request includes 5.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $272,492.

The **Governor** recommends FY 2016 operating expenditures of $268,499, all from the State General Fund. The recommendation is a decrease of $6,166, or 2.2 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement request and a reduction of $3,993 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 5.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $285,608, all from the State General Fund. The request is an increase of $10,943, or 4.0 percent, above the FY 2016 request. The increase is attributable to a 27th payroll period and an enhancement of $4,446, all from the State General Fund, for fringe benefit shortfalls. The request includes 5.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancement**, the agency requests $281,162.

The **Governor** recommends FY 2017 operating expenditures of $277,089, all from the State General Fund. The recommendation is a decrease of $8,519, or 3.0 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement request and a reduction of $4,073 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 5.0 FTE positions, the same as the agency's request.

E. Support Services

The Support Services program consists of maintenance and repairs for all equipment, buildings, and grounds, and provision of all supplies and cleaning services for the facility. Laundry services and bulk food preparation are accomplished by the Larned State Hospital. Food delivery to LCMHF inmates is handled by the contracted provider, Aramark.

SUPPORT SERVICES
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	$ 677,628	$ 680,775	$ 674,235	$ 667,940	$ 653,338	$ 695,815	$ 675,306
Contractual Services	284,096	334,746	334,746	340,288	340,288	340,750	340,750
Commodities	495,781	511,867	503,987	478,994	478,994	481,182	481,182
Capital Outlay	95,803	0	0	18,579	0	37,158	0
Debt Service	1,032	1,500	1,500	0	0	0	0
Subtotal - Operations	$ 1,554,340	$ 1,528,888	$ 1,514,468	$ 1,505,801	$ 1,472,620	$ 1,554,905	$ 1,497,238
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 1,554,340	$ 1,528,888	$ 1,514,468	$ 1,505,801	$ 1,472,620	$ 1,554,905	$ 1,497,238
Financing:							
State General Fund	$ 1,542,340	$ 1,528,888	$ 1,514,468	$ 1,505,801	$ 1,472,620	$ 1,554,905	$ 1,497,238
All Other Funds	12,000	0	0	0	0	0	0
TOTAL	$ 1,554,340	$ 1,528,888	$ 1,514,468	$ 1,505,801	$ 1,472,620	$ 1,554,905	$ 1,497,238
FTE Positions	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	13.0	13.0	13.0	13.0	13.0	13.0	13.0

The **agency** requests FY 2016 operating expenditures of $1.5 million, all from the State General Fund. The request is a decrease of $23,087, or 1.5 percent, below the FY 2015 estimate. The request contains enhancements totaling $23,717, all from the State General Fund, for fringe benefit shortfalls and one vehicle replacement. The request includes 13.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $1.5 million. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $667,940 for salaries and wages. The request is a decrease of $12,835, or 1.9 percent, below the FY 2015 estimate. The request includes an enhancement of $5,138, all from the State General Fund, for fringe benefit shortfalls. The overall decrease is due to turnover in positions.

Absent the enhancement, the agency requests $662,802 for salaries and wages.

- **Contractual Services.** The agency requests $340,288 for contractual services. The request is an increase of $5,542, or 1.7 percent, above the FY 2015 estimate. The increase is attributable to higher cost indices for electricity.

- **Commodities.** The agency requests $478,994 for commodities. The request is a decrease of $32,873, or 6.4 percent, below the FY 2015 estimate. The decrease is is due to lowered cost indices for commodities.

- **Capital Outlay.** The agency requests $18,579 for capital outlay. The request is an enhancement to replace a security vehicle for perimeter patrol. **Absent the enhancement**, the agency does not request any capital outlay expenditures.

The **Governor** recommends FY 2016 operating expenditures of $1.5 million, all from the State General Fund. The recommendation is a decrease of $33,181, or 2.2 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $9,464 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 13.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $1.6 million, all from the State General Fund. The request is an increase of $49,104, or 3.3 percent, above the FY 2016 request. The increase is predominantly attributable to a 27th payroll period and enhancements totaling $48,013, all from the State General Fund, for fringe benefit shortfalls and to replace two security vehicles. The request includes 13.0 FTE positions, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $1.5 million, all from the State General Fund. The recommendation is a decrease of $57,667, or 3.7 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $9,654 to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 13.0 FTE positions, the same as the agency's request.

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
Debt Service Principal	$ 18,557	$ 18,557	$ 0	$ 0	$ 0	$ 0
Rehabilitation and Repair	180,234	180,234	0	0	0	0
TOTAL	$ 198,791	$ 198,791	$ 0	$ 0	$ 0	$ 0
Financing:						
State General Fund	$ 18,557	$ 18,557	$ 0	$ 0	$ 0	$ 0
All Other Funds	180,234	180,234	0	0	0	0
TOTAL	$ 198,791	$ 198,791	$ 0	$ 0	$ 0	$ 0

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates capital improvement expenditures of $198,791, including $18,557 from the State General Fund. The estimate includes a final debt service principal payment ($18,557) for the facilities conservation improvement program and rehabilitation and repair projects totaling $180,234.

Current Year Governor Recommendation

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

Budget Year Agency Request

FY 2016 – Budget Year. The **agency** does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

Budget Year Agency Request

FY 2017 – Budget Year. The **agency** does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of escapes	0	0	0	0	0
Number of inmate assaults on staff	35	114	114	114	114

Norton Correctional Facility

	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	$ 15,452,739	$ 15,386,327	$ 15,509,621	$ 16,217,592	$ 15,378,849	$ 17,136,317	$ 15,941,923
Other Funds	117,251	167,935	166,389	169,792	167,676	177,418	175,262
TOTAL	$ 15,569,990	$ 15,554,262	$ 15,676,010	$ 16,387,384	$ 15,546,525	$ 17,313,735	$ 16,117,185
Capital Improvements:							
State General Fund	$ 214,333	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	640,525	196,754	196,754	0	0	0	0
TOTAL	$ 854,858	$ 196,754	$ 196,754	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	**$ 16,424,848**	**$ 15,751,016**	**$ 15,872,764**	**$ 16,387,384**	**$ 15,546,525**	**$ 17,313,735**	**$ 16,117,185**
Percentage Change:							
Operating Expenditures							
State General Fund	(0.5) %	(0.4) %	0.4 %	5.4 %	(0.8) %	5.7 %	3.7 %
All Funds	(1.2)	(0.1)	0.7	5.4	(0.8)	5.7	3.7
FTE Positions	260.0	261.0	262.0	261.0	262.0	261.0	262.0
Non-FTE Perm.Uncl.Pos.	4.0	4.0	2.0	4.0	2.0	4.0	2.0
TOTAL	264.0	265.0	264.0	265.0	264.0	265.0	264.0

Norton Correctional Facility (NCF) opened in 1987. NCF includes the 707 bed facility that houses male offenders and occupies the buildings of the former Norton State Hospital and the 112 bed Stockton facility that was converted from a farm implement dealership building. In FY 2004, Stockton added 16 beds raising its capacity to 128. NCF currently has 537 medium and 296 minimum-security beds for a total capacity of 835. Kansas Correctional Industries maintains its microfilming operation at NCF and employs inmate labor.

Academic education programs were available to inmates for basic education through high school and secondary education before they were eliminated for budgetary reasons. These services were provided by contract through the Southeast Kansas Education Service Center (Greenbush). Vocational education programs and courses including building maintenance and construction and horticulture are still offered through Greenbush. Colby Community College offers academic improvement classes to inmates that include reading, writing and math classes.

NCF offers inmate programs which include physical and mental health services, inmate self-help programs such as Alcoholics and Narcotics Anonymous, and a sex offender treatment program that began in FY 2000, but ceased operation in FY 2009.

MAJOR ISSUES FROM PRIOR YEARS

In **FY 2009**, the Department of Corrections suspended operations at the Stockton Correctional Facility in order to achieve budget savings. The suspension of operations resulted in a reduction of 128 minimum-security beds and 31.0 FTE positions at Norton Correctional Facility, which is responsible for operations at Stockton.

The **2009 Legislature** approved a 1.25 percent across-the-board State General Fund reduction in FY 2009 and FY 2010 and a 2.75 percent across-the-board State General Fund reduction in FY 2010. The reduction to the Norton Correctional Facility budget totaled $173,959, all from the State General Fund, in FY 2009 and $254,184, all from the State General Fund in FY 2010. Other changes include the following items.

- A decrease of $127,866, all from the State General Fund, to remove funding for longevity bonuses, which the agencies were instructed to fund from within existing resources.

- An increase of $81,643, including $81,569 from the State General Fund, for undermarket pay adjustments as recommended in the Hay Group study that was completed in FY 2008.

In **FY 2010** the Department of Corrections received $40.5 million of federal American Recovery and Reinvestment Act (ARRA) funds in FY 2010 and FY 2011, which was distributed, and also reduced by the same amount of State General Fund, among three correctional facilities in the following manner.

- $20.5 million in FY 2010 and FY 2011 for Hutchinson Correctional Facility.

- $10.0 million in FY 2010 and FY 2011 for Norton Correctional Facility.

- $10.0 million in FY 2010 and FY 2011 for Winfield Correctional Facility.

The **2010 Legislature** approved FY 2010 reductions totaling $20,883, including $2,506 from the State General Fund, for a moratorium on contributions to the KPERS Death and Disability Fund. In FY 2011 the Legislature approved the following adjustments.

- Approved $702,536 from the State General Fund in enhancement funding to reduce the salaries and wages shrinkage rate from 10.7 percent to 5.0 percent.

- Deleted $24,310, including $4,695 from the State General Fund, for a three-month moratorium on contributions to the KPERS Death and Disability Fund.

- Deleted $23,160, all from the State General Fund, and instructed the agency to fund longevity bonus payments from within existing resources.

- Added $1.7 million from the State General Fund to reopen the Stockton Correctional Facility for 11 months of FY 2011.

- Approved an undermarket pay adjustment, of which Norton Correctional Facility received $162,829, including $122,591 from the State General Fund.

In **FY 2011**, the Department of Corrections received $41.3 million in federal American Recovery and Reinvestment Act (ARRA) funds in FY 2010 and FY 2011, which was distributed, and also reduced by the same amount of State General Fund, among three correctional facilities in the following manner.

- $21.3 million in FY 2010 and FY 2011 for Hutchinson Correctional Facility.

- $10.0 million in FY 2010 and FY 2011 for Norton Correctional Facility.

- $10.0 million in FY 2010 and FY 2011 for Winfield Correctional Facility.

The **2011 Legislature** approved FY 2012 reductions totaling $351,372, including $349,777 from the State General Fund. The adjustments included the following items.

- Deleted $142,334, all from the State General Fund, for employee longevity bonuses that are to be self-funded in the current year.

- Deleted $183,427, including $182,352 from the State General Fund, as part of an across-the-board reduction.

- Deleted $21,200, including $20,718 from the State General Fund, for a three-month

moratorium on contributions to the KPERS Death and Disability Fund.

The agency did not receive any federal American Recovery and Reinvestment Act funds beyond FY 2011.

The **2012 Legislature** approved FY 2013 reductions totaling $141,602, including $140,727 from the State General Fund. The adjustments included the following items.

- A reduction of $24,100, including $23,636 from the State General Fund, to reduce longevity bonus payments for eligible employees to the statutory amount.

- A reduction of $95,544, all from the State General Fund, to require the agency to self fund longevity bonus payments to eligible employees.

- A reduction of $22,958, including $22,547 from the State General Fund, as part of a three-month moratorium on employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund.

During the **2013 Legislative Session**, the Governor vetoed the agency's entire FY 2015 operating budget.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 total expenditures of $15.8 million, including $15.4 million from the State General Fund. The estimate is an increase of $73,460, or 0.5 percent, above the FY 2015 approved amount, partially offset by a State General Fund decrease of $123,294, or 0.8 percent. The overall increase is attributable to capital improvement expenditures for rehabilitation and repair. The agency's estimate does not include the Governor's December 2014 Allotment that reduced approved State General Fund expenditures and net transfers between the agency and the Department of Corrections system. The estimate includes 261.0 FTE positions, which is 1.0 more FTE position than the FY 2015 approved amount.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 total expenditures of $15.9 million, including $15.5 million from the State General Fund. The recommendation is an increase of $121,748, or 0.8 percent, including a State General Fund increase of $123,294, or 0.8 percent, above the agency's FY 2015 estimate. The increase in the Governor's recommendation is attributable to the inclusion of the December 2014 Allotment and net transfers between the agency and the Department of Corrections system. The Governor further recommends a decrease of $1,546 from special revenue funds for a reduction to KPERS employer contributions. The recommendation includes 262.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's FTE position total.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $16.4 million, including $16.2 million from the State General Fund. The request is an increase of $833,122, or 5.4 percent, including a State General Fund increase of $831,265, or 5.4 percent, above the FY 2015 estimate. The request contains enhancements totaling $640,748, all from the State General Fund, for fringe benefit shortfalls, correctional officer promotions, security vests, vehicle replacements, and IT equipment replacement. The request includes 261.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $15.7 million, including $15.6 million from the State General Fund. The request is an increase of $192,374, or 1.2 percent, including a State General Fund increase of $190,517, or 1.2 percent, above the FY 2015 estimate. The increase is predominantly due to higher salaries and wages for the Security program for reallocated positions, higher inmate incentive pay based on prison population projections, and higher travel expenses, partially offset by lowered cost indices for commodities.

The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $15.5 million, including $15.4 million from the State General Fund. The recommendation is a decrease of $840,859, or 5.1 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending any of the agency's enhancements and a reduction of $200,111, including $197,995 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 262.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's FTE position total.

The Governor concurs with the agency's capital improvements request.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $17.3 million, including $17.1 million from the State General Fund. The request is an increase of $926,351, or 5.7 percent, including a State General Fund increase of $918,725, or 5.7 percent, above the FY 2016 request. The request contains enhancements totaling $992,947, all from the State General Fund, for fringe benefit shortfalls, correctional officer promotions, vehicle replacements, and IT equipment replacement. **Absent the enhancements**, the agency requests $16.3 million, including $16.1 million from the State General Fund. The request is an increase of $574,152, or 3.6 percent, including a State General Fund increase of $566,526, or 3.6 percent, above the FY 2016 request less enhancements. The increase is due primarily to a 27th payroll period in that fiscal year and higher workers compensation rates, partially offset by lower contractual services for inmate incentive pay and cost indices for commodities.

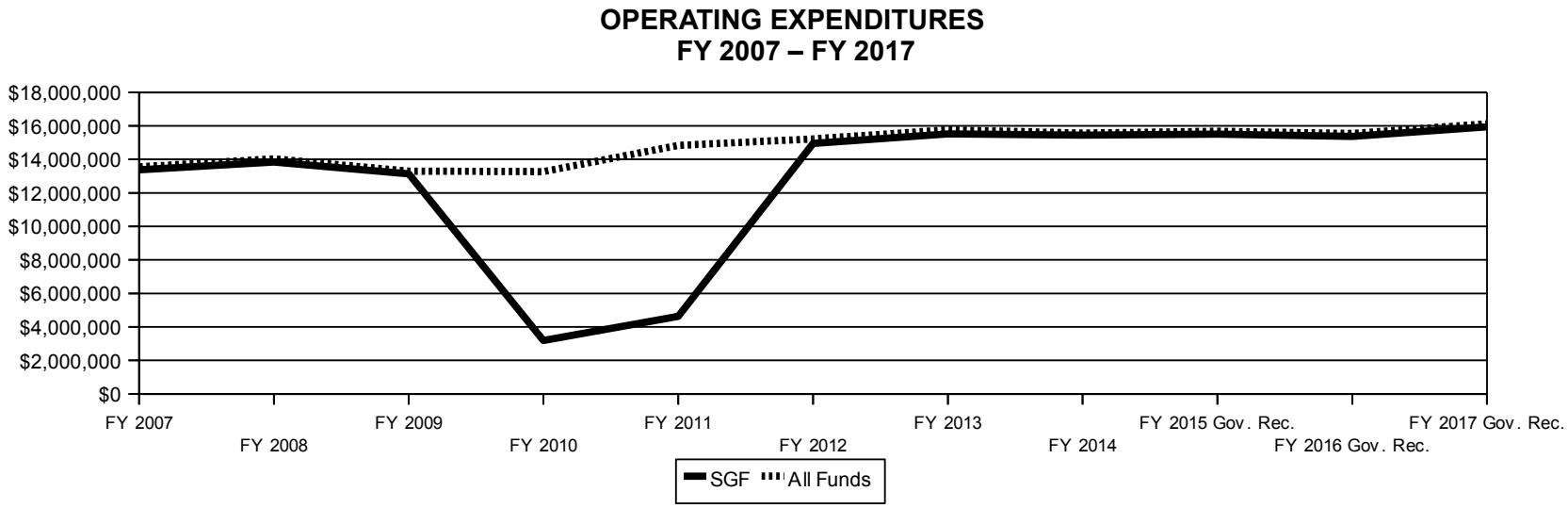
The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $16.1 million, including $15.9 million from the State General Fund. The recommendation is a decrease of $1.2 million, or 6.9 percent, including a State General Fund decrease of $1.2 million, or 7.0 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $203,603, including $201,447 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 262.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's FTE position total.

The Governor concurs with the agency's capital improvements request.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 13,369,651	2.5 %	$ 13,553,549	2.5 %	265.0
2008	13,847,845	3.6	14,034,977	3.6	265.0
2009	13,136,170	(5.1)	13,298,621	(5.2)	263.0
2010	3,185,913	(75.7)	13,269,133	(0.2)	232.0
2011	4,638,507	45.6	14,835,996	11.8	264.0
2012	14,956,954	222.5	15,223,184	2.6	261.0
2013	15,522,744	3.8	15,759,833	3.5	260.0
2014	15,452,739	(0.5)	15,569,990	(1.2)	260.0
2015 Gov. Rec.	15,509,621	0.4	15,676,010	0.7	262.0
2016 Gov. Rec.	15,378,849	(0.8)	15,546,525	(0.8)	262.0
2017 Gov. Rec.	15,941,923	3.7	16,117,185	3.7	262.0
Eleven-Year Change	$ 2,572,272	19.2 %	$ 2,563,636	18.9 %	(3.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 1,008,731	$ 1,099,711	$ 1,145,113	$ 45,402	4.1 %	$ 1,089,522	$ 1,070,186	$ (19,336)	(1.8)%
Security	8,813,280	8,545,065	9,298,295	753,230	8.8	8,736,673	8,898,769	162,096	1.9
Classification and Programs	1,687,206	1,701,996	1,692,241	(9,755)	(0.6)	1,686,571	1,657,039	(29,532)	(1.8)
Stockton Correctional Facility	1,923,375	1,939,622	1,894,822	(44,800)	(2.3)	1,922,823	1,854,713	(68,110)	(3.5)
Support Services	2,137,398	2,267,868	2,356,913	89,045	3.9	2,240,421	2,065,818	(174,603)	(7.8)
TOTAL	$ 15,569,990	$ 15,554,262	$ 16,387,384	$ 833,122	5.4 %	$ 15,676,010	$ 15,546,525	$ (129,485)	(0.8)%
By Major Object of Expenditure:									
Salaries and Wages	$ 13,652,587	$ 13,813,285	$ 14,323,734	$ 510,449	3.7 %	$ 13,952,511	$ 13,821,079	$ (131,432)	(0.9)%
Contractual Services	1,155,497	1,140,984	1,149,000	8,016	0.7	1,140,984	1,149,000	8,016	0.7
Commodities	660,839	599,993	650,629	50,636	8.4	582,515	576,446	(6,069)	(1.0)
Capital Outlay	93,536	0	264,021	264,021	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 15,562,459	$ 15,554,262	$ 16,387,384	$ 833,122	5.4 %	$ 15,676,010	$ 15,546,525	$ (129,485)	(0.8)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	7,531	0	0	0	--	0	0	0	--
TOTAL	$ 15,569,990	$ 15,554,262	$ 16,387,384	$ 833,122	5.4 %	$ 15,676,010	$ 15,546,525	$ (129,485)	(0.8)%
Financing:									
State General Fund	$ 15,452,739	$ 15,386,327	$ 16,217,592	$ 831,265	5.4 %	$ 15,509,621	$ 15,378,849	$ (130,772)	(0.8)%
General Fees Fund	117,251	167,935	169,792	1,857	1.1	166,389	167,676	1,287	0.8
TOTAL	$ 15,569,990	$ 15,554,262	$ 16,387,384	$ 833,122	5.4 %	$ 15,676,010	$ 15,546,525	$ (129,485)	(0.8)%

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	$ 1,145,113	$ 1,186,963	$ 41,850	3.7 %	$ 1,070,186	$ 1,099,492	$ 29,306	2.7 %
Security	9,298,295	10,029,438	731,143	7.9	8,898,769	9,338,768	439,999	4.9
Classification and Programs	1,692,241	1,743,682	51,441	3.0	1,657,039	1,690,241	33,202	2.0
Stockton Correctional Facility	1,894,822	1,958,322	63,500	3.4	1,854,713	1,897,263	42,550	2.3
Support Services	2,356,913	2,395,330	38,417	1.6	2,065,818	2,091,421	25,603	1.2
TOTAL	$ 16,387,384	$ 17,313,735	$ 926,351	5.7 %	$ 15,546,525	$ 16,117,185	$ 570,660	3.7 %
By Major Object of Expenditure:								
Salaries and Wages	$ 14,323,734	$ 15,264,817	$ 941,083	6.6 %	$ 13,821,079	$ 14,384,456	$ 563,377	4.1 %
Contractual Services	1,149,000	1,147,180	(1,820)	(0.2)	1,149,000	1,147,180	(1,820)	(0.2)
Commodities	650,629	637,717	(12,912)	(2.0)	576,446	585,549	9,103	1.6
Capital Outlay	264,021	264,021	0	0.0	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 16,387,384	$ 17,313,735	$ 926,351	5.7 %	$ 15,546,525	$ 16,117,185	$ 570,660	3.7 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	$ 16,387,384	$ 17,313,735	$ 926,351	5.7 %	$ 15,546,525	$ 16,117,185	$ 570,660	3.7 %
Financing:								
State General Fund	$ 16,217,592	$ 17,136,317	$ 918,725	5.7 %	$ 15,378,849	$ 15,941,923	$ 563,074	3.7 %
General Fees Fund	169,792	177,418	7,626	4.5	167,676	175,262	7,586	4.5
TOTAL	$ 16,387,384	$ 17,313,735	$ 926,351	5.7 %	$ 15,546,525	$ 16,117,185	$ 570,660	3.7 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $15,368,849 for the Norton Correctional Facility in FY 2015. Several adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $17,478, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.

- An increase of $278,845, based on the result of net transfers within the Department of Corrections system.

- A reduction of $155,551, as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to $15,509,621. 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.

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	$ 15,509,621	$ 15,386,327	$ (123,294)	$ 15,509,621	$ 0
All Other Funds	167,935	364,689	196,754	363,143	195,208
TOTAL	$ 15,677,556	$ 15,751,016	$ 73,460	$ 15,872,764	$ 195,208
FTE Positions	260.0	261.0	1.0	262.0	2.0

The **agency** estimates FY 2015 total expenditures of $15.8 million, including $15.4 million from the State General Fund. The estimate is an increase of $73,460, or 0.5 percent, above the FY 2015 approved amount, partially offset by a State General Fund decrease of $123,294, or 0.8 percent. The overall increase is attributable to capital improvement expenditures for rehabilitation and repair. The agency's estimate does not include the Governor's December 2014 Allotment that reduced approved State General Fund expenditures and net transfers between the agency and the Department of Corrections system. The estimate includes 261.0 FTE positions, which is 1.0 more FTE position than the FY 2015 approved amount.

The **Governor** recommends FY 2015 total expenditures of $15.9 million, including $15.5 million from the State General Fund. The recommendation is an increase of $121,748, or 0.8 percent, including a State General Fund increase of $123,294, or 0.8 percent, above the agency's FY 2015 estimate. The increase in the Governor's recommendation is attributable to the inclusion of the December 2014 Allotment and net transfers between the agency and the Department of Corrections system. The Governor further recommends a decrease of $1,546 from special revenue funds for a reduction to KPERS employer contributions. The recommendation includes 262.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's FTE position total.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (138,073)	$ (138,073)	0.0
Lapse Reappropriations	(17,478)	(17,478)	0.0
TOTAL	$ (155,551)	$ (155,551)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $138,073, 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 $ 1,546 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of $139,619.

Reappropriations Lapse:

A reduction of $17,478, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $17,478 for the agency. The reduction will require the agency to hold additional positions vacant.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 16,387,384	$ 15,546,525	$ (840,859)
FTE Positions	261.0	262.0	1.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 831,265	$ (130,772)	
All Other Funds	1,857	1,287	
TOTAL	$ 833,122	$ (129,485)	
Percent Change:			
State General Fund	5.4 %	(0.8) %	
All Other Funds	1.1	0.8	
TOTAL	5.4 %	(0.8) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $16.4 million, including $16.2 million from the State General Fund. The request is an increase of $833,122, or 5.4 percent, including a State General Fund increase of $831,265, or 5.4 percent, above the FY 2015 estimate. The request contains enhancements totaling $640,748, all from the State General Fund, for fringe benefit shortfalls, correctional officer promotions, security vests, vehicle replacements, and IT equipment replacement. The request includes 261.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $15.7 million, including $15.6 million from the State General Fund. The request is an increase of $192,374, or 1.2 percent, including a State General Fund increase of $190,517, or 1.2 percent, above the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $14.3 million for salaries and wages. The request is an increase of $510,449, or 3.7 percent, above the FY 2015 estimate. The request contains an enhancement of $302,544, all from the State General Fund, for fringe benefit shortfalls and correctional officer promotions. **Absent the enhancement**, the agency requests $14.0 million for salaries and wages. The request is an increase of $302,544, or 2.2 percent, above the FY 2015 estimate. The increase is mainly due to higher salaries and wages for the Security program for reallocated positions.

- **Contractual Services.** The agency requests $1.1 million for contractual services. The request is an increase of $8,016, or 0.7 percent, above the FY 2015 estimate. The increase is attributable to higher inmate incentive pay based on prison population projections and travel expenses.

- **Commodities.** The agency requests $650,629 for commodities. The request is an increase of $50,636, or 8.4 percent, above the FY 2015 estimate. The request contains an enhancement of $74,183, all from the State General Fund, for new security vests and IT equipment replacement. **Absent the enhancement**, the agency requests $576,446 for commodities. The request is a decrease of $23,547, or 3.9 percent, below the FY 2015 estimate. The decrease is due to lowered cost estimates for commodities.

- **Capital Outlay.** The agency requests an enhancement $264,021, all from the State General Fund, for twelve vehicle replacements. **Absent the enhancement**, the agency does not request any capital outlay expenditures.

The **Governor** recommends FY 2016 operating expenditures of $15.5 million, including $15.4 million from the State General Fund. The recommendation is a decrease of $840,859, or 5.1 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending any of the agency's enhancements and a reduction of $200,111, including $197,995 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 262.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's FTE position total.

Enhancements Detail

FY 2016 ENHANCEMENTS						
	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 129,398	$ 129,398	0.0	$ 0	$ 0	0.0
Correctional Officers Promotions	173,146	173,146	0.0	0	0	0.0
Security Vests	22,015	22,015	0.0	0	0	0.0
Vehicle Replacements	264,021	264,021	0.0	0	0	0.0
IT Equipment Replacement	52,168	52,168	0.0	0	0	0.0
TOTAL	**$ 640,748**	**$ 640,748**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $640,748, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $129,398 for fringe benefit shortfalls. The agency states it cannot fund the Kansas Public Employees Retirement System (KPERS) contribution rate increase without holding 2.5 additional officer positions open.

- **Correctional Officer Promotions.** The agency requests $173,146 for correctional officer promotions. After three years, officers are eligible for a promotion and salary increase. The agency states it has numerous officers qualified or soon qualifying for this promotion and it cannot fund them without holding 3.3 additional positions open.

- **Security Vests.** The agency requests $22,015 for security vests. The agency states this would allow them to replace 54 security vests.

- **Vehicle Replacements.** The agency requests $264,021 for vehicle replacements. This would allow the agency to replace 12 vehicles.

- **IT Equipment Replacement.** The agency requests $52,168 for IT equipment replacement. The agency states this would allow it to replace 25.0 percent of the agency's oldest IT equipment.

The **Governor** does not recommend any of the agency's enhancement requests.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 17,313,735	$ 16,117,185	$ (1,196,550)
FTE Positions	261.0	262.0	1.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 918,725	$ 563,074	
All Other Funds	7,626	0	
TOTAL	$ 926,351	$ 563,074	
Percent Change:			
State General Fund	5.7 %	3.7 %	
All Other Funds	4.5	4.5	
TOTAL	5.7 %	3.7 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $17.3 million, including $17.1 million from the State General Fund. The request is an increase of $926,351, or 5.7 percent, including a State General Fund increase of $918,725, or 5.7 percent, above the FY 2016 request. The request contains enhancements totaling $992,947, all from the State General Fund, for fringe benefit shortfalls, correctional officer promotions, vehicle replacements, and IT equipment replacement. **Absent the enhancements**, the agency requests $16.3 million, including $16.1 million from the State General Fund. The request is an increase of $574,152, or 3.6 percent, including a State General Fund increase of $566,526, or 3.6 percent, above the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $15.3 million for salaries and wages. The request is an increase of $941,083, or 6.6 percent, above the agency's FY 2016 request. The increase is due to enhancements totaling $643,758 for fringe benefit shortfalls and correctional officer promotions, a 27th payroll period, and higher workers compensation rates. **Absent the enhancements**, the agency requests $14.6 million for salaries and wages.

- **Contractual Services.** The agency requests $1.1 million for contractual services. The request is a decrease of $1,820, or 0.2 percent, below the agency's FY 2016 request. The decrease is attributable to reduced expenditures for inmate incentive pay.

- **Commodities.** The agency requests $637,717 for commodities. The recommendation is a decrease of $12,912, or 2.0 percent, below the agency's FY 2016 request. The decrease is due to higher cost estimates for commodities.

The **Governor** recommends FY 2017 operating expenditures of $16.1 million, including $15.9 million from the State General Fund. The recommendation is a decrease of $1.2 million, or 6.9 percent, including a State General Fund decrease of $1.2 million, or 7.0 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $203,603, including $201,447 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 262.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's FTE position total.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 299,204	$ 299,204	0.0	$ 0	$ 0	0.0
Correctional Officer Promotions	377,554	377,554	0.0	0	0	0.0
Vehicle Replacements	264,021	264,021	0.0	0	0	0.0
IT Equipment Replacement	52,168	52,168	0.0	0	0	0.0
TOTAL	**$ 992,947**	**$ 992,947**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $992,947, all from the State General Fund. The enhancement request includes the following.

- **Fringe Benefit Shortfalls.** The agency requests $299,204 for fringe benefit shortfalls. The agency states it cannot fund the KPERS contribution rate and health insurance rate increases without holding open 3.5 additional officer positions open.

- **Correctional Officer Promotions.** The agency requests $377,554 for correctional officer promotions. After three years, officers are eligible for a promotion and salary increase. The agency states it has numerous officers qualified or soon qualifying for this promotion and it cannot fund them without holding 6.9 additional positions open.

- **Vehicle Replacements.** The agency requests $264,021 for vehicle replacements. This would allow the agency to replace 12 vehicles.

- **IT Equipment Replacement.** The agency requests $52,168 for IT equipment replacement. The agency states this would allow it to replace 25.0 percent of the agency's oldest IT equipment.

The **Governor** does not recommend any of the agency's enhancement requests.

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 $70,850 all from the State General Fund, and affects 228 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 $95,920, including $94,756 from the State General Fund, and FY 2017 longevity payments total $102,840, including $101,587 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 $200,111, including $197,995 from the State General Fund for FY 2016. This is a reduction of $203,603, including $201,447 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	99.0 %	98.9 %	99.0 %	98.9 %
General Fees Fund	1.0	1.1	1.0	1.1
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

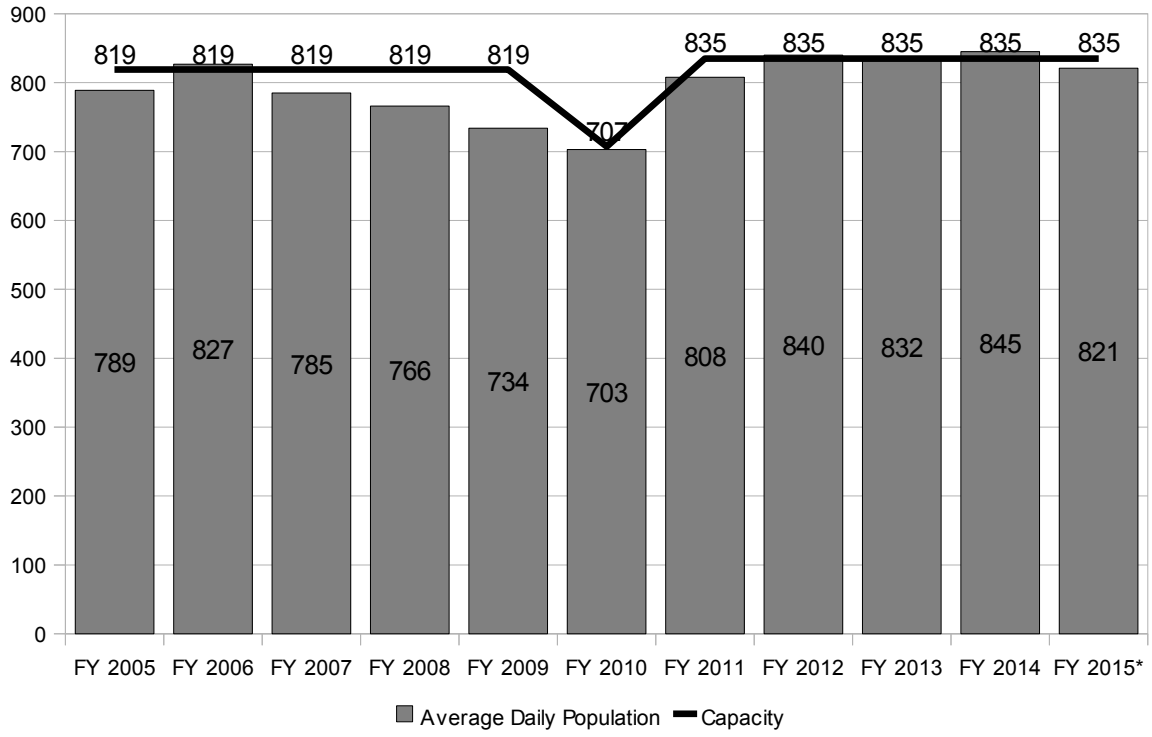
Note: Percentages may not add due to rounding.

General Fees Fund

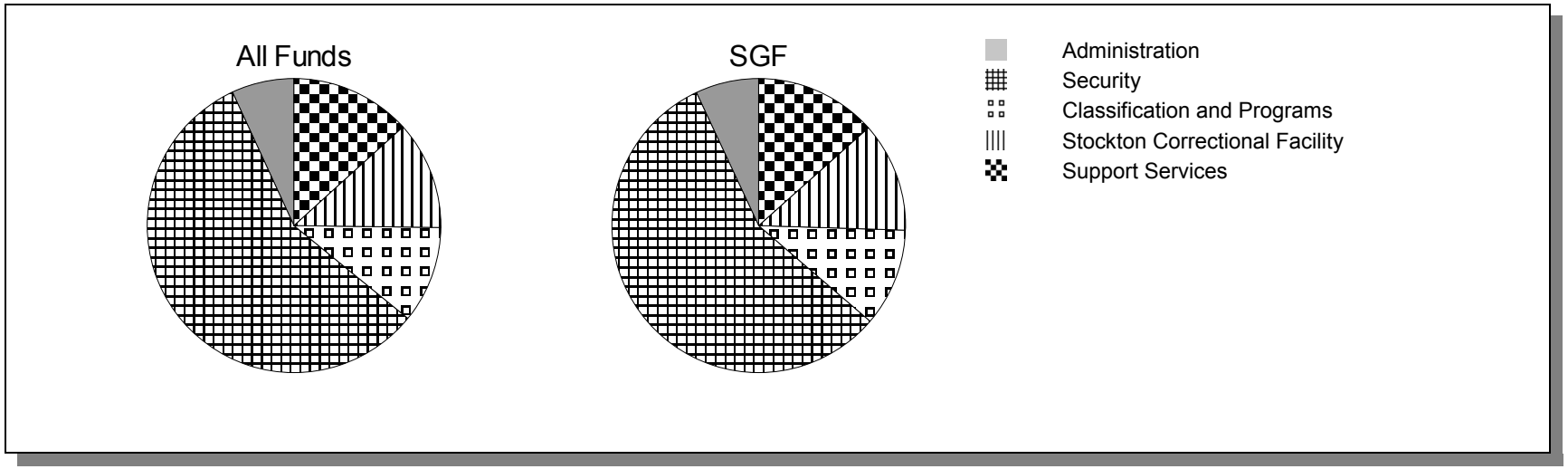
The Norton Correctional Facility General Fees Fund receives reimbursements for the salary of inmate work crew supervisors. This includes 3.0 FTE positions that are funded by the Kansas Department of Transportation for road maintenance crews.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 20,149	$ 15,446	$ 15,446	$ 15,446	$ 16,992	$ 15,446	$ 19,108
Revenue	112,548	167,935	167,935	169,792	169,792	177,418	177,418
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 132,697	$ 183,381	$ 183,381	$ 185,238	$ 186,784	$ 192,864	$ 196,526
Less: Expenditures	117,251	167,935	166,389	169,792	167,676	177,418	175,262
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 15,446	$ 15,446	$ 16,992	$ 15,446	$ 19,108	$ 15,446	$ 21,264
Ending Balance as Percent of Expenditures	13.2%	9.2%	10.2%	9.1%	11.4%	8.7%	12.1%
	March	March	March	March	March	March	March
Month Highest Ending Balance	$ 11,928	$ 9,113	$ 9,113	$ 9,113	$ 10,025	$ 9,113	$ 11,274
	April	April	April	April	April	April	April
Month Lowest Ending Balance	$ 9,758	$ (4,640)	$ (4,640)	$ (4,640)	$ (5,098)	$ (4,640)	$ (4,832)

Capacity and Average Daily Population
***FY 2015 Average Daily Population as of January 14, 2015**



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	$ 1,070,186	6.9 %	$ 1,070,186	7.0 %
Security	8,898,769	57.2	8,731,093	56.8
Classification and Programs	1,657,039	10.7	1,657,039	10.8
Stockton Correctional Facility	1,854,713	11.9	1,854,713	12.1
Support Services	2,065,818	13.3	2,065,818	13.4
TOTAL	$ 15,546,525	100.0 %	$ 15,378,849	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	15.0	16.0	17.0	16.0	17.0	16.0	17.0
Security	166.0	168.0	168.0	168.0	168.0	168.0	168.0
Classification and Programs	27.0	27.0	27.0	27.0	27.0	27.0	27.0
Stockton Correctional Facility	32.0	32.0	32.0	32.0	32.0	32.0	32.0
Support Services	20.0	18.0	18.0	18.0	18.0	18.0	18.0
TOTAL	260.0	261.0	262.0	261.0	262.0	261.0	262.0

A. Administration

The Administration program provides management direction and technical assistance including fiscal, personnel, and training assistance to other programs within the facility. The program acts as a liaison with other state agencies, federal and local units of government, and the general public.

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	$ 899,364	$ 1,039,185	$ 1,028,996	$ 1,034,085	$ 1,011,326	$ 1,073,290	$ 1,037,987
Contractual Services	55,790	60,176	60,176	52,180	52,180	54,325	54,325
Commodities	9,332	350	350	58,848	6,680	59,348	7,180
Capital Outlay	36,714	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,001,200	$ 1,099,711	$ 1,089,522	$ 1,145,113	$ 1,070,186	$ 1,186,963	$ 1,099,492
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	7,531	0	0	0	0	0	0
TOTAL	$ 1,008,731	$ 1,099,711	$ 1,089,522	$ 1,145,113	$ 1,070,186	$ 1,186,963	$ 1,099,492
Financing:							
State General Fund	$ 1,008,731	$ 1,099,711	$ 1,089,522	$ 1,145,113	$ 1,070,186	$ 1,186,963	$ 1,099,492
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,008,731	$ 1,099,711	$ 1,089,522	$ 1,145,113	$ 1,070,186	$ 1,186,963	$ 1,099,492
FTE Positions	15.0	16.0	17.0	16.0	17.0	16.0	17.0
Non-FTE Uncl. Perm. Pos.	2.0	2.0	0.0	2.0	0.0	2.0	0.0
TOTAL	17.0	18.0	17.0	18.0	17.0	18.0	17.0

The **agency** requests FY 2016 operating expenditures of $1.1 million, all from the State General Fund. The request is an increase of $45,402, or 4.1 percent, above the FY 2015 estimate. The request contains enhancements totaling $61,739, all from the State General Fund, for fringe benefit shortfalls and IT equipment replacement. The request includes 16.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $1.1 million. The request is a decrease of $16,337, or 1.5 percent, below the FY 2015 estimate. The decrease is primarily due to a higher shrinkage rate for salaries and wages and fees for Legislative Post Audit services.

The **Governor** recommends FY 2016 operating expenditures of $1.1 million, all from the State General Fund. The recommendation is a decrease of $74,927, or 6.5 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's

enhancement requests and a reduction of $13,188 to reduce employer contributions for state employee health insurance. The recommendation includes 17.0 FTE positions, which is 1.0 additional FTE position above the agency's request. The increase in FTE positions is a technical adjustment to accurately reflect the agency's FTE position total.

The **agency** requests FY 2017 operating expenditures of $1.2 million, all from the State General Fund. The request is an increase of $41,850, or 3.7 percent, above the FY 2016 request. The request includes enhancements totaling $74,084, all from the State General Fund, for fringe benefit shortfalls and IT equipment replacement. The request includes 16.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $1.1 million. The request is an increase of $29,505, or 2.7 percent, above the FY 2016 request less enhancements. The increase is mainly attributable to a 27th payroll period and higher workers compensation rates.

The **Governor** recommends FY 2017 operating expenditures of $1.1 million, all from the State General Fund. The recommendation is a decrease of $87,471, or 7.4 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $13,387 to reduce employer contributions for state employee health insurance. The recommendation includes 17.0 FTE positions, which is 1.0 additional FTE position above the agency's request. The increase in FTE positions is a technical adjustment to accurately reflect the agency's FTE position total.

B. Security

The Security program provides supervision, surveillance, and control of the inmate population. This includes routine facility searches for contraband, random drug and alcohol tests, monitoring of inmate activities and behavior, and maintaining a Special Operations Response Team. The program contains the facility's largest number of FTE positions. Security staff for the Stockton Correctional Facility are maintained separately.

SECURITY
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	$ 8,692,103	$ 8,500,937	$ 8,692,545	$ 9,204,754	$ 8,827,243	$ 9,955,839	$ 9,265,169
Contractual Services	22,077	25,628	25,628	21,630	21,630	21,600	21,600
Commodities	60,542	18,500	18,500	71,911	49,896	51,999	51,999
Capital Outlay	38,558	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 8,813,280	$ 8,545,065	$ 8,736,673	$ 9,298,295	$ 8,898,769	$ 10,029,438	$ 9,338,768
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 8,813,280	$ 8,545,065	$ 8,736,673	$ 9,298,295	$ 8,898,769	$ 10,029,438	$ 9,338,768
Financing:							
State General Fund	$ 8,696,029	$ 8,427,034	$ 8,619,733	$ 9,128,503	$ 8,731,093	$ 9,852,020	$ 9,163,506
All Other Funds	117,251	118,031	116,940	169,792	167,676	177,418	175,262
TOTAL	$ 8,813,280	$ 8,545,065	$ 8,736,673	$ 9,298,295	$ 8,898,769	$ 10,029,438	$ 9,338,768
FTE Positions	166.0	168.0	168.0	168.0	168.0	168.0	168.0
Non-FTE Uncl. Perm. Pos.	1.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	167.0	170.0	170.0	170.0	170.0	170.0	170.0

The **agency** requests FY 2016 operating expenditures of $9.3 million, including $9.1 million from the State General Fund. The request is an increase of $753,230, or 8.8 percent, including a State General Fund increase of $701,469, or 8.3 percent, above the FY 2015 estimate. The request contains enhancements totaling $275,767, all from the State General Fund, for fringe benefit shortfalls, correctional officer promotions, and new security vests. The request includes 168.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $9.0 million, including $8.9 million from the State General Fund. The request is an increase of $477,463, or 5.6 percent, including a State General Fund increase of $425,702, or 5.1 percent, above the FY 2015 estimate. The increase is primarily due to higher salaries and wages for reallocated positions, health insurance rates, holiday pay, and cost indices for commodities.

The **Governor** recommends FY 2016 operating expenditures of $8.9 million, including $8.7 million from the State General Fund. The recommendation is a decrease of $399,526, or 4.3 percent, including a State General Fund decrease of $397,410, or 4.4 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $123,759, including $121,643 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 168.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $10.0 million, including $9.9 million from the State General Fund. The request is an increase of $731,143, or 7.9 percent, including a State General Fund increase of $723,517, or 7.9 percent, above the FY 2016 request. The request contains enhancements totaling $564,561, all from the State General Fund, for fringe benefit shortfalls and correctional officer promotions. The request includes 168.0 FTE positions which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $9.5 million, including $9.3 million from the State General Fund. The request is an increase of $442,349, or 4.9 percent, including a State General Fund increase of $434,723, or 4.9 percent, above the FY 2016 request less enhancements. The increase is mainly attributable to a 27th payroll period and higher workers compensation rates.

The **Governor** recommends FY 2017 operating expenditures of $9.3 million, including $9.2 million from the State General Fund. The recommendation is a decrease of $690,670, or 6.9 percent, including a State General Fund decrease of $688,514, or 7.0 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $126,109, including $123,953 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 168.0 FTE positions, the same as the agency's request.

C. Classification and Programs

Classification and Programs is composed of the following three sub-programs: Classification and Records, Activities, and Chaplaincy Services. Classification and Records reports and records all pertinent information regarding the movement and progress of NCF inmates. Activities Services provides recreational opportunities for inmates such as sports, social, cultural, and special events. Chaplaincy Services provide religious counseling and other religious services to NCF inmates.

CLASSIFICATION AND PROGRAMS
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	$ 1,497,895	$ 1,523,496	$ 1,508,071	$ 1,504,536	$ 1,469,334	$ 1,561,202	$ 1,507,761
Contractual Services	187,631	178,500	178,500	186,705	186,705	181,980	181,980
Commodities	1,680	0	0	1,000	1,000	500	500
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,687,206	$ 1,701,996	$ 1,686,571	$ 1,692,241	$ 1,657,039	$ 1,743,682	$ 1,690,241
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 1,687,206	$ 1,701,996	$ 1,686,571	$ 1,692,241	$ 1,657,039	$ 1,743,682	$ 1,690,241
Financing:							
State General Fund	$ 1,687,206	$ 1,701,996	$ 1,686,571	$ 1,692,241	$ 1,657,039	$ 1,743,682	$ 1,690,241
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,687,206	$ 1,701,996	$ 1,686,571	$ 1,692,241	$ 1,657,039	$ 1,743,682	$ 1,690,241
FTE Positions	27.0	27.0	27.0	27.0	27.0	27.0	27.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	27.0	27.0	27.0	27.0	27.0	27.0	27.0

The **agency** requests FY 2016 operating expenditures of $1.7 million, all from the State General Fund. The request is a decrease of $9,755, or 0.6 percent, below the FY 2015 estimate. The decrease is primarily attributable to a higher shrinkage rate for salaries and wages, reduced salaries and wages for retiring employees, partially offset by an increase in contractual services for travel expenses and an enhancement of $14,298, all from the State General Fund, for fringe benefit shortfalls. The request includes 27.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $1.7 million.

The **Governor** recommends FY 2016 operating expenditures of $1.7 million, all from the State General Fund. The recommendation is a decrease of $35,202, or 2.1 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement request and a reduction of $20,904 to reduce employer

contributions for state employee health insurance. The recommendation includes 27.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $1.7 million, all from the State General Fund. The request is an increase of $51,441, or 3.0 percent, above the FY 2016 request. The increase is predominantly due to a 27th payroll period and an enhancement of $32,215, all from the State General Fund, for fringe benefit shortfalls, partially offset by a reduction in inmate incentive pay based on prison population projections. The request includes 27.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancement**, the agency requests $1.7 million.

The **Governor** recommends FY 2017 operating expenditures of $1.7 million, all from the State General Fund. The recommendation is a decrease of $53,441, or 3.1 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and a reduction of $21,226 to reduce employer contributions for state employee health insurance. The recommendation includes 27.0 FTE positions, the same as the agency's request.

D. Stockton Correctional Facility

The Stockton Correctional Facility maintains 128 minimum-security beds and provides work crews for surrounding state parks, counties, and communities. The facility was closed in FY 2009 to achieve budget savings. The 2010 Legislature added $1.7 million from the State General Fund and 31.0 FTE positions to the Norton Correctional Facility budget to reopen Stockton in FY 2011.

STOCKTON CORRECTIONAL FACILITY
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	$ 1,657,072	$ 1,710,434	$ 1,693,635	$ 1,644,332	$ 1,604,223	$ 1,704,797	$ 1,643,738
Contractual Services	183,816	167,480	167,480	181,840	181,840	184,225	184,225
Commodities	80,803	61,708	61,708	68,650	68,650	69,300	69,300
Capital Outlay	1,684	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,923,375	$ 1,939,622	$ 1,922,823	$ 1,894,822	$ 1,854,713	$ 1,958,322	$ 1,897,263
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 1,923,375	$ 1,939,622	$ 1,922,823	$ 1,894,822	$ 1,854,713	$ 1,958,322	$ 1,897,263
Financing:							
State General Fund	$ 1,923,375	$ 1,889,718	$ 1,873,374	$ 1,894,822	$ 1,854,713	$ 1,958,322	$ 1,897,263
All Other Funds	0	49,904	49,449	0	0	0	0
TOTAL	$ 1,923,375	$ 1,939,622	$ 1,922,823	$ 1,894,822	$ 1,854,713	$ 1,958,322	$ 1,897,263
FTE Positions	32.0	32.0	32.0	32.0	32.0	32.0	32.0
Non-FTE Uncl. Perm. Pos.	1.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	33.0	32.0	32.0	32.0	32.0	32.0	32.0

The **agency** requests FY 2016 operating expenditures of $1.9 million, all from the State General Fund. The request is a decrease of $44,800, or 2.3 percent, below the FY 2015 estimate, partially offset by a State General Fund increase of $5,104, or 0.3 percent. The request contains an enhancement of $15,526, all from the State General Fund, for fringe benefit shortfalls. The overall decrease is primarily due to lowered salaries and wages for reallocated positions and a higher shrinkage rate, partially offset by higher inmate incentive pay based on prison population projections and higher cost indices for commodities. The request includes 32.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $1.9 million.

The **Governor** recommends FY 2016 operating expenditures of $1.9 million, all from the State General Fund. The recommendation is a decrease of $40,109, or 2.1 percent, below the agency's FY 2016 request. The decrease is

attributable to the Governor not recommending the agency's enhancement request and a reduction of $24,583 to reduce employer contributions for state employee health insurance. The recommendation includes 32.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $2.0 million, all from the State General Fund. The request is an increase of $63,500, or 3.4 percent, above the FY 2016 request. The request contains an enhancement of $36,080 for fringe benefit shortfalls. The request includes 32.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancement**, the agency requests $1.9 million. The request is an increase of $42,946, or 2.3 percent, above the FY 2016 request less enhancements. The increase is mainly attributable to a 27th payroll period and higher cost indices for utilities.

The **Governor** recommends FY 2017 operating expenditures of $1.9 million, all from the State General Fund. The recommendation is a decrease of $61,059, or 3.1 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement request and a reduction of $24,979 to reduce employer contributions for state employee health insurance. The recommendation includes 32.0 FTE positions, the same as the agency's request.

E. Support Services

The Support Services program consists of maintenance and repairs for all equipment, buildings, and grounds and the provision of all supplies and cleaning services for the facility.

SUPPORT SERVICES
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	$ 906,153	$ 1,039,233	$ 1,029,264	$ 936,027	$ 908,953	$ 969,689	$ 929,801
Contractual Services	706,183	709,200	709,200	706,645	706,645	705,050	705,050
Commodities	508,482	519,435	501,957	450,220	450,220	456,570	456,570
Capital Outlay	16,580	0	0	264,021	0	264,021	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,137,398	$ 2,267,868	$ 2,240,421	$ 2,356,913	$ 2,065,818	$ 2,395,330	$ 2,091,421
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 2,137,398	$ 2,267,868	$ 2,240,421	$ 2,356,913	$ 2,065,818	$ 2,395,330	$ 2,091,421
Financing:							
State General Fund	$ 2,137,398	$ 2,267,868	$ 2,240,421	$ 2,356,913	$ 2,065,818	$ 2,395,330	$ 2,091,421
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 2,137,398	$ 2,267,868	$ 2,240,421	$ 2,356,913	$ 2,065,818	$ 2,395,330	$ 2,091,421
FTE Positions	20.0	18.0	18.0	18.0	18.0	18.0	18.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	20.0	18.0	18.0	18.0	18.0	18.0	18.0

The **agency** requests FY 2016 operating expenditures of $2.4 million, all from the State General Fund. The request is an increase of $89,045, or 3.9 percent, above the FY 2015 estimate. The request contains enhancements totaling $273,418, all from the State General Fund, for fringe benefit shortfalls and vehicle replacements. The request includes 18.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $2.1 million. The request is a decrease of $184,373, or 8.1 percent, below the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $936,027 for salaries and wages. The request is a decrease of $103,2016, or 9.9 percent, below the FY 2015 estimate. The request contains an enhancement of $9,397, all from the State

General Fund, for fringe benefit shortfalls. The overall decrease is due to a reduced salaries and wages for reallocated positions and a higher shrinkage rate. **Absent the enhancement**, the agency requests $929,630 for salaries and wages.

- **Commodities.** The agency requests $450,220 for commodities. The request is a decrease of $69,215, or 13.3 percent, below the FY 2015 estimate. The decrease is attributable to lowered cost indices for commodities.

- **Capital Outlay.** The agency requests an enhancement $264,021, all from the State General Fund, for twelve vehicle replacements. **Absent the enhancement**, the agency does not request any capital outlay expenditures.

The **Governor** recommends FY 2016 operating expenditures of $2.1 million, all from the State General Fund. The recommendation is a decrease of $291,095, or 12.4 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $17,677 to reduce employer contributions for state employee health insurance. The recommendation includes 18.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $2.4 million, all from the State General Fund. The request is an increase of $38,417, or 1.6 percent, all from the State General Fund, above the FY 2016 request. The increase is due to a 27th payroll period and larger enhancements totaling $286,007, all from the State General Fund, for fringe benefit shortfalls and vehicle replacements. The request includes 18.0 FTE positions. **Absent the enhancements**, the agency requests $2.1 million.

The **Governor** recommends FY 2017 operating expenditures of $2.1 million, all from the State General Fund. The recommendation is a decrease of $303,909, or 12.7 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $17,902 to reduce employer contributions for state employee health insurance. The recommendation includes 18.0 FTE positions, the same as the agency's request.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Rehabilitation and Repair	$ 196,754	$ 196,754	$ 0	$ 0	$ 0	$ 0
Financing:						
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	196,754	196,754	0	0	0	0
TOTAL	$ 196,754	$ 196,754	$ 0	$ 0	$ 0	$ 0

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates FY 2015 capital improvement expenditures of $196,754, all from special revenue funds. The estimate is for rehabilitation and repair expenditures including replacing food service equipment and a package scanner.

Current Year Governor Recommendation

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

Budget Year Agency Request

FY 2016 – Budget Year. The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

Budget Year Agency Request

FY 2017 – Budget Year. The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of escapes	0	0	0	0	0
Number of inmate assaults on staff	0	5	4	4	4

Topeka Correctional Facility

	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	$ 13,983,149	$ 14,987,339	$ 14,864,704	$ 16,637,194	$ 14,739,475	$ 17,139,249	$ 15,203,411
Other Funds	480,590	411,363	408,647	308,197	303,681	560,910	556,304
TOTAL	$ 14,463,739	$ 15,398,702	$ 15,273,351	$ 16,945,391	$ 15,043,156	$ 17,700,159	$ 15,759,715
Capital Improvements:							
State General Fund	$ 72,154	$ 78,016	$ 78,016	$ 0	$ 0	$ 0	$ 0
Other Funds	213,051	12,391	12,391	0	0	0	0
TOTAL	$ 285,205	$ 90,407	$ 90,407	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	**$ 14,748,944**	**$ 15,489,109**	**$ 15,363,758**	**$ 16,945,391**	**$ 15,043,156**	**$ 17,700,159**	**$ 15,759,715**
Percentage Change:							
Operating Expenditures							
State General Fund	(1.8) %	7.2 %	6.3 %	11.0 %	(0.8) %	3.0 %	3.1 %
All Funds	(1.1)	6.5	5.6	10.0	(1.5)	4.5	4.8
FTE Positions	241.0	254.0	255.0	254.0	255.0	254.0	255.0
Non-FTE Perm.Uncl.Pos.	7.0	8.0	8.0	8.0	8.0	8.0	8.0
TOTAL	248.0	262.0	263.0	262.0	263.0	262.0	263.0

Agency Overview

Topeka Correctional Facility (TCF) dates back to 1961 when legislative action provided the Director of Penal Institutions the authority to convert facilities of the Topeka Technical College into a State Reception and Diagnostic Center (SRDC) with the primary function to perform evaluations of convicted offenders sentenced to the Kansas State Penitentiary and the Kansas State Industrial Reformatory. Inmate work crews from the Penitentiary performed the renovation and the first inmates were received in early 1962.

Legislation in 1971 authorized the establishment of the Kansas Correctional-Vocational Training Center (KCVTC) with a targeted population of non-violent, youthful, first commitment male offenders. Construction began in mid-1972 with the first inmates received in January 1975. The facility became co-correctional in 1979 to relieve overcrowding at the Kansas Correctional Institution for Women at Lansing and to provide additional opportunities for female offenders.

The Topeka Pre-Release Center was established in 1984 on the grounds of the Topeka State Hospital with a program designed to provide inmates with a smoother transition from prison into the community. From the late 1970s to the mid 1990s, a work release program operated at various sites in Topeka including a location at the Forbes Industrial Area where it operated as the Forbes Correctional Facility.

Consolidation of the four separate Kansas Department of Corrections (KDOC) operations in Topeka began in 1990 with the passage of SB 748. With the completion of I-Cell house in April 1995, the maximum custody females were moved from the Lansing Correctional Facility East Unit. Therefore, TCF became the only facility for adult female offenders operated by the KDOC.

TCF is currently composed of two units, which together house all of the state's incarcerated female offenders. The A-E Compound, formerly the KCVTC, consists of six minimum/medium security dormitories and currently houses up to 474 female inmates. The I-J Compound, a medium/maximum security compound located on the grounds of what was previously the SRDC, currently has a capacity of 314. The Facility's total capacity is 788.

Until March 2001, the Reception and Diagnostic Unit (RDU), also located on the grounds adjacent to the Central Unit, served as the state's central intake point for all male offenders committed to the custody of the Secretary of Corrections. The 1999 Legislature appropriated funds and bonding authority of $16.0 million for the construction of two housing units and the transfer of the functions of the RDU to the El Dorado Correctional Facility. Construction was completed in Spring 2001 and the functions were transferred shortly thereafter. Female inmates continue to be evaluated at the TCF.

MAJOR ISSUES FROM PRIOR YEARS

The **2009 Legislature** approved a 1.25 percent across-the-board State General Fund reduction in FY 2009 and FY 2010 and a 2.75 percent across-the-board State General Fund reduction in FY 2010. The reduction to the Topeka Correctional Facility budget totaled $152,856, all from the State General Fund, in FY 2009 and $499,062, all from the State General Fund in FY 2010. Other changes include the following items.

- A decrease of $127,940, all from the State General Fund, to remove funding for longevity bonuses, which the agencies were instructed to fund from within existing resources.

- An increase of $79,134, including $79,037 from the State General Fund, for undermarket pay adjustments as recommended in the Hay Group study that was completed in FY 2008.

The **2010 Legislature** approved a decrease of $22,505, including $21,467 from the State General Fund in FY 2010 for a 5.0 percent state officers salary reduction ($1,315 from the State General Fund), which applied to the warden at Topeka Correctional Facility and a moratorium on contributions to the Kansas Public Employees Retirement System (KPERS) Death and Disability Fund ($21,190, $20,152 State General Fund). For FY 2011 the Legislature approved the following changes.

- Approved $464,770 from the State General Fund in enhancement funding to reduce the salaries and wages shrinkage rate.

- Deleted $21,258, including $20,216 from the State General Fund, for a moratorium on contributions to the KPERS Death and Disability Fund.

- Deleted $106,465, all from the State General Fund, and instructed the agency to self-fund longevity bonus payments from within existing resources.

- Approved an undermarket pay adjustment, of which $169,475, including $164,613 from the State General Fund, went to Topeka Correctional Facility.

The **2011 Legislature** approved a decrease totaling $309,858, including $306,342 from the State General Fund. The adjustments included the following items.

- Deleted $127,995, all from the State General Fund, for employee longevity bonuses that are to be self-funded in the current year.

- Deleted $160,356, including $157,746 from the State General Fund, as part of an across-the-board reduction.

- Deleted $17,965, including $17,132 from the State General Fund, for a three-month moratorium on contributions to the KPERS Death and Disability Fund.

The **2012 Legislature** approved reductions totaling $111,129, including $109,652 from the State General Fund. The adjustments included the following items.

- Deleted $18,840, including $18,092 from the State General Fund, to reduce longevity bonus payments to the statutory amount.

- Deleted $72,368, all from the State General Fund, to require the agency to self fund statutory longevity bonuses to eligible employees.

- Deleted $19,192, including $19,921 from the State General Fund, to suspend employer contributions to the Kansas Public Employee Retirement System Group Insurance Fund for a three-month period.

The **2012 Legislature** also added $440,000, all from the State General Fund, to hire additional security staff to fill 10.0 existing but unfunded FTE positions.

During the **2013 Legislative Session**, the Governor vetoed the agency's entire FY 2015 operating budget.

The **2014 Legislature** added $641,186, all from the State General Fund, to hire 14.0 FTE positions for FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 total expenditures of $15.5 million, including $15.1 million from the State General Fund. The estimate is an increase of $134,338, or 0.9 percent, including a State General Fund increase of $122,635, or 0.8 percent, above the FY 2015 approved amount. The increase is due to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures and capital improvement expenditures for rehabilitation and repair. The estimate includes 254.0 FTE positions, which is 1.0 less position than the FY 2015 approved amount.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 total expenditures of $15.4 million, including $14.9 million from the State General Fund. The recommendation is a decrease of $125,351, or 0.8 percent, including a State General Fund decrease of $122,635, or 0.8 percent, below the agency's FY 2015 estimate. The decrease is attributable to the inclusion of the Governor's December 2014 Allotment and an additional special revenue funds reduction for reduced KPERS employer contributions. The Governor's recommendation includes 255.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The FTE increase is a technical adjustment for a reallocated position.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $16.9 million, including $16.6 million from the State General Fund. The request is an increase of $1.5 million, or 10.0 percent, including a State General Fund increase of $1.6 million, or 11.0 percent, above the FY 2015 estimate. The request contains enhancements totaling $1.7 million, all from the State General Fund, for eliminated federal funding, mandated staffing needs, fringe benefit shortfalls, vehicle replacements, a new package scanner, and IT equipment replacement. The request includes 254.0 FTE positions, the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $15.2 million, including $14.9 million from the State General Fund. The request is a decrease of $175,486, or 1.1 percent, including a State General Fund decrease of $72,320, or 0.5 percent, below the FY 2015 estimate. The overall decrease is primarily attributable to one-time bonuses paid in FY 2015 that are not made for FY 2016, lowered fringe benefit employer contributions because of staff turnover, and reduced projected expenditures for commodities, partially offset by higher contractual service expenditures for travel, inmate services, and utilities.

The agency does not request any FY 2016 capital improvement expenditures. Capital improvement expenditures for FY 2016 are done so at the discretion of the Department of Corrections' Central Office.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $15.0 million, including $14.7 million from the State General Fund. The recommendation is a decrease of $1.9 million, or 11.2 percent, including a State General Fund decrease of $1.9 million, or 11.4 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending any of the agency's enhancement requests and a reduction of $180,060, including $175,544 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 255.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The FTE increase is a technical adjustment for a reallocated position.

The Governor concurs with the agency's capital improvements request.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $17.7 million, including $17.1 million from the State General Fund. The request is an increase of $754,768, or 4.5 percent, including a State General Fund increase of $502,055, or 3.0 percent, above the FY 2016 request. The request includes enhancements totaling $1.8 million, all from the State General Fund, for lost federal funding, mandated staffing needs, fringe benefit shortfalls, and IT equipment replacement. **Absent the enhancements**, the agency requests $15.9 million, including $15.4 million from the State General Fund. The request is an increase of $720,164, or 4.7 percent, including a State General Fund increase of $467,451, or 3.1, above the FY 2016 request

less enhancements. The increase is predominantly due to expenditures associated with a 27th payroll period in the fiscal year and higher projected expenditures for utilities.

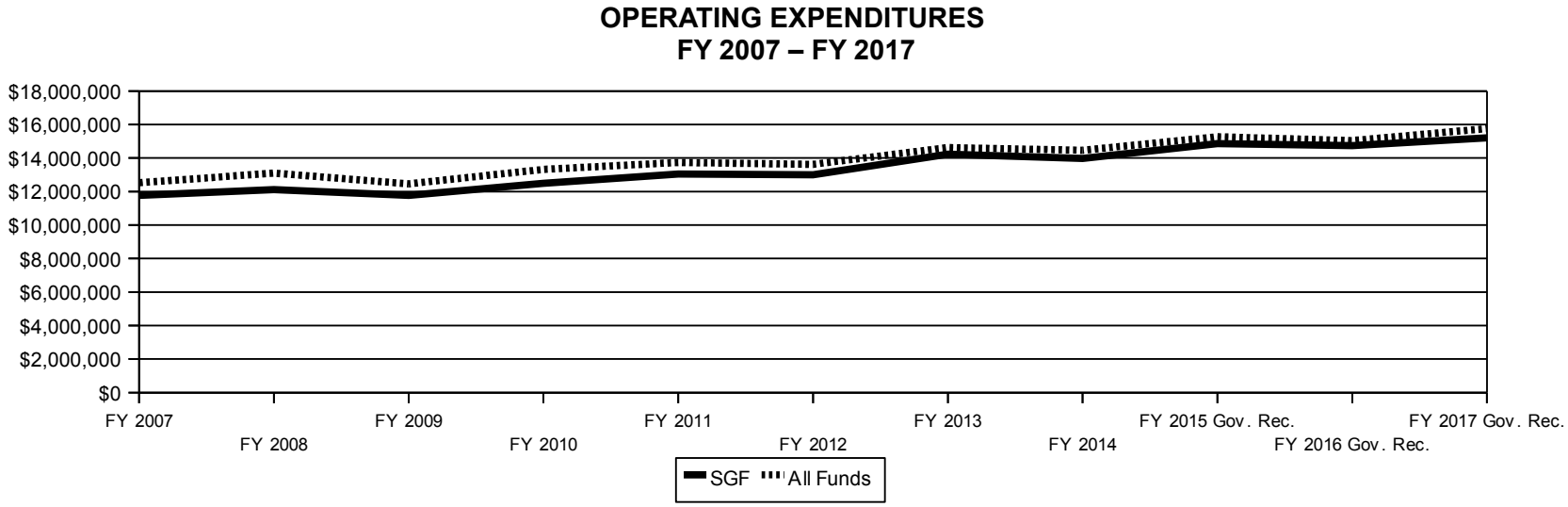
The agency does not request any FY 2016 capital improvement expenditures. Capital improvement expenditures for FY 2016 are done so at the discretion of the Department of Corrections' Central Office.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $15.8 million, including $15.2 million from the State General Fund. The recommendation is a decrease of $1.9 million, or 11.0 percent, including a State General Fund decrease of $1.9 million, or 11.3 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $183,665, including $179,059 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 255.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The FTE increase is a technical adjustment for a reallocated position.

The Governor concurs with the agency's capital improvements request.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 11,778,316	4.4 %	$ 12,525,661	3.1 %	248.0
2008	12,114,126	2.9	13,101,649	4.6	246.0
2009	11,777,350	(2.8)	12,462,742	(4.9)	246.0
2010	12,500,236	6.1	13,323,210	6.9	246.0
2011	13,047,736	4.4	13,735,242	3.1	244.0
2012	12,996,917	(0.4)	13,625,553	(0.8)	241.0
2013	14,234,243	9.5	14,624,157	7.3	239.0
2014	13,983,149	(1.8)	14,463,739	(1.1)	241.0
2015 Gov. Rec.	14,864,704	6.3	15,273,351	5.6	255.0
2016 Gov. Rec.	14,739,475	(0.8)	15,043,156	(1.5)	255.0
2017 Gov. Rec.	15,203,411	3.1	15,759,715	4.8	255.0
Eleven-Year Change	$ 3,425,095	29.1 %	$ 3,234,054	25.8 %	7.0

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 1,028,829	$ 1,010,790	$ 1,085,603	$ 74,813	7.4 %	$ 1,002,038	$ 1,031,694	$ 29,656	3.0 %
Security	8,650,523	9,400,816	10,847,342	1,446,526	15.4	9,316,874	9,143,551	(173,323)	(1.9)
Classification and Programs	2,024,296	2,028,341	2,013,114	(15,227)	(0.8)	2,010,879	1,990,462	(20,417)	(1.0)
Support Services	2,751,129	2,949,794	2,999,332	49,538	1.7	2,934,599	2,877,449	(57,150)	(1.9)
Debt Service	8,962	8,961	0	(8,961)	(100.0)	8,961	0	(8,961)	(100.0)
TOTAL	$ 14,463,739	$ 15,398,702	$ 16,945,391	$ 1,546,689	10.0 %	$ 15,273,351	$ 15,043,156	$ (230,195)	(1.5)%
By Major Object of Expenditure:									
Salaries and Wages	$ 12,878,995	$ 13,746,931	$ 15,142,334	$ 1,395,403	10.2 %	$ 13,621,795	$ 13,397,624	$ (224,171)	(1.6)%
Contractual Services	1,005,620	1,041,478	1,051,733	10,255	1.0	1,041,478	1,051,733	10,255	1.0
Commodities	497,806	578,858	571,325	(7,533)	(1.3)	578,643	571,325	(7,318)	(1.3)
Capital Outlay	51,280	0	157,525	157,525	--	0	0	0	--
Debt Service	8,962	8,961	0	(8,961)	(100.0)	8,961	0	(8,961)	(100.0)
Subtotal - Operations	$ 14,442,663	$ 15,376,228	$ 16,922,917	$ 1,546,689	10.1 %	$ 15,250,877	$ 15,020,682	$ (230,195)	(1.5)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	21,076	22,474	22,474	0	0.0	22,474	22,474	0	0.0
TOTAL	$ 14,463,739	$ 15,398,702	$ 16,945,391	$ 1,546,689	10.0 %	$ 15,273,351	$ 15,043,156	$ (230,195)	(1.5)%
Financing:									
State General Fund	$ 13,983,149	$ 14,987,339	$ 16,637,194	$ 1,649,855	11.0 %	$ 14,864,704	$ 14,739,475	$ (125,229)	(0.8)%
General Fees Fund	322,062	253,536	151,146	(102,390)	(40.4)	252,195	148,931	(103,264)	(40.9)
Federal Funds	158,528	157,827	157,051	(776)	(0.5)	156,452	154,750	(1,702)	(1.1)
TOTAL	$ 14,463,739	$ 15,398,702	$ 16,945,391	$ 1,546,689	10.0 %	$ 15,273,351	$ 15,043,156	$ (230,195)	(1.5)%

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	$ 1,085,603	$ 1,138,670	$ 53,067	4.9 %	$ 1,031,694	$ 1,084,487	$ 52,793	5.1 %
Security	10,847,342	11,444,256	596,914	5.5	9,143,551	9,606,176	462,625	5.1
Classification and Programs	2,013,114	2,111,654	98,540	4.9	1,990,462	2,088,549	98,087	4.9
Support Services	2,999,332	3,005,579	6,247	0.2	2,877,449	2,980,503	103,054	3.6
Debt Service	0	0	0	--	0	0	0	--
TOTAL	$ 16,945,391	$ 17,700,159	$ 754,768	4.5 %	$ 15,043,156	$ 15,759,715	$ 716,559	4.8 %
By Major Object of Expenditure:								
Salaries and Wages	$ 15,142,334	$ 15,993,213	$ 850,879	5.6 %	$ 13,397,624	$ 14,092,994	$ 695,370	5.2 %
Contractual Services	1,051,733	1,072,922	21,189	2.0	1,051,733	1,072,922	21,189	2.0
Commodities	571,325	571,325	0	0.0	571,325	571,325	0	0.0
Capital Outlay	157,525	40,225	(117,300)	(74.5)	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 16,922,917	$ 17,677,685	$ 754,768	4.5 %	$ 15,020,682	$ 15,737,241	$ 716,559	4.8 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	22,474	22,474	0	0.0	22,474	22,474	0	0.0
TOTAL	$ 16,945,391	$ 17,700,159	$ 754,768	4.5 %	$ 15,043,156	$ 15,759,715	$ 716,559	4.8 %
Financing:								
State General Fund	$ 16,637,194	$ 17,139,249	$ 502,055	3.0 %	$ 14,739,475	$ 15,203,411	$ 463,936	3.1 %
General Fees Fund	151,146	397,012	245,866	162.7	148,931	394,753	245,822	165.1
Federal Funds	157,051	163,898	6,847	4.4	154,750	161,551	6,801	4.4
TOTAL	$ 16,945,391	$ 17,700,159	$ 754,768	4.5 %	$ 15,043,156	$ 15,759,715	$ 716,559	4.8 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $15,065,140 for the Topeka Correctional Facility in FY 2015. Two adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $215, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- A reduction of $122,635, as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to $14,942,720. 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.

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	$ 14,942,720	$ 15,065,355	$ 122,635	$ 14,942,720	$ 0
All Other Funds	412,051	423,754	11,703	421,038	8,987
TOTAL	$ 15,354,771	$ 15,489,109	$ 134,338	$ 15,363,758	$ 8,987
FTE Positions	255.0	254.0	(1.0)	255.0	0.0

The **agency** estimates FY 2015 total expenditures of $15.5 million, including $15.1 million from the State General Fund. The estimate is an increase of $134,338, or 0.9 percent, including a State General Fund increase of $122,635, or 0.8 percent, above the FY 2015 approved amount. The increase is due to the Governor's December 2014 Allotment that reduced approved

State General Fund expenditures and capital improvement expenditures for rehabilitation and repair. The estimate includes 254.0 FTE positions, which is 1.0 less position than the FY 2015 approved amount.

The **Governor** recommends FY 2015 total expenditures of $15.4 million, including $14.9 million from the State General Fund. The recommendation is a decrease of $125,351, or 0.8 percent, including a State General Fund decrease of $122,635, or 0.8 percent, below the agency's FY 2015 estimate. The decrease is attributable to the inclusion of the Governor's December 2014 Allotment and an additional special revenue funds reduction for reduced KPERS employer contributions. The Governor's recommendation includes 255.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The FTE increase is a technical adjustment for a reallocated position.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (122,420)	$ (122,420)	0.0
Lapse Reappropriations	(215)	(215)	0.0
TOTAL	$ (122,635)	$ (122,635)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $122,420, 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 $2,716 from special revenue funds

is reduced in the Governor's budget recommendation resulting in a total reduction of $125,136.

Reappropriations Lapse:

A reduction of $215, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $215 for the agency.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 16,945,391	$ 15,043,156	$ (1,902,235)
FTE Positions	254.0	255.0	1.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 1,649,855	$ (125,229)	
All Other Funds	(103,166)	(104,966)	
TOTAL	$ 1,546,689	$ (230,195)	
Percent Change:			
State General Fund	11.0 %	(0.8) %	
All Other Funds	(25.1)	(25.7)	
TOTAL	10.0 %	(1.5) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $16.9 million, including $16.6 million from the State General Fund. The request is an increase of $1.5 million, or 10.0 percent, including a State General Fund increase of $1.6 million, or 11.0 percent, above the FY 2015 estimate. The request contains enhancements totaling $1.7 million, all from the State General Fund, for eliminated federal funding, mandated staffing needs, fringe benefit shortfalls, vehicle replacements, a new package scanner, and IT equipment replacement. The request includes 254.0 FTE positions, the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $15.2 million, including $14.9 million from the State General Fund. The request is a decrease of $175,486, or 1.1 percent, including a State General Fund decrease of $72,320, or 0.5 percent, below the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $15.1 million for salaries and wages. The request is an increase of $1.4 million, or 10.2 percent, above the FY 2015 estimate. The request includes enhancements totaling $1.6 million, all from the State General Fund, for eliminated federal funding, mandated staffing needs, and fringe benefit shortfalls. **Absent the enhancements**, the agency requests $13.6 million. The request is a decrease of $189,247, or 1.4 percent, below the FY 2015 estimate. The decrease is mainly due to one-time bonuses made in FY 2015 that are not made for FY 2016 and lowered fringe benefit employer contributions because of staff turnover.

- **Contractual Services.** The agency requests $1.1 million for contractual services. The request is an increase of $10,255, or 1.0 percent, above the FY 2015 estimate. The increase is primarily attributable to increased traveling expenditures, higher inmate incentive pay and supplies based on prison population projections, and higher projected expenditures for utilities.

- **Commodities.** The agency requests $571,325 for commodities. The request is a decrease of $7,533, or 1.3 percent, below the FY 2015 estimate. The decrease is predominantly due to reduced gasoline expenditures.

- **Capital Outlay.** The agency requests $157,525 for capital outlay. The request is an enhancement, all from the State General Fund, to replace 25.0 percent of the agency's IT equipment, five vehicles, and a new facility package scanner. **Absent the enhancements**, the agency does not request any capital outlay expenditures.

The **Governor** recommends FY 2016 operating expenditures of $15.0 million, including $14.7 million from the State General Fund. The recommendation is a decrease of $1.9 million, or 11.2 percent, including a State General Fund decrease of $1.9 million, or 11.4 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending any of the agency's enhancement requests and a reduction of $180,060, including $175,544 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 255.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The FTE increase is a technical adjustment for a reallocated position.

Enhancements Detail

FY 2016 ENHANCEMENTS

Enhancements	Agency Request SGF	Agency Request All Funds	Agency Request FTE	Governor's Recommendation SGF	Governor's Recommendation All Funds	Governor's Recommendation FTE
Federal Funding	$ 822,341	$ 822,341	0.0	$ 0	$ 0	0.0
Mandated Staffing Needs	641,186	641,186	0.0	0	0	0.0
Fringe Benefit Shortfalls	101,123	101,123	0.0	0	0	0.0
Vehicle Replacements	97,300	97,300	0.0	0	0	0.0
Package Scanner	20,000	20,000	0.0	0	0	0.0
IT Equipment Replacement	40,225	40,225	0.0	0	0	0.0
TOTAL	**$ 1,722,175**	**$ 1,722,175**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $1.7 million, all from the State General Fund. The enhancement request includes the following items.

- **Federal Funding.** The agency requests $822,341 for lost federal funding. The Bureau of Prisons canceled its contract with the agency in October 2013 and is no longer placing federal inmates at the facility. The agency has not been able to make up the lost funding.

- **Mandated Staffing Needs.** The agency requests $641,186 for mandated staffing needs. The Department of Justice states the agency needs 14.0 additional correctional officer positions to be adequately staffed.

- **Fringe Benefit Shortfalls.** The agency requests $101,123 for fringe benefit shortfalls. The agency states it cannot fund the KPERS contribution rate increase.

- **Vehicle Replacements.** The agency requests $97,300 for vehicle replacements. This will allow the agency to replace five aging vehicles.

- **Package Scanner.** The agency requests $20,000 for a package scanner. The agency states the package scanner in the security access and control building on the maximum security compound needs to be replaced.

- **IT Equipment Replacement.** The agency requests $40,225 for IT equipment replacement. This would allow the agency to replace 25.0 percent of its out-of-date technology.

The **Governor** does not recommend any of the agency's enhancement requests.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 17,700,159	$ 15,759,715	$ (1,940,444)
FTE Positions	254.0	255.0	1.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 502,055	$ 463,936	
All Other Funds	252,713	0	
TOTAL	$ 754,768	$ 463,936	
Percent Change:			
State General Fund	3.0 %	3.1 %	
All Other Funds	82.0	83.2	
TOTAL	4.5 %	(1.5) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $17.7 million, including $17.1 million from the State General Fund. The request is an increase of $754,768, or 4.5 percent, including a State General Fund increase of $502,055, or 3.0 percent, above the FY 2016 request. The request includes enhancements totaling $1.8 million, all from the State General Fund, for lost federal funding, mandated staffing needs, fringe benefit shortfalls, and IT equipment replacement. **Absent the enhancements**, the agency requests $15.9 million, including $15.4 million from the State General Fund. The request is an increase of $720,164, or 4.7 percent, including a State General Fund increase of $467,451, or 3.1, above the FY 2016 request less enhancements. The increase is predominantly due to a 27th payroll period that occurs in that fiscal year and higher projected expenditures for utilities. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $16.0 million for salaries and wages. The recommendation is an increase of $850,879, or 5.6 percent, above the agency's FY 2016 request. The increase is due to expenditures associated with a 27th payroll period for the fiscal year and enhancements for a federal funding contract shortfall, mandated federal staffing needs, and fringe benefit shortfalls. **Absent the enhancements**, the agency requests $14.3 million for salaries and wages.

- **Contractual Services.** The agency requests $1.1 million for contractual services. The request is an increase of $21,189, or 2.0 percent, above the agency's FY 2016 request. The increase is attributable to higher projected expenditures for utilities.

- **Capital Outlay.** The agency requests $40,225 for capital outlay. The request is an enhancement for IT equipment replacement. **Absent the enhancement**, the agency does not request any capital outlay expenditures.

The **Governor** recommends FY 2017 operating expenditures of $15.8 million, including $15.2 million from the State General Fund. The recommendation is a decrease of $1.9 million, or 11.0 percent, including a State General Fund decrease of $1.9 million, or 11.3 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending any of the agency's enhancement requests and a reduction of $183,665, including $179,059 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 255.0 FTE positions, which is 1.0 additional FTE position than the agency's estimate. The FTE increase is a technical adjustment for a reallocated position.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Federal Funding	$ 822,341	$ 822,341	0.0	$ 0	$ 0	0.0
Mandated Staffing Needs	641,186	641,186	0.0	0	0	0.0
Fringe Benefit Shortfalls	253,027	253,027	0.0	0	0	0.0
IT Equipment Replacement	40,225	40,225	0.0	0	0	0.0
TOTAL	**$ 1,756,779**	**$ 1,756,779**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $1.8 million, all from the State General Fund. The enhancement request includes the following items.

- **Federal Funding.** The agency requests $822,341 for lost federal funding. The Bureau of Prisons canceled its contract with the agency in October 2013 and and is no longer placing federal inmates at the facility. The agency has not been able to make up the lost funding.

- **Mandated Staffing Needs.** The agency requests $641,186 for mandated staffing needs. The Department of Justice states the agency needs 14.0 additional correctional officer positions to be adequately staffed.

- **Fringe Benefit Shortfalls.** The agency requests $253,027 for fringe benefit shortfalls. The agency states it cannot fund the KPERS contribution and health insurance rate increases.

- **IT Equipment Replacement.** The agency requests $40,225 for IT equipment replacement. This would allow the agency to replace 25.0 percent of its out-of-date technology.

The **Governor** does not recommend any of the agency's enhancement requests.

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 $64,404, including $63,144 from the State General Fund, and affects 207 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 $67,080, including $65,560 from the State General Fund, and FY 2017 longevity payments total $72,200, including $70,576 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 $180,060, including $175,544 from the State General Fund for FY 2016. This is a reduction of $183,665, including $179,059 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	98.2 %	98.0 %	96.8 %	96.5 %
General Fees Fund	0.9	1.0	2.2	2.5
Federal Funds	0.9	1.0	0.9	1.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

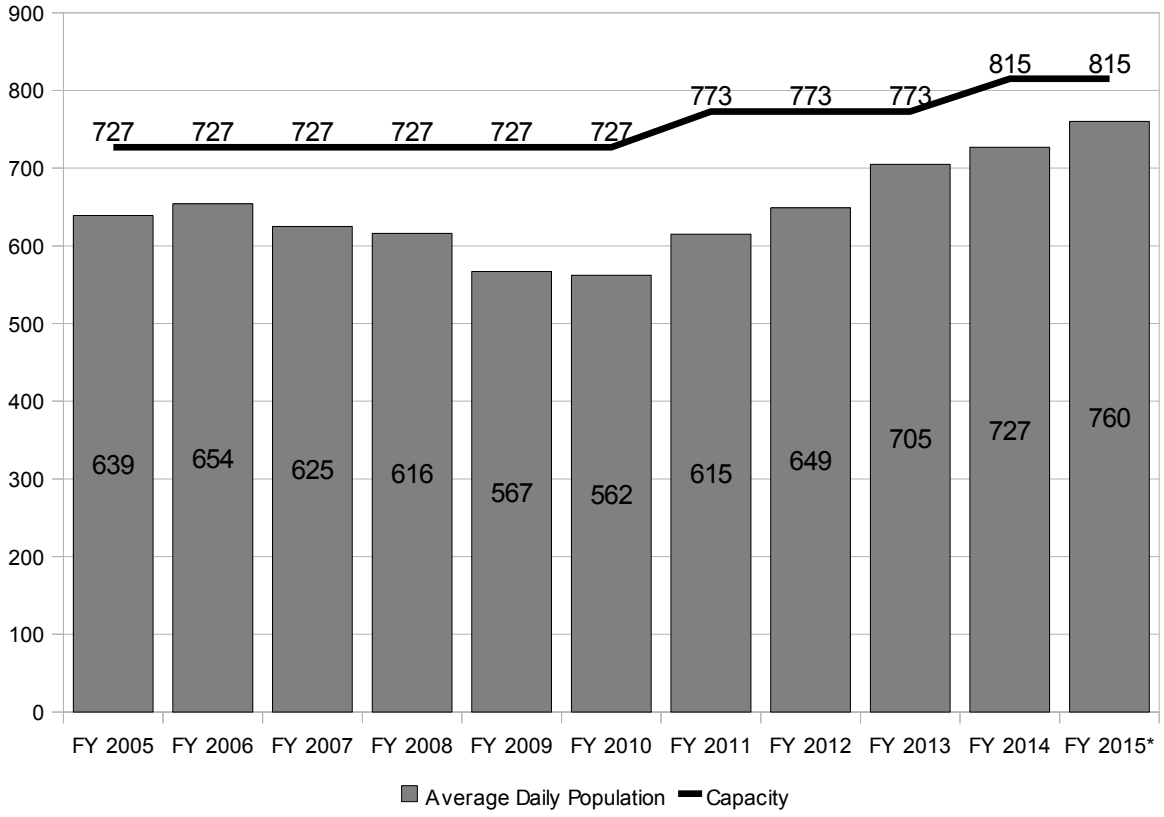
Note: Percentages may not add due to rounding.

General Fees Fund

The Topeka Correctional Facility General Fees Fund is funded through payments from the Kansas Department of Transportation and the City of Topeka for services provided by inmates, such as road maintenance, laundry services, and park maintenance.

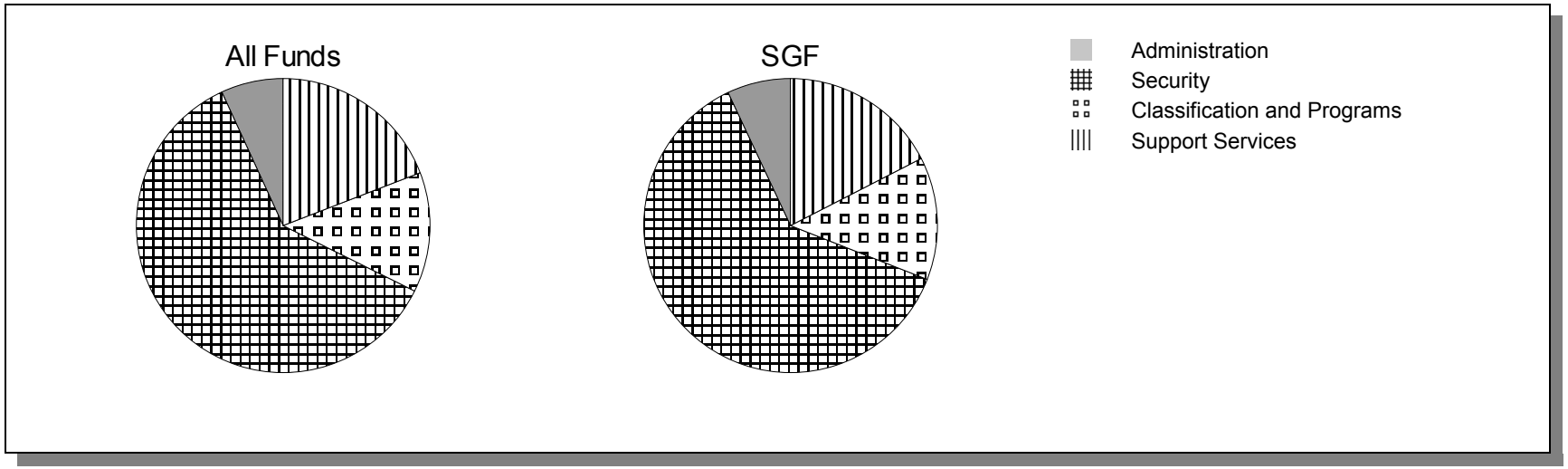
Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 181,061	$ 85,148	$ 85,148	$ 99,405	$ 100,746	$ 213,404	$ 216,960
Revenue	235,342	267,793	267,793	265,145	265,145	272,699	272,699
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 416,403	$ 352,941	$ 352,941	$ 364,550	$ 365,891	$ 486,103	$ 489,659
Less: Expenditures	331,255	253,536	252,195	151,146	148,931	397,012	394,753
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 85,148	$ 99,405	$ 100,746	$ 213,404	$ 216,960	$ 89,091	$ 94,906
Ending Balance as Percent of Expenditures	25.7%	39.2%	39.9%	141.2%	145.7%	22.4%	24.0%
	May	May	May	May	May	May	May
Month Highest Ending Balance	$ 181,060	$ 115,801	$ 115,801	$ 135,191	$ 137,015	$ 290,229	$ 295,066
	June	June	June	June	June	June	June
Month Lowest Ending Balance	$ 85,099	$ 40,020	$ 40,020	$ 46,720	$ 47,351	$ 100,300	$ 101,971

Capacity and Average Daily Population



*FY 2015 Average Daily Population as of January 14, 2015

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	$ 1,031,694	6.9 %	$ 1,031,694	7.0 %
Security	9,143,551	60.8	9,143,551	62.0
Classification and Programs	1,990,462	13.2	1,990,462	13.5
Support Services	2,877,449	19.1	2,573,768	17.5
TOTAL	$ 15,043,156	100.0 %	$ 14,739,475	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	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Security	165.0	179.0	180.0	179.0	180.0	179.0	180.0
Classification and Programs	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Support Services	27.0	26.0	26.0	26.0	26.0	26.0	26.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	241.0	254.0	255.0	254.0	255.0	254.0	255.0

A. Administration

The Administration program is responsible for the overall management of operations for the Topeka Correctional Facility. Personnel management, fiscal management and support personnel, including human resources, are provided through the Administration program. The program provides management direction including supervision, coordination and technical support for program areas. Public information services are performed and the program acts as a liaison with other state agencies, local units of government, and the general public.

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	$ 948,172	$ 912,169	$ 903,417	$ 963,498	$ 949,814	$ 1,016,565	$ 1,002,607
Contractual Services	77,787	91,839	91,839	74,062	74,062	74,062	74,062
Commodities	2,415	1,536	1,536	2,572	2,572	2,572	2,572
Capital Outlay	455	0	0	40,225	0	40,225	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,028,829	$ 1,005,544	$ 996,792	$ 1,080,357	$ 1,026,448	$ 1,133,424	$ 1,079,241
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	5,246	5,246	5,246	5,246	5,246	5,246
TOTAL	$ 1,028,829	$ 1,010,790	$ 1,002,038	$ 1,085,603	$ 1,031,694	$ 1,138,670	$ 1,084,487
Financing:							
State General Fund	$ 1,020,423	$ 1,010,790	$ 1,002,038	$ 1,085,603	$ 1,031,694	$ 1,138,670	$ 1,084,487
All Other Funds	8,406	0	0	0	0	0	0
TOTAL	$ 1,028,829	$ 1,010,790	$ 1,002,038	$ 1,085,603	$ 1,031,694	$ 1,138,670	$ 1,084,487
FTE Positions	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Non-FTE Uncl. Perm. Pos.	0.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	16.0	17.0	17.0	17.0	17.0	17.0	17.0

The **agency** requests FY 2016 operating expenditures of $1.1 million, all from the State General Fund. The request is an increase of $74,813, or 7.4 percent, above the FY 2015 estimate. The increase is due to higher salaries and wages for reclassifying the HR director position, health insurance rate increases, and an enhancement of $40,225, all from the State General Fund, for IT equipment replacement, partially offset by a reduction in contractual services for Department of Administration notary fees and employee surety bond fees and building repairs. The request includes 16.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $1.0 million.

The **Governor** recommends FY 2016 operating expenditures of $1.0 million, all from the State General Fund. The recommendation is a decrease of $53,909, or 5.0 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's

enhancement request and a reduction of $13,684 to reduce employer contributions for state employee health insurance. The recommendation includes 16.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $1.1 million, all from the State General Fund. The request is an increase of $53,067, or 4.9 percent, above the FY 2016 request. The increase is attributable to a 27th payroll period and higher KPERS employer contribution rates. The request contains an enhancement of $40,225, all from the State General Fund, for IT equipment replacement. The request includes 16.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancement**, the agency requests $1.1 million.

The **Governor** recommends FY 2017 operating expenditures of $1.1 million, all from the State General Fund. The recommendation is a decrease of $54,183, or 4.8 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement request and a reduction of $13,958 to reduce employer contributions for state employee health insurance. The recommendation includes 16.0 FTE positions, the same as the agency's request.

B. Security

The Security program provides supervision, surveillance, transportation, and control of the inmate population. This includes supervising inmate work crews assigned to authorized vocational, educational, and work programs and projects, conducting routine facility searches, and conducting random drug and alcohol tests. The Security program maintains the Special Operations Response Team. The Security program contains the facility's largest number of FTE employees.

SECURITY
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	$ 8,610,948	$ 9,368,041	$ 9,284,099	$ 10,784,400	$ 9,100,609	$ 11,401,314	$ 9,563,234
Contractual Services	3,222	1,135	1,135	3,750	3,750	3,750	3,750
Commodities	34,326	31,640	31,640	39,192	39,192	39,192	39,192
Capital Outlay	2,027	0	0	20,000	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 8,650,523	$ 9,400,816	$ 9,316,874	$ 10,847,342	$ 9,143,551	$ 11,444,256	$ 9,606,176
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 8,650,523	$ 9,400,816	$ 9,316,874	$ 10,847,342	$ 9,143,551	$ 11,444,256	$ 9,606,176
Financing:							
State General Fund	$ 8,650,294	$ 9,400,816	$ 9,316,874	$ 10,847,342	$ 9,143,551	$ 11,444,256	$ 9,606,176
All Other Funds	229	0	0	0	0	0	0
TOTAL	$ 8,650,523	$ 9,400,816	$ 9,316,874	$ 10,847,342	$ 9,143,551	$ 11,444,256	$ 9,606,176
FTE Positions	165.0	179.0	180.0	179.0	180.0	179.0	180.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	165.0	179.0	180.0	179.0	180.0	179.0	180.0

The **agency** requests FY 2016 operating expenditures of $10.8 million, all from the State General Fund. The request is an increase of $1.4 million, or 15.4 percent, above the FY 2015 estimate. The request contains enhancements totaling $1.6 million, all from the State General Fund, for eliminated federal funding, mandated staffing needs, fringe benefit shortfalls, and a new package scanner. The request contains 179.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $9.3 million. The request is a decrease of $138,124, or 1.5 percent, below the FY 2015 estimate. The decrease is mainly due to one-time bonuses made in FY 2015 that are not made for FY 2016, partially offset by increases for traveling expenditures and inmate supplies based on prison population projections.

The **Governor** recommends FY 2016 operating expenditures of $9.1 million, all from the State General Fund. The recommendation is a decrease of $1.7 million, or 15.7

percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $119,141 to reduce employer contributions for state employee health insurance. The recommendation includes 180.0 FTE positions, which is 1.0 more FTE position than the agency's request. The increase in FTE positions is a technical adjustment to accurately reflect the total number of FTE positions within the agency.

The **agency** requests FY 2017 operating expenditures of $11.4 million, all from the State General Fund. The request is an increase of $596,914, or 5.5 percent, above the FY 2016 request. The increase is primarily attributable to expenditures associated with a 27th payroll period in the fiscal year and a reduced shrinkage rate for salaries and wages. The request contains enhancements totaling $1.7 million, all from the State General Fund, for eliminated federal funding, mandated staffing needs, and fringe benefit shortfalls. The request includes 179.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $9.7 million.

The **Governor** recommends FY 2017 operating expenditures of $9.6 million, all from the State General Fund. The recommendation is a decrease of $1.8 million, or 16.1 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $121,526 to reduce employer contributions for state employee health insurance. The recommendation includes 180.0 FTE positions, which is 1.0 more FTE position than the agency's request. The increase in FTE positions is a technical adjustment to accurately reflect the total number of FTE positions within the agency.

C. Classification and Programs

The Classification and Programs program is composed of the following sub-programs: Vocational and Academic Education; Mental Health and Counseling Services; Female Evaluations; Recreation; Library Services; Chaplaincy Service; and Classification and Records. The program reports and records all pertinent information regarding the movement and progress of Topeka Correctional Facility inmates. The program monitors, reviews, and records information regarding sentence computation, custody classification, and program participation.

CLASSIFICATION AND PROGRAMS
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	$ 1,818,484	$ 1,825,218	$ 1,807,756	$ 1,799,482	$ 1,776,830	$ 1,898,022	$ 1,874,917
Contractual Services	189,869	192,293	192,293	198,431	198,431	198,431	198,431
Commodities	8,095	3,835	3,835	8,206	8,206	8,206	8,206
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,016,448	$ 2,021,346	$ 2,003,884	$ 2,006,119	$ 1,983,467	$ 2,104,659	$ 2,081,554
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	7,848	6,995	6,995	6,995	6,995	6,995	6,995
TOTAL	$ 2,024,296	$ 2,028,341	$ 2,010,879	$ 2,013,114	$ 1,990,462	$ 2,111,654	$ 2,088,549
Financing:							
State General Fund	$ 1,994,666	$ 2,028,341	$ 2,010,879	$ 2,013,114	$ 1,990,462	$ 2,111,654	$ 2,088,549
All Other Funds	29,630	0	0	0	0	0	0
TOTAL	$ 2,024,296	$ 2,028,341	$ 2,010,879	$ 2,013,114	$ 1,990,462	$ 2,111,654	$ 2,088,549
FTE Positions	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	33.0	33.0	33.0	33.0	33.0	33.0	33.0

The **agency** requests FY 2016 operating expenditures of $2.0 million, all from the State General Fund. The request is a decrease of $15,227, or 0.8 percent, below the FY 2015 estimate. The decrease is due to reduced fringe benefit employer contributions because of staff turnover, partially offset by increases in inmate incentive pay based on prison population projections and projected expenditures for office supplies. The request includes 33.0 FTE positions, which is the same as the FY 2015 estimate.

The **Governor** recommends FY 2016 operating expenditures of $2.0 million, all from the State General Fund. The recommendation is a decrease of $22,652, or 1.1 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor recommending a reduction of $22,652 to reduce employer contributions for state employee health insurance. The recommendation includes 33.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $2.1 million, all from the State General Fund. The request is an increase of $98,540, or 4.9 percent, above the FY 2016 request. The increase is predominantly due to expenditures associated with a 27th payroll period in the fiscal year and a higher KPERS employer contributions. The request includes 33.0 FTE positions, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $2.1 million, all from the State General Fund. The recommendation is a decrease of $23,105, or 1.1 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor recommending a reduction of $23,105 to reduce employer contributions for state employee health insurance. The recommendation includes 33.0 FTE positions, the same as the agency's request.

D. Support Services

The Support Services program consists of the following two operations: Mechanical Services and Supply and Laundry Services. Mechanical Services provide maintenance and repairs for all equipment, buildings and grounds. Supply and Laundry Services orders, distributes and provides safe storage for all supplies and cleaning services for the facility.

SUPPORT SERVICES
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	$ 1,501,391	$ 1,641,503	$ 1,626,523	$ 1,594,954	$ 1,570,371	$ 1,677,312	$ 1,652,236
Contractual Services	734,742	756,211	756,211	775,490	775,490	796,679	796,679
Commodities	452,970	541,847	541,632	521,355	521,355	521,355	521,355
Capital Outlay	48,798	0	0	97,300	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,737,901	$ 2,939,561	$ 2,924,366	$ 2,989,099	$ 2,867,216	$ 2,995,346	$ 2,970,270
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	13,228	10,233	10,233	10,233	10,233	10,233	10,233
TOTAL	$ 2,751,129	$ 2,949,794	$ 2,934,599	$ 2,999,332	$ 2,877,449	$ 3,005,579	$ 2,980,503
Financing:							
State General Fund	$ 2,309,551	$ 2,538,431	$ 2,525,952	$ 2,691,135	$ 2,573,768	$ 2,444,669	$ 2,424,199
All Other Funds	441,578	411,363	408,647	308,197	303,681	560,910	556,304
TOTAL	$ 2,751,129	$ 2,949,794	$ 2,934,599	$ 2,999,332	$ 2,877,449	$ 3,005,579	$ 2,980,503
FTE Positions	27.0	26.0	26.0	26.0	26.0	26.0	26.0
Non-FTE Uncl. Perm. Pos.	7.0	7.0	7.0	7.0	7.0	7.0	7.0
TOTAL	34.0	33.0	33.0	33.0	33.0	33.0	33.0

The **agency** requests FY 2016 operating expenditures of $3.0 million, including $2.7 million from the State General Fund. The request is an increase of $49,538, or 1.7 percent, including a State General Fund increase of $152,704, or 6.0 percent, above the FY 2015 estimate. The request contains an enhancement of $97,300, all from the State General Fund, to replace five vehicles. The request includes 26.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $2.9 million, including $2.6 million from the State General Fund. The request is an overall decrease of $47,762, or 1.6 percent, below the FY 2015 estimate, partially offset by a State General Fund increase of $55,404, or 2.2 percent. The overall decrease is due to one-time bonuses made in FY 2015 that are not made for FY 2016 and reduced gasoline expenditures, partially offset by increased projected expenditures for utilities.

The **Governor** recommends FY 2016 operating expenditures of $2.9 million, including $2.6 million from the State General Fund. The recommendation is a decrease of $121,883, or 4.1 percent, including a State General Fund decrease of $117,367, or 4.4 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and a reduction of $24,583, including $20,067 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 26.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $3.0 million, including $2.4 million from the State General Fund. The request is an overall increase of $6,247, or 0.2 percent, above the FY 2016 request, partially offset by a State General Fund decrease of $246,466, or 9.2 percent. The overall increase is attributable to expenditures associated with a 27th payroll period in the fiscal year and higher projected expenditures for utilities, partially offset by reduced capital outlay expenditures due to no requests for vehicle replacements for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of $3.0 million, including $2.4 million from the State General Fund. The recommendation is a decrease of $25,076, or 0.8 percent, including a State General Fund decrease of $20,470, or 0.8 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $25,076, including $20,470 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation includes 26.0 FTE positions, the same as the agency's request.

E. Debt Service

Topeka Correctional Facility participates in the Facility Conservation Improvement Program (FCIP) administered by the Energy Program of Kansas Corporation Commission (KCC). The total cost of energy projects at Topeka Correctional Facility is $869,771. The FCIP exists to help public entities conserve natural resources and reduce state expenditures. Through an Energy Service Company (ESCO) contract by the KCC, an investment grade energy audit was conducted developing an implementation strategy including design, construction, follow-up services such as staff training, as well as measurement and verification of savings. The ESCO agreement is a long-term contract that becomes a partnership between the agency and the ESCO. The savings are guaranteed through the Energy Service Contract and if the savings are not achieved, the ESCO makes up the difference. The funding for ESCO services and improvements is made through a Request for Proposal (RFP) that is arranged by the Department of Administration. The financing is customized to meet the cash flow needs associated with the project. The facility makes payments for the duration of the lease. Any savings that exceed the debt service payments are retained by the facility. The first payment occurred in FY 2005.

DEBT SERVICE
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	8,962	8,961	8,961	0	0	0	0
Subtotal - Operations	$ 8,962	$ 8,961	$ 8,961	$ 0	$ 0	$ 0	$ 0
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 8,962	$ 8,961	$ 8,961	$ 0	$ 0	$ 0	$ 0
Financing:							
State General Fund	$ 8,215	$ 8,961	$ 8,961	$ 0	$ 0	$ 0	$ 0
All Other Funds	747	0	0	0	0	0	0
TOTAL	$ 8,962	$ 8,961	$ 8,961	$ 0	$ 0	$ 0	$ 0
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests no FY 2016 debt service expenditures. The agency paid off its debt service in FY 2015.

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

The **agency** requests no FY 2017 debt service expenditures. The agency paid off its debt service in FY 2015.

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

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
Debt Service - Principal	$ 78,016	$ 78,016	$ 0	$ 0	$ 0	$ 0
Rehabilitation and Repair	12,391	12,391	0	0	0	0
TOTAL	$ 90,407	$ 90,407	$ 0	$ 0	$ 0	$ 0
Financing:						
State General Fund	$ 78,016	$ 78,016	$ 0	$ 0	$ 0	$ 0
All Other Funds	12,391	12,391	0	0	0	0
TOTAL	$ 90,407	$ 90,407	$ 0	$ 0	$ 0	$ 0

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates FY 2015 capital improvement expenditures of $90,407, including $78,016 from the State General Fund. The request is an increase of $12,391, all from special revenue funds, above the FY 2015 approved amount. The increase is for rehabilitation and repair expenditures.

Current Year Governor Recommendation

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

Budget Year Agency Request

FY 2016 – Budget Year. The agency does not request any FY 2016 capital improvement expenditures. Capital improvement expenditures for FY 2016 are done so at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

Budget Year Agency Request

FY 2017 – Budget Year. The agency does not request any FY 2017 capital improvement expenditures. Capital improvement expenditures for FY 2017 are done so at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of escapes	0	0	0	0	0
Number of inmate assaults on staff	5	4	4	4	4

WINFIELD CORRECTIONAL FACILITY

	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	$ 12,994,751	$ 13,196,053	$ 12,947,217	$ 13,574,990	$ 12,861,719	$ 13,918,323	$ 13,268,966
Other Funds	325,849	280,295	277,710	289,007	285,378	302,332	298,630
TOTAL	$ 13,320,600	$ 13,476,348	$ 13,224,927	$ 13,863,997	$ 13,147,097	$ 14,220,655	$ 13,567,596
Capital Improvements:							
State General Fund	$ 162,759	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	446,850	51,898	51,898	0	0	0	0
TOTAL	$ 609,609	$ 51,898	$ 51,898	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	**$ 13,930,209**	**$ 13,528,246**	**$ 13,276,825**	**$ 13,863,997**	**$ 13,147,097**	**$ 14,220,655**	**$ 13,567,596**
Percentage Change:							
Operating Expenditures							
State General Fund	1.2 %	1.5 %	(0.4) %	2.9 %	(0.7) %	2.5 %	3.2 %
All Funds	1.1	1.2	(0.7)	2.9	(0.6)	2.6	3.2
FTE Positions	198.0	196.0	198.0	196.0	198.0	196.0	198.0
Non-FTE Perm.Uncl.Pos.	2.0	4.0	3.0	4.0	3.0	4.0	3.0
TOTAL	200.0	200.0	201.0	200.0	201.0	200.0	201.0

Winfield Correctional Facility (WCF) is a minimum-custody facility for male inmates established in 1984. Until 1986, the facility served as a pre-release center but has since been renovated and remodeled to house 520 inmates in dormitory like settings. During FY 2004, 16 beds were added to C Dorm and 18 in B Dorm, bringing the total capacity to 554. During the 1995 Legislative Session, funds were appropriated to renovate two buildings formerly used by the Winfield State Hospital and Training Center. In 1997, the Legislature appropriated funds to renovate and reoccupy one of the WCF dormitories, which reopened in the same year.

In September 1996, the Kansas Department of Corrections (KDOC) shifted the Wichita Work Release Facility and its budget from the KDOC Central Office to the WCF office. The work release's 250-bed capacity increased the total capacity for the combined operation to 804.

In July 1997, WCF assumed operation of the maintenance shop, laundry, and warehouse formerly operated by the state hospital. WCF also assumed responsibility for maintaining the security of the entire complex at that time. A total of 23 positions were transferred to WCF from the state hospital for these two additional responsibilities. After the state hospital's closure, the Kansas Commission of Veterans Affairs began renovation on several the state hospital structures to create the Kansas Veterans' Home which is now operational. WCF provides laundry services, grounds maintenance, trash removal and perimeter and ground security, as well as warehouse space and maintenance shop services to the Kansas Veterans' Home.

MAJOR ISSUES FROM PRIOR YEARS

The **2009 Legislature** approved a 1.25 percent across-the-board State General Fund reduction in FY 2009 and FY 2010 and a 2.75 percent across-the-board State General Fund reduction in FY 2010. The reduction to the Winfield Correctional Facility budget totaled $147,163, all from the State General Fund, in FY 2009 and $212,347, all from the State General Fund in FY 2010. Other changes included the following items.

- A decrease of $116,162, all from the State General Fund, to remove funding for longevity bonuses, which the agencies were instructed to fund from within existing resources.

- An increase of $68,889, all from the State General Fund, for undermarket pay adjustments as recommended in the Hay Group study that was completed in FY 2008.

In **FY 2010** the Department of Corrections received $40.5 million of federal American Recovery and Reinvestment Act (ARRA) funds in FY 2010 and FY 2011, which was distributed and also reduced by the same amount of State General Fund among three correctional facilities in the following manner.

- $20.5 million in FY 2010 and FY 2011 for Hutchinson Correctional Facility.

- $10.0 million in FY 2010 and FY 2011 for Norton Correctional Facility.

- $10.0 million in FY 2010 and FY 2011 for Winfield Correctional Facility.

The **2010 Legislature** deleted $17,950 from the State General Fund in FY 2010 for a moratorium on contributions to the KPERS Death and Disability Fund. For FY 2011 the Legislature approved the following items.

- $356,209 from the State General Fund for an agency enhancement request to reduce the salaries and wages shrinkage rate.

- A decrease of $17,870, including $39 from the State General Fund, for a moratorium on contributions to the KPERS death and disability fund.

- An increase of $134,496, including $94,565 from the State General Fund, for Winfield Correctional Facility's portion of the approved undermarket pay adjustments.

In **FY 2011**, the Department of Corrections received $41.3 million in federal ARRA funds in FY 2010 and FY 2011, which was distributed and also reduced by the same amount of State General Fund among three correctional facilities in the following manner.

- $21.3 million in FY 2010 and FY 2011 for Hutchinson Correctional Facility.

- $10.0 million in FY 2010 and FY 2011 for Norton Correctional Facility.

- $10.0 million in FY 2010 and FY 2011 for Winfield Correctional Facility.

The **2011 Legislature** approved reductions totaling $287,772, including $286,430 from the State General Fund. The adjustments included the following items.

- Deleted $117,537, all from the State General Fund, for employee longevity bonuses that are to be self-funded in the current year.

- Deleted $152,668, including $151,733 from the State General Fund, as part of an across-the-board reduction.

- Deleted $15,311, including $14,941 from the State General Fund, for a three month moratorium on contributions to the KPERS Death and Disability Fund.

No federal ARRA funding was available beyond FY 2011.

The **2012 Legislature** approved reductions totaling $114,353, including $113,395 from the State General Fund. The adjustments included the following items.

- Deleted $19,990, including $19,460 from the State General Fund, to reduce longevity bonus payments to the statutory amount.

- Deleted $77,841, all from the State General Fund, to require the agency to self fund statutory longevity bonuses to eligible employees.

- Deleted $16,522, including $16,094 from the State General Fund, to suspend employer contributions to the Kansas Public Employee Retirement System Group Insurance Fund for a three-month period.

During the **2013 Legislative Session**, the Governor vetoed the agency's entire FY 2015 operating budget.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 total expenditures of $13.5 million, including $13.2 million from the State General Fund. The estimate is an increase of $300,734, or 2.3 percent, including a State General Fund increase of $248,836, or 1.9 percent, above the FY 2015 approved amount. The State General Fund increase is due to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures and a supplemental of $139,529 for the utilities for a new building at the Kansas Veterans' Home (KVH). The agency provides numerous services for the Kansas Veterans' Home including utilities, laundry service, and security patrol. The special revenue funds increase is attributable to capital improvement expenditures for rehabilitation and repair. The estimate includes 196.0 FTE positions, which is 2.0 less FTE positions than the FY 2015 approved amount. **Absent the supplemental**, the agency requests $13.4 million, including $13.1 million from the State General Fund.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 total expenditures of $13.3 million, including $12.9 million from the State General Fund. The recommendation is a decrease of $251,421, or 1.9 percent, including a State General Fund decrease of $248,836, or 1.9 percent, below the agency's FY 2015 estimate. The decrease is due to the inclusion of the Governor's December 2014 Allotment and an additional reduction in special revenue funds for reduced KPERS employer contributions. The Governor's recommendation includes 198.0 FTE positions, which is 2.0 additional FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $13.9 million, including $13.6 million from the State General Fund. The request is an increase of $387,649, or 2.9 percent, including a State General Fund increase of $378,937, or 2.9 percent, above the FY 2015 estimate. The request includes enhancements totaling $576,370, all from the State General

Fund, for utilities for a new building at the Kansas Veterans' Home, IT equipment replacement, vehicle replacements, and security vests. The request includes 196.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $13.3 million, including $13.0 million from the State General Fund. The request is a decrease of $49,192, or 0.4 percent, including a State General Fund decrease of $57,904, or 0.4 percent, below the FY 2015 estimate less supplementals. The decrease is mainly due to one-time bonuses made in FY 2015 that are not made for FY 2016, reduced overtime expenditures, lowered cost indices for commodities, and reduced Volunteer Retirement Incentive Program (VRIP) payments, partially offset by higher cost indices for utilities. The agency states KVH incurred rising utility costs before opening the new building.

The agency does not request any FY 2016 capital improvement expenditures. Capital improvement expenditures for FY 2016 are done so at the discretion of the Department of Corrections' Central Office.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $13.1 million, including $12.9 million from the State General Fund. The recommendation is a decrease of $716,900, or 5.2 percent, including a State General Fund decrease of $713,271, or 5.3 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending any of the agency's enhancement requests and a reduction of $140,530, including $136,901 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 198.0 FTE positions, which is 2.0 additional FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

The Governor concurs with the agency's capital improvements request.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $14.2 million, including $13.9 million from the State General Fund. The request is an increase of $356,658, or 2.6 percent, including a State General Fund increase of $343,333, or 2.5 percent, above the FY 2016 request. The request includes enhancements totaling $509,703, all from the State General Fund, for utilities at a new building at the Kansas Veterans' Home, IT equipment replacement, and vehicle replacements. The request includes 196.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $13.7 million, including $13.4 million from the State General Fund. The request is an increase of $423,325, or 3.2 percent, including a State General Fund increase of $410,000, or 3.2 percent, above the FY 2016 request less enhancements. The increase is predominantly attributable to expenses associated with a 27th payroll period in the fiscal year, higher Kansas Public Employees Retirement System (KPERS) employer contribution rates, and increased cost indices for electricity.

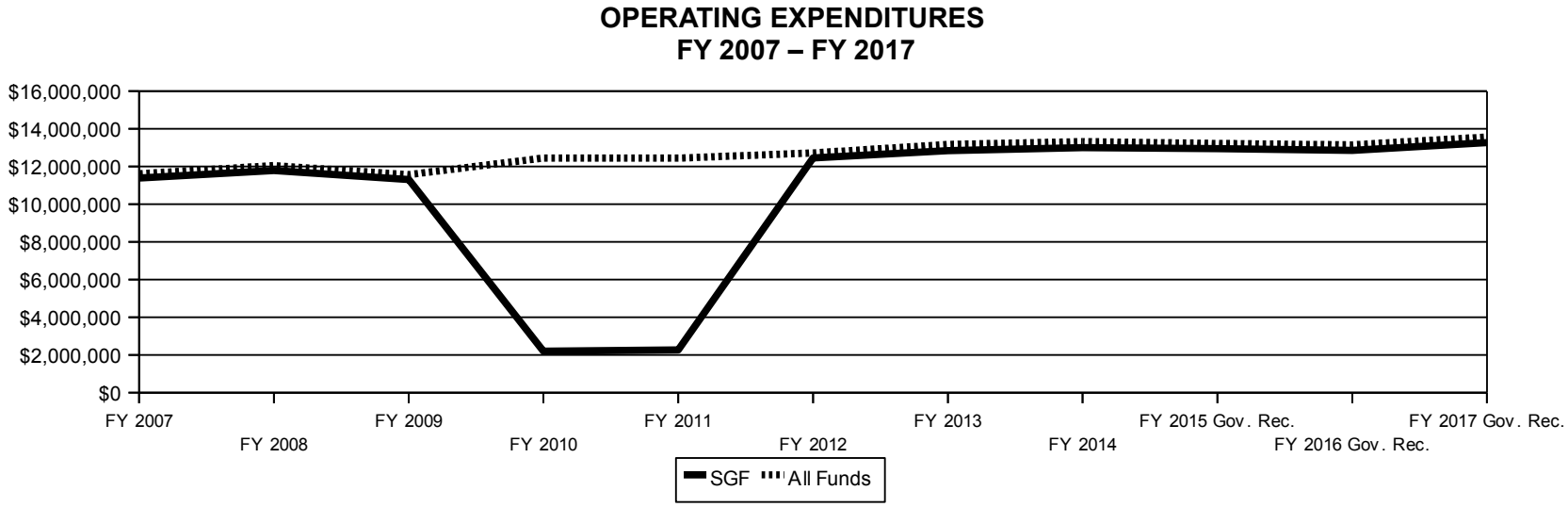
The agency does not request any FY 2017 capital improvement expenditures. Capital improvement expenditures for FY 2017 are done so at the discretion of the Department of Corrections' Central Office.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $13.6 million, including $13.3 million from the State General Fund. The recommendation is a decrease of $653,059, or 4.6 percent, including a State General Fund decrease of $649,357, or 4.7 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending any of the agency's enhancement requests and a reduction of $143,356, including $139,654 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 198.0 FTE positions, which is 2.0 additional FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

The Governor concurs with the agency's capital improvements request.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 11,381,500	2.4 %	$ 11,616,746	2.4 %	201.0
2008	11,790,888	3.6	12,046,070	3.7	200.0
2009	11,309,299	(4.1)	11,565,932	(4.0)	200.0
2010	2,197,854	(80.6)	12,448,399	7.6	200.0
2011	2,264,642	3.0	12,443,840	(0.0)	200.0
2012	12,449,936	449.8	12,718,708	2.2	199.0
2013	12,835,823	3.1	13,169,944	3.5	198.0
2014	12,994,751	1.2	13,320,600	1.1	198.0
2015 Gov. Rec.	12,947,217	(0.4)	13,224,927	(0.7)	198.0
2016 Gov. Rec.	12,861,719	(0.7)	13,147,097	(0.6)	198.0
2017 Gov. Rec.	13,268,966	3.2	13,567,596	3.2	198.0
Eleven-Year Change	$ 1,887,466	16.6 %	$ 1,950,850	16.8 %	(3.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 786,973	$ 803,660	$ 754,793	$ (48,867)	(6.1) %	$ 796,702	$ 747,886	$ (48,816)	(6.1)%
Security	5,389,843	5,538,895	5,430,682	(108,213)	(2.0)	5,485,155	5,346,498	(138,657)	(2.5)
Classification and Programs	1,472,420	1,484,070	1,451,445	(32,625)	(2.2)	1,470,912	1,435,160	(35,752)	(2.4)
Wichita Work Release Facility	2,615,475	2,574,022	2,595,771	21,749	0.8	2,550,585	2,566,439	15,854	0.6
Support Services	3,042,766	3,075,701	3,631,306	555,605	18.1	2,921,573	3,051,114	129,541	4.4
Debt Service	13,123	0	0	0	--	0	0	0	--
TOTAL	$ 13,320,600	$ 13,476,348	$ 13,863,997	$ 387,649	2.9 %	$ 13,224,927	$ 13,147,097	$ (77,830)	(0.6)%
By Major Object of Expenditure:									
Salaries and Wages	$ 10,842,632	$ 11,028,814	$ 10,857,424	$ (171,390)	(1.6) %	$ 10,920,303	$ 10,716,894	$ (203,409)	(1.9)%
Contractual Services	1,688,930	1,764,077	1,962,531	198,454	11.2	1,624,548	1,806,527	181,979	11.2
Commodities	588,708	635,972	610,555	(25,417)	(4.0)	632,591	598,093	(34,498)	(5.5)
Capital Outlay	140,830	0	407,904	407,904	--	0	0	0	--
Debt Service	13,123	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 13,274,223	$ 13,428,863	$ 13,838,414	$ 409,551	3.0 %	$ 13,177,442	$ 13,121,514	$ (55,928)	(0.4)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	46,377	47,485	25,583	(21,902)	(46.1)	47,485	25,583	(21,902)	(46.1)
TOTAL	$ 13,320,600	$ 13,476,348	$ 13,863,997	$ 387,649	2.9 %	$ 13,224,927	$ 13,147,097	$ (77,830)	(0.6)%
Financing:									
State General Fund	$ 12,994,751	$ 13,196,053	$ 13,574,990	$ 378,937	2.9 %	$ 12,947,217	$ 12,861,719	$ (85,498)	(0.7)%
General Fees Fund	325,849	280,295	289,007	8,712	3.1	277,710	285,378	7,668	2.8
TOTAL	$ 13,320,600	$ 13,476,348	$ 13,863,997	$ 387,649	2.9 %	$ 13,224,927	$ 13,147,097	$ (77,830)	(0.6)%

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	$ 754,793	$ 773,731	$ 18,938	2.5 %	$ 747,886	$ 766,686	$ 18,800	2.5 %
Security	5,430,682	5,597,959	167,277	3.1	5,346,498	5,524,790	178,292	3.3
Classification and Programs	1,451,445	1,489,505	38,060	2.6	1,435,160	1,472,894	37,734	2.6
Wichita Work Release Facility	2,595,771	2,672,555	76,784	3.0	2,566,439	2,642,635	76,196	3.0
Support Services	3,631,306	3,686,905	55,599	1.5	3,051,114	3,160,591	109,477	3.6
Debt Service	0	0	0	--	0	0	0	--
TOTAL	$ 13,863,997	$ 14,220,655	$ 356,658	2.6 %	$ 13,147,097	$ 13,567,596	$ 420,499	3.2 %
By Major Object of Expenditure:								
Salaries and Wages	$ 10,857,424	$ 11,230,877	$ 373,453	3.4 %	$ 10,716,894	$ 11,087,521	$ 370,627	3.5 %
Contractual Services	1,962,531	2,210,083	247,552	12.6	1,806,527	1,876,284	69,757	3.9
Commodities	610,555	598,547	(12,008)	(2.0)	598,093	598,547	454	0.1
Capital Outlay	407,904	175,904	(232,000)	(56.9)	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 13,838,414	$ 14,215,411	$ 376,997	2.7 %	$ 13,121,514	$ 13,562,352	$ 440,838	3.4 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	25,583	5,244	(20,339)	(79.5)	25,583	5,244	(20,339)	(79.5)
TOTAL	$ 13,863,997	$ 14,220,655	$ 356,658	2.6 %	$ 13,147,097	$ 13,567,596	$ 420,499	3.2 %
Financing:								
State General Fund	$ 13,574,990	$ 13,918,323	$ 343,333	2.5 %	$ 12,861,719	$ 13,268,966	$ 407,247	3.2 %
General Fees Fund	289,007	302,332	13,325	4.6	285,378	298,630	13,252	4.6
TOTAL	$ 13,863,997	$ 14,220,655	$ 356,658	2.6 %	$ 13,147,097	$ 13,567,596	$ 420,499	3.2 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $13,053,143 for the Winfield Correctional Facility in FY 2015. Two adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $3,381, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- A reduction of $109,307, as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to $12,947,217. 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.

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	$ 12,947,217	$ 13,196,053	$ 248,836	$ 12,947,217	$ 0
All Other Funds	280,295	332,193	51,898	329,608	49,313
TOTAL	$ 13,227,512	$ 13,528,246	$ 300,734	$ 13,276,825	$ 49,313
FTE Positions	198.0	196.0	(2.0)	198.0	0.0

The **agency** estimates FY 2015 total expenditures of $13.5 million, including $13.2 million from the State General Fund. The estimate is an increase of $300,734, or 2.3 percent, including a State General Fund increase of $248,836, or 1.9 percent, above the FY 2015 approved amount. The State General Fund increase is due to the Governor's December 2014 Allotment that

reduced approved State General Fund expenditures and a supplemental of $139,529 for the utilities for a new building at the Kansas Veterans' Home. The agency provides numerous services for the Kansas Veterans' Home including utilities, laundry service, and security patrol. The special revenue funds increase is attributable to capital improvement expenditures for rehabilitation and repair. The estimate includes 196.0 FTE positions, which is 2.0 less FTE positions than the FY 2015 approved amount. **Absent the supplemental**, the agency requests $13.4 million, including $13.1 million from the State General Fund.

The **Governor** recommends FY 2015 total expenditures of $13.3 million, including $12.9 million from the State General Fund. The recommendation is a decrease of $251,421, or 1.9 percent, including a State General Fund decrease of $248,836, or 1.9 percent, below the agency's FY 2015 estimate. The decrease is due to the inclusion of the Governor's December 2014 Allotment and an additional reduction in special revenue funds for reduced KPERS employer contributions. The Governor's recommendation includes 198.0 FTE positions, which is 2.0 additional FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

Supplemental Detail

FY 2015 SUPPLEMENTALS

	Agency Estimate			Governor's Recommendation		
Supplementals	SGF	All Funds	FTE	SGF	All Funds	FTE
KVH Utilities	$ 139,529	$ 139,529	0.0	$ 0	$ 0	0.0

The **agency** estimates one supplemental of $139,529, all from the State General Fund. The agency states the opening of a new building at Kansas Veterans' Homes has impacted the agency's utilities cost more than previously estimated. The agency provides numerous services for the Kansas Veterans' Home including utilities, laundry service, and security patrol.

The **Governor** does not recommend the agency's supplemental request.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included

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

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (105,926)	$ (105,926)	0.0
Lapse Reappropriations	(3,381)	(3,381)	0.0
TOTAL	$ (109,307)	$ (109,307)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $105,926, 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 $2,585 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of $108,511.

Reappropriations Lapse:

A reduction of $3,381, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $3,381 for the agency.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 13,863,997	$ 13,147,097	$ (716,900)
FTE Positions	196.0	198.0	2.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 378,937	$ (85,498)	
All Other Funds	8,712	7,668	
TOTAL	$ 387,649	$ (77,830)	
Percent Change:			
State General Fund	2.9 %	(0.7) %	
All Other Funds	3.1	2.8	
TOTAL	2.9 %	(0.6) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $13.9 million, including $13.6 million from the State General Fund. The request is an increase of $387,649, or 2.9 percent, including a State General Fund increase of $378,937, or 2.9 percent, above the FY 2015 estimate. The request includes enhancements totaling $576,370, all from the State General Fund, for utilities for a new building at the Kansas Veterans' Home, IT equipment replacement, vehicle replacements, and security vests. The request includes 196.0 FTE positions, the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $13.3 million, including $13.0 million from the State General Fund. The request is a decrease of $49,192, or 0.4 percent, including a State General Fund decrease of $57,904, or 0.4 percent, below the FY 2015 estimate less supplementals. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $10.9 million for salaries and wages. The request is a decrease of $171,390, or 1.6 percent, below the FY 2015 estimate. The decrease is due to one-time bonuses made in FY 2015 that are not made for FY 2016.

- **Contractual Services.** The agency requests $2.0 million for contractual services. The request is an increase of $198,454, or 11.2 percent, above the FY 2015 estimate. The request contains an enhancement of $156,004, all from the State General Fund, for utility expenditures at a new KVH building. The overall increase is mainly attributable to higher cost indices for utilities. The agency states KVH incurred rising utility costs before opening the new building. **Absent the enhancement**, the agency requests $1.8 million.

- **Commodities.** The agency requests $610,555 for commodities. The request is a decrease of $25,417, or 4.0 percent, below the FY 2015 estimate. The decrease is primarily due to reduced cost indices for commodities, partially offset by an enhancement of $12,462, all from the State General Fund, for new security vests. **Absent the enhancement**, the agency requests $598,093.

- **Capital Outlay.** The agency requests $407,904 for capital outlay. The request is an enhancement to replace six vehicles and update 25.0 percent of the agency's out-of-date IT equipment. **Absent the enhancement**, the agency does not request any capital outlay expenditures.

- **Other Assistance.** The agency requests $25,583 for other assistance. The request is a decrease of $21,902, or 46.1 percent, below the FY 2015 estimate. The decrease is attributable to reduced Volunteer Retirement Incentive Program (VRIP) payments.

The **Governor** recommends FY 2016 operating expenditures of $13.1 million, including $12.9 million from the State General Fund. The recommendation is a decrease of $716,900, or 5.2 percent, including a State General Fund decrease of $713,271, or 5.3 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending any of the agency's enhancement requests and a reduction of $140,530, including $136,901 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 198.0 FTE positions, which is 2.0 additional FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

Enhancements Detail

FY 2016 ENHANCEMENTS

Enhancements	Agency Request SGF	Agency Request All Funds	Agency Request FTE	Governor's Recommendation SGF	Governor's Recommendation All Funds	Governor's Recommendation FTE
KVH Utilities	$ 156,004	$ 156,004	0.0	$ 0	$ 0	0.0
IT Equipment Replacement	56,204	56,204	0.0	0	0	0.0
Vehicle Replacement	351,700	351,700	0.0	0	0	0.0
Security Vests	12,462	12,462	0.0	0	0	0.0
TOTAL	**$ 576,370**	**$ 576,370**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $576,370, all from the State General Fund. The enhancement request includes the following items.

- **KVH Utilities.** The agency requests $156,004 for Kansas Veterans' Home utilities. The agency states the opening of a new building at Kansas Veterans' Homes has impacted the agency's utilities cost more than previously estimated. The agency provides numerous services for the Kansas Veterans' Home including utilities, laundry service, and security patrol.

- **IT Equipment Replacement.** The agency requests $56,204 for IT equipment replacement. The agency states this would allow it to replace 25.0 percent of its out-of-date technology.

- **Vehicle Replacement.** The agency requests $351,700 for vehicle replacements. The agency states this would allow it to replace six vehicles including two maintenance trucks.

- **Security Vests.** The agency requests $12,462 for security vests. The agency states its current vests are outdated and this would allow it to replace 36 vests.

The **Governor** does not recommend any of the agency's enhancement requests.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 14,220,655	$ 13,567,596	$ (653,059)
FTE Positions	196.0	198.0	2.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 343,333	$ 407,247	
All Other Funds	13,325	0	
TOTAL	$ 356,658	$ 407,247	
Percent Change:			
State General Fund	2.5 %	3.2 %	
All Other Funds	4.6	4.6	
TOTAL	2.6 %	3.2 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $14.2 million, including $13.9 million from the State General Fund. The request is an increase of $356,658, or 2.6 percent, including a State General Fund increase of $343,333, or 2.5 percent, above the FY 2016 request. The request includes enhancements totaling $509,703, all from the State General Fund, for utilities at a new building at the Kansas Veterans' Home, IT equipment replacement, and vehicle replacements. The request includes 196.0 FTE positions, the same as the FY 2016 request. **Absent the enhancements**, the agency requests $13.7 million, including $13.4 million from the State General Fund. The request is an increase of $423,325, or 3.2 percent, including a State General Fund increase of $410,000, or 3.2 percent, above the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $11.2 million for salaries and wages. The recommendation is an increase of $373,453, or 3.4 percent, above the FY 2016 request. The increase is due to expenses associated with a 27th payroll period in the fiscal year and higher KPERS employer contributions.

- **Contractual Services.** The agency requests $2.2 million for contractual services. The recommendation is an increase of $247,552, or 12.6 percent, above the agency's FY 2016 request. The increase is attributable to an enhancement for utility costs associated with KVH.

- **Commodities.** The agency requests $598,547 for commodities. The request is a decrease of $12,008, or 2.0 percent, below the agency's FY 2016 request. The decrease primarily due to an enhancement request for FY 2016 for security vests the agency is not requesting for FY 2017.

- **Capital Outlay.** The agency requests $175,904 for capital outlay. The request is a decrease of $232,000, or 56.9 percent, below the agency's FY 2016 request. The decrease is attributable to a smaller enhancement request for IT equipment and vehicles than made for FY 2016. **Absent the enhancements**, the agency does not request any capital outlay.

The **Governor** recommends FY 2017 operating expenditures of $13.6 million, including $13.3 million from the State General Fund. The recommendation is a decrease of $653,059, or 4.6 percent, including a State General Fund decrease of $649,357, or 4.7 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending any of the agency's enhancement requests and a reduction of $143,356, including $139,654 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor's recommendation includes 198.0 FTE positions, which is 2.0 additional FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
KVH Utilities	$ 333,799	$ 333,799	0.0	$ 0	$ 0	0.0
IT Equipment Replacement	56,204	56,204	0.0	0	0	0.0
Vehicle Replacement	119,700	119,700	0.0	0	0	0.0
TOTAL	**$ 509,703**	**$ 509,703**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $509,703, all from the State General Fund. The enhancement request includes the following:

- **KVH Utilities.** The agency requests $333,799 for Kansas Veterans' Home utilities. The agency states the opening of a new building at Kansas Veterans' Home has impacted the agency's utilities cost more than previously estimated. The agency provides numerous services for the Kansas Veterans' Home including utilities, laundry service, and security patrol.

- **IT Equipment Replacement.** The agency requests $56,204 for IT equipment replacement. The agency states this would allow it to replace 25.0 percent of its out-of-date technology.

- **Vehicle Replacement.** The agency requests $119,700 for vehicle replacements. The agency states this would allow it to replace six vehicles.

The **Governor** does not recommend any of the agency's enhancement requests.

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 $55,949, including $54,523 from the State General Fund, and affects 180 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 $73,720, including $71,757 from the State General Fund, and FY 2017 longevity payments total $78,960, including $76,833 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 $133,849, all from the State General Fund for FY 2016. This is a reduction of $143,356, including $139,654 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	97.9 %	97.8 %	97.9 %	97.8 %
General Fees Fund	2.1	2.2	2.1	2.2
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

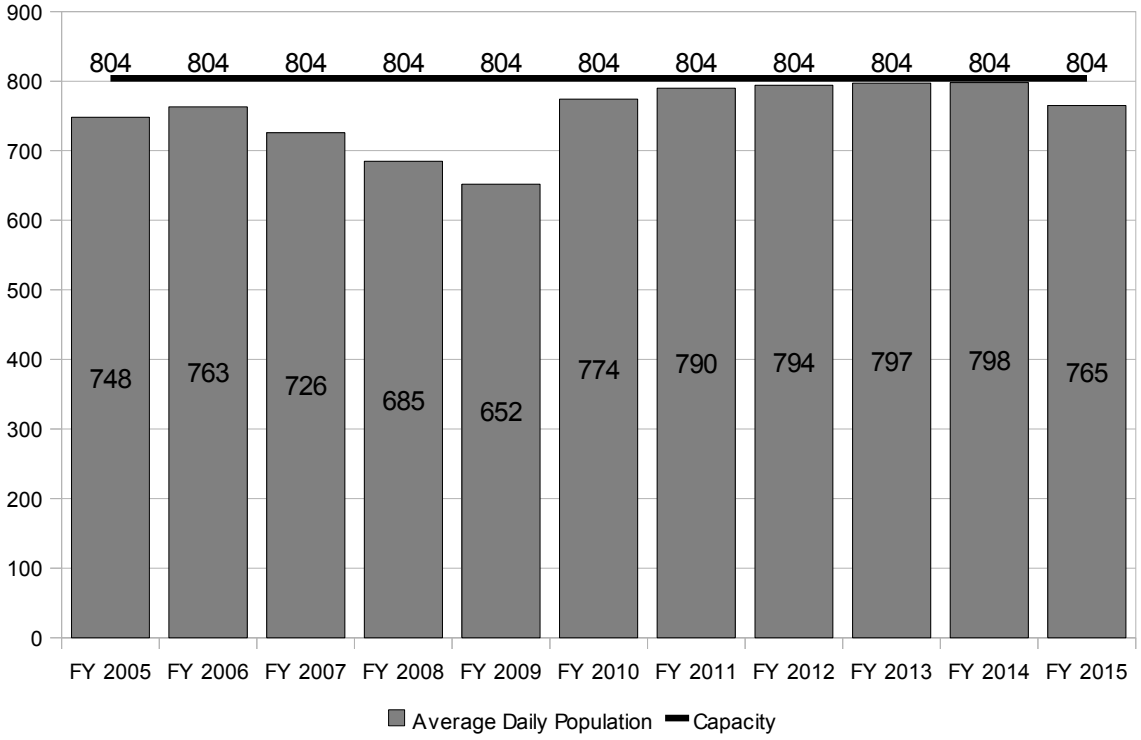
Note: Percentages may not add due to rounding.

General Fees Fund

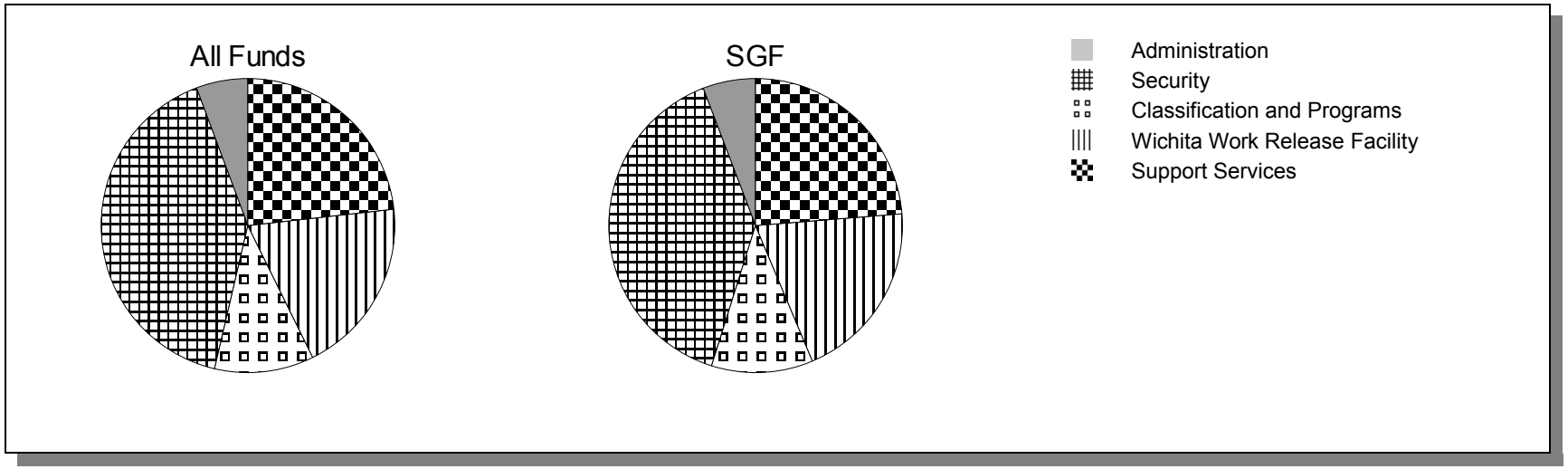
The Winfield Correctional Facility general fees fund is funded through payments from other entities for inmate labor. WCF provides services to the Kansas Veterans' Home, Kansas Department of Transportation, Sedgwick County, and several cities.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 49,717	$ 2,136	$ 2,136	$ 709	$ 3,294	$ (2,139)	$ 4,075
Revenue	278,268	278,868	278,868	286,159	286,159	289,722	289,722
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 327,985	$ 281,004	$ 281,004	$ 286,868	$ 289,453	$ 287,583	$ 293,797
Less: Expenditures	325,849	280,295	277,710	289,007	285,378	302,332	298,630
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 2,136	$ 709	$ 3,294	$ (2,139)	$ 4,075	$ (14,749)	$ (4,833)
Ending Balance as Percent of Expenditures	0.7%	0.3%	1.2%	(0.7%)	1.4%	(4.9%)	(1.6%)

Capacity and Average Daily Population
***Average Daily Population as of January 14, 2015**



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	$ 747,886	5.7 %	$ 747,886	5.8 %
Security	5,346,498	40.7	5,061,120	39.4
Classification and Programs	1,435,160	10.9	1,435,160	11.2
Wichita Work Release Facility	2,566,439	19.5	2,566,439	20.0
Support Services	3,051,114	23.2	3,051,114	23.7
TOTAL	$ 13,147,097	100.0 %	$ 12,861,719	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	11.0	9.0	11.0	9.0	11.0	9.0	11.0
Security	101.0	101.0	101.0	101.0	101.0	101.0	101.0
Classification and Programs	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Wichita Work Release Facility	43.0	43.0	43.0	43.0	43.0	43.0	43.0
Support Services	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	198.0	196.0	198.0	196.0	198.0	196.0	198.0

A. Administration

The Administration program provides direction to management and technical assistance, including fiscal, personnel, and training assistance to the other programs within the facility.

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	$ 687,244	$ 694,357	$ 687,399	$ 657,972	$ 651,065	$ 682,088	$ 675,043
Contractual Services	87,319	95,250	95,250	89,965	89,965	89,895	89,895
Commodities	556	340	340	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 775,119	$ 789,947	$ 782,989	$ 747,937	$ 741,030	$ 771,983	$ 764,938
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	11,854	13,713	13,713	6,856	6,856	1,748	1,748
TOTAL	$ 786,973	$ 803,660	$ 796,702	$ 754,793	$ 747,886	$ 773,731	$ 766,686
Financing:							
State General Fund	$ 786,973	$ 803,660	$ 796,702	$ 754,793	$ 747,886	$ 773,731	$ 766,686
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 786,973	$ 803,660	$ 796,702	$ 754,793	$ 747,886	$ 773,731	$ 766,686
FTE Positions	11.0	9.0	11.0	9.0	11.0	9.0	11.0
Non-FTE Uncl. Perm. Pos.	0.0	2.0	1.0	2.0	1.0	2.0	1.0
TOTAL	11.0	11.0	12.0	11.0	12.0	11.0	12.0

The **agency** requests FY 2016 operating expenditures of $754,793, all from the State General Fund. The request is a decrease of $48,867, or 6.1 percent, below the FY 2015 estimate. The decrease is primarily due to one-time bonuses made in FY 2015 that are not made for FY 2016, reduced contractual services for office services such as postage and printing, and reduced Volunteer Retirement Incentive Program (VRIP) payments. The request includes 9.0 FTE positions, which is the same as the FY 2015 estimate.

The **Governor** recommends FY 2016 operating expenditures of $747,886, all from the State General Fund. The recommendation is a decrease of $6,907, or 0.9 percent, below the agency's request. The decrease is due to the Governor recommending a reduction of $6,907 to reduce employer contributions for state employee health insurance. The recommendation includes 11.0 FTE positions, which is 2.0 more FTE positions than the agency's request. The increase in FTE

positions is a technical adjustment to reflect the agency's current FTE total.

The **agency** requests FY 2017 operating expenditures of $773,731, all from the State General Fund. The request is an increase of $18,938, or 2.5 percent, above the FY 2016 request. The increase is mainly attributable to expenses associated with a 27th payroll period in the fiscal year and higher KPERS employer contribution rates. The request includes 9.0 FTE positions, which is the same as the FY 2016 request.

B. Security

The Security program provides supervision, surveillance and control of the inmate population. The program contains the facility's largest number of full-time equivalent positions.

The **Governor** recommends FY 2017 operating expenditures of $766,686, all from the State General Fund. The recommendation is a decrease of $7,045, or 0.9 percent, below the agency's request. The decrease is due to the Governor recommending a reduction of $7,045 to reduce employer contributions for state employee health insurance. The recommendation includes 11.0 FTE positions, which is 2.0 more FTE positions than the agency's request. The increase in FTE positions is a technical adjustment to reflect the agency's current FTE total.

SECURITY
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	$ 5,363,503	$ 5,518,384	$ 5,464,644	$ 5,398,875	$ 5,327,153	$ 5,578,614	$ 5,505,445
Contractual Services	6,524	2,379	2,379	2,700	2,700	2,700	2,700
Commodities	19,799	18,132	18,132	29,107	16,645	16,645	16,645
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 5,389,826	$ 5,538,895	$ 5,485,155	$ 5,430,682	$ 5,346,498	$ 5,597,959	$ 5,524,790
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	17	0	0	0	0	0	0
TOTAL	$ 5,389,843	$ 5,538,895	$ 5,485,155	$ 5,430,682	$ 5,346,498	$ 5,597,959	$ 5,524,790
Financing:							
State General Fund	$ 5,116,756	$ 5,258,600	$ 5,207,445	$ 5,141,675	$ 5,061,120	$ 5,295,627	$ 5,226,160
All Other Funds	273,087	280,295	277,710	289,007	285,378	302,332	298,630
TOTAL	$ 5,389,843	$ 5,538,895	$ 5,485,155	$ 5,430,682	$ 5,346,498	$ 5,597,959	$ 5,524,790
FTE Positions	101.0	101.0	101.0	101.0	101.0	101.0	101.0
Non-FTE Uncl. Perm. Pos.	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	103.0	103.0	103.0	103.0	103.0	103.0	103.0

The **agency** requests FY 2016 operating expenditures of $5.4 million, including $5.1 million from the State General Fund. The request is a decrease of $108,213, or 2.0 percent, including a State General Fund decrease of $116,925, or 2.2 percent, below the FY 2015 estimate. The decrease is primarily attributable to one-time bonuses made in FY 2015 that are not made for FY 2016 partially offset by an enhancement of $12,462, all from the State General Fund, for new security vests. The request includes 101.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $5.4 million, including $5.1 million from the State General Fund.

The **Governor** recommends FY 2016 operating expenditures of $5.3 million, including $5.1 million from the State General Fund. The recommendation is a decrease of $84,184, or 1.6 percent, including a State General Fund decrease of $80,555, or 1.6 percent, below the agency's

request. The decrease is due to the Governor not recommending the agency's enhancement request and a reduction of $71,722, including $68,093 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $5.6 million, including $5.3 million from the State General Fund. The request is an increase of $167,277, or 3.1 percent, including a State General Fund increase of $153,952, or 3.0 percent, above the FY 2016 request. The increase is due to expenses associated with a 27th payroll period in the fiscal year and higher KPERS employer contribution rates. The request includes 101.0 FTE positions, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $5.5 million, including $5.2 million from the State General Fund. The recommendation is a decrease of $73,169 or 1.3 percent, including a State General Fund decrease of $69,467, or 1.3 percent, below the agency's request. The decrease is due to the Governor recommending a reduction of $73,169, including $69,467 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

C. Classification and Programs

Classification and Programs at Winfield Correctional Facility includes maintenance of inmate records, inmate recreation activities, religious services and counseling.

CLASSIFICATION AND PROGRAMS
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	$ 1,288,680	$ 1,309,722	$ 1,296,564	$ 1,287,081	$ 1,270,796	$ 1,332,757	$ 1,316,146
Contractual Services	148,240	153,652	153,652	151,000	151,000	151,000	151,000
Commodities	2,885	3,810	3,810	4,000	4,000	4,000	4,000
Capital Outlay	15,387	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,455,192	$ 1,467,184	$ 1,454,026	$ 1,442,081	$ 1,425,796	$ 1,487,757	$ 1,471,146
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	17,228	16,886	16,886	9,364	9,364	1,748	1,748
TOTAL	$ 1,472,420	$ 1,484,070	$ 1,470,912	$ 1,451,445	$ 1,435,160	$ 1,489,505	$ 1,472,894
Financing:							
State General Fund	$ 1,472,420	$ 1,484,070	$ 1,470,912	$ 1,451,445	$ 1,435,160	$ 1,489,505	$ 1,472,894
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,472,420	$ 1,484,070	$ 1,470,912	$ 1,451,445	$ 1,435,160	$ 1,489,505	$ 1,472,894
FTE Positions	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	22.0	22.0	22.0	22.0	22.0	22.0	22.0

The **agency** requests FY 2016 operating expenditures of $1.5 million, all from the State General Fund. The request is a decrease of $32,625, or 2.2 percent, below the FY 2015 estimate. The decrease is predominantly due to one-time bonuses made in FY 2015 that are not made for FY 2016, reduced inmate incentive pay based on population projections, and lowered VRIP payments. The request includes 22.0 FTE positions, which is the same as the FY 2015 estimate.

The **Governor** recommends FY 2016 operating expenditures of $1.4 million, all from the State General Fund. The recommendation is a decrease of $16,285, or 1.1 percent, below the agency's request. The decrease is due to the Governor recommending a reduction of $16,285 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $1.5 million, all from the State General Fund. The request is an increase of $38,060, or 2.6 percent, above the FY 2016 request. The increase is primarily attributable to expenses associated with a 27th payroll period in the fiscal year and increased KPERS employer contribution rates, partially offset by decreased VRIP payments. The request includes 22.0 FTE positions, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $1.5 million, all from the State General Fund. The recommendation is a decrease of $16,611, or 1.1 percent, below the agency's request. The decrease is due to the Governor recommending a reduction of $16,611 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

D. Wichita Work Release Facility

The Wichita Work Release Facility became a program within Winfield Correctional Facility in FY 1998. The program has been in existence since 1972 and has been located in a variety of facilities around Wichita. In November 1990 the facility housed 198 minimum-custody male and female inmates. Renovation during FY 2003 increased the capacity to 250 minimum-custody male inmates. The program offers non-prison paid employment opportunities in a highly structured residential setting. Inmates may be placed in the program if they are within eight months of parole eligibility. The program provides an opportunity to develop work skills, secure employment, and obtain counseling and life skills.

WICHITA WORK RELEASE FACILITY
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	$ 2,345,278	$ 2,342,830	$ 2,319,393	$ 2,348,783	$ 2,319,451	$ 2,431,092	$ 2,401,172
Contractual Services	191,707	173,996	173,996	190,940	190,940	190,940	190,940
Commodities	62,417	50,340	50,340	49,192	49,192	48,775	48,775
Capital Outlay	9,078	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,608,480	$ 2,567,166	$ 2,543,729	$ 2,588,915	$ 2,559,583	$ 2,670,807	$ 2,640,887
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,995	6,856	6,856	6,856	6,856	1,748	1,748
TOTAL	$ 2,615,475	$ 2,574,022	$ 2,550,585	$ 2,595,771	$ 2,566,439	$ 2,672,555	$ 2,642,635
Financing:							
State General Fund	$ 2,613,984	$ 2,574,022	$ 2,550,585	$ 2,595,771	$ 2,566,439	$ 2,672,555	$ 2,642,635
All Other Funds	1,491	0	0	0	0	0	0
TOTAL	$ 2,615,475	$ 2,574,022	$ 2,550,585	$ 2,595,771	$ 2,566,439	$ 2,672,555	$ 2,642,635
FTE Positions	43.0	43.0	43.0	43.0	43.0	43.0	43.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	43.0	43.0	43.0	43.0	43.0	43.0	43.0

The **agency** requests FY 2016 operating expenditures of $2.6 million, all from the State General Fund. The request is an increase of $21,749, or 0.8 percent, above the FY 2015 estimate. The increase is mainly attributable to increased overtime expenditures and higher cost indices for utilities, partially offset by reduced expenditures for inmate clothing. The request includes 43.0 FTE positions, which is the same as the FY 2015 estimate.

The **Governor** recommends FY 2016 operating expenditures of $2.6 million, all from the State General Fund. The recommendation is a decrease of $29,332, or 1.1 percent, below the agency's request. The decrease is due to the Governor recommending a reduction of $29,332 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $2.7 million, all from the State General Fund. The request is an increase of $76,784, or 3.0 percent, above the FY 2016 request. The increase is primarily due to expenses associated with a 27th payroll period in the fiscal year and increased KPERS employer contribution rates. The request includes 43.0 FTE positions, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $2.6 million, all from the State General Fund. The recommendation is a decrease of $29,920, or 1.1 percent, below the agency's request. The decrease is due to the Governor recommending a reduction of $29,332 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

E. Support Services

The Support Services program at Winfield Correctional Facility includes maintenance and repairs for all equipment, building, and grounds, and the provision of the supplies and cleaning services. Since FY 1997, the agency has provided maintenance, utilities, and security for the Kansas Veterans' Home.

SUPPORT SERVICES
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	$ 1,157,927	$ 1,163,521	$ 1,152,303	$ 1,164,713	$ 1,148,429	$ 1,206,326	$ 1,189,715
Contractual Services	1,255,140	1,338,800	1,199,271	1,527,926	1,371,922	1,775,548	1,441,749
Commodities	503,051	563,350	559,969	528,256	528,256	529,127	529,127
Capital Outlay	116,365	0	0	407,904	0	175,904	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 3,032,483	$ 3,065,671	$ 2,911,543	$ 3,628,799	$ 3,048,607	$ 3,686,905	$ 3,160,591
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	10,283	10,030	10,030	2,507	2,507	0	0
TOTAL	$ 3,042,766	$ 3,075,701	$ 2,921,573	$ 3,631,306	$ 3,051,114	$ 3,686,905	$ 3,160,591
Financing:							
State General Fund	$ 2,991,495	$ 3,075,701	$ 2,921,573	$ 3,631,306	$ 3,051,114	$ 3,686,905	$ 3,160,591
All Other Funds	51,271	0	0	0	0	0	0
TOTAL	$ 3,042,766	$ 3,075,701	$ 2,921,573	$ 3,631,306	$ 3,051,114	$ 3,686,905	$ 3,160,591
FTE Positions	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	21.0	21.0	21.0	21.0	21.0	21.0	21.0

The **agency** requests FY 2016 operating expenditures of $3.6 million, all from the State General Fund. The request is an increase of $555,605, or 18.1 percent, above the FY 2015 estimate. The request contains enhancements totaling $563,908, all from the State General Fund, for the opening of a new building at KVH, replacement of six vehicles including two large maintenance trucks, and upgrading 25.0 percent of the agency's IT equipment. The request includes 21.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $3.1 million. The request is a decrease of $8,303, or 0.3 percent, below the FY 2015 estimate. The overall decrease is due to reduced cost indices for commodities and lowered VRIP payments.

The **Governor** recommends FY 2016 operating expenditures of $3.1 million, all from the State General Fund. The recommendation is a decrease of $580,192, or 16.0 percent, below the agency's request. The decrease is due to the

Governor not recommending the agency's enhancement requests and a reduction of $16,284 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

The **agency** requests FY 2017 operating expenditures of $3.7 million, all from the State General Fund. The request is an increase of $55,599, or 1.5 percent, above the FY 2016 request. The request contains enhancements totaling $509,703, all from the State General Fund, for the opening of a new building at KVH, replacement of six vehicles, and upgrading 25.0 percent of IT equipment. The request includes 21.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $3.2 million. The request is an increase of $109,804, or 3.6 percent, above the FY 2016 request less enhancements. The increase is attributable to expenses associated with a 27th payroll period in the fiscal year, higher KPERS employer contribution rates, and higher cost indices for electricity for the facility. The agency states utility rates continue to rise for the correctional facility and Kansas Veterans' Home.

The **Governor** recommends FY 2017 operating expenditures of $3.2 million, all from the State General Fund. The recommendation is a decrease of $526,314, or 14.3 percent, below the agency's request. The decrease is due to the Governor not recommending the agency's enhancement requests and a reduction of $16,611 to reduce employer contributions for state employee health insurance. The Governor concurs with the agency's FTE request.

F. Debt Service

Winfield Correctional Facility participates in the Facility Conservation Improvement Program (FCIP) administered by the Energy program of the Kansas Corporation Commission (KCC). The FCIP exists to help correctional facilities conserve natural resources and reduce state expenditures. Through an Energy Service Company (ESCO) contracted by the KCC, an investment grade energy audit was conducted developing an implementation strategy including design, construction, follow-up services such as staff training, as well as measurement and verification of savings. The ESCO agreement is a long-term contract and becomes a partnership between the agency and the ESCO. As part of the Energy Service Contract the savings are guaranteed and if the savings are not achieved, the ESCO makes up the difference. The funding for ESCO services and improvements is made through a Request for Proposals (RFP) that is arranged by the state of Kansas through the Department of Administration. The financing is customized to meet the cash flows associated with the project. The facility makes payments for the duration of the lease. Any savings that exceed the debt service payments are retained by the facility. Winfield Correctional Facility's total cost of the debt on energy projects is $1,763,907, with a ten-year lease term beginning in FY 2004.

DEBT SERVICE
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	13,123	0	0	0	0	0	0
Subtotal - Operations	$ 13,123	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 13,123	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Financing:							
State General Fund	$ 13,123	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 13,123	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** does not request any FY 2016 debt service expenditures.

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

The **agency** does not request any FY 2017 debt service expenditures.

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

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Rehabilitation and Repair	$ 51,898	$ 51,898	$ 0	$ 0	$ 0	$ 0
Financing:						
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	51,898	51,898	0	0	0	0
TOTAL	$ 51,898	$ 51,898	$ 0	$ 0	$ 0	$ 0

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates FY 2015 capital improvement expenditures of $51,898, all from special revenue funds. The request is for rehabilitation and repair projects including replacing the fire alarm system and upgrading the facility's utility tunnels.

Current Year Governor Recommendation

The **Governor** concurs with the agency's capital improvements estimate.

Budget Year Agency Request

FY 2016 – Budget Year. The agency does not request any FY 2016 capital improvement expenditures. Capital improvement expenditures for FY 2016 are done so at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

Budget Year Agency Request

FY 2017 – Budget Year. The agency does not request any FY 2017 capital improvement expenditures. Capital improvement expenditures for FY 2017 are done so at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of escapes	0	9	0	0	0
Number of inmate assaults on staff	0	3	0	0	0

Kansas Juvenile Correctional Complex

	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	$ 15,557,179	$ 14,769,180	$ 14,613,373	$ 14,749,290	$ 14,493,927	$ 15,289,967	$ 14,883,188
Other Funds	510,620	448,734	448,734	470,000	470,000	459,215	459,215
TOTAL	$ 16,067,799	$ 15,217,914	$ 15,062,107	$ 15,219,290	$ 14,963,927	$ 15,749,182	$ 15,342,403
Capital Improvements:							
State General Fund	$ 59,775	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	116,242	0	0	0	0	0	0
TOTAL	$ 176,017	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	**$ 16,243,816**	**$ 15,217,914**	**$ 15,062,107**	**$ 15,219,290**	**$ 14,963,927**	**$ 15,749,182**	**$ 15,342,403**
Percentage Change:							
Operating Expenditures							
State General Fund	(11.6) %	(5.1) %	(6.1) %	(0.1) %	(0.8) %	3.7 %	2.7 %
All Funds	(12.7)	(5.3)	(6.3)	0.0	(0.7)	3.5	2.5
FTE Positions	262.5	236.5	236.5	236.5	236.5	236.5	236.5
Non-FTE Perm.Uncl.Pos.	11.0	6.0	6.0	6.0	6.0	6.0	6.0
TOTAL	273.5	242.5	242.5	242.5	242.5	242.5	242.5

AGENCY OVERVIEW

The State's first institution for juvenile rehabilitation was established in Topeka. In 1879, the Legislature provided for the selection of a site for a "state reform school," under the control of State Charitable Institutions, with statutory authority contained in KSA 76-2101 *et. seq.* Subsequent name changes in 1901 and 1974 occurred, and the facility became known as the "Youth Center at Topeka," until the Juvenile Justice Authority assumed responsibility for operations in July 1997.

The Kansas Juvenile Correctional Complex (KJCC) is one of two juvenile corrections facilities in the Department of Corrections, and provides maximum and medium security beds for the following individuals.

- Adjudicated juveniles committed as juvenile offenders.
- Extended jurisdiction juveniles.
- Youth committed to the Secretary of Corrections. and
- Juvenile felons between the ages of 10 and 22½.

The KJCC facility is divided into an east campus and a west campus and is composed of five general areas: the diagnostic/classification area, maximum and medium-security housing for male residents, secure female housing in the stand-alone Q/R/S/T building on the east campus, central programs areas, and administrative/support areas. All facility components are located within a secure perimeter fence, with the exception of administration and some general service areas. The facility is currently funded to operate 235 beds.

Until September, 2011 the Kansas Juvenile Correctional Complex – West Campus, (KJCC-West) located on the grounds of the former Topeka Juvenile Correctional Facility, was the Juvenile Justice Authority facility that served female youth sentenced by the district courts of Kansas. The KJCC-West facility began operations on August 19, 2009, following the suspension of operations at the girls facility at Beloit, and had an operational capacity of 30 youth. In September 2011, the female residents at KJCC-West were moved to a separate, secured facility on the KJCC-East Campus. The integration allowed the agency to consolidate services and improve the efficiency of operations at the facility. The median age of female residents in FY 2012 was 17 years old at admission,and the average monthly population was 22 females.

The Kansas Juvenile Correctional Complex – East Campus houses male juvenile offenders between the ages of 10 and 22.5. The median age of male residents in FY 2012 was 17 years at admission, and the average monthly population was 212.6 males. The east campus includes sixteen general population units, three diagnostic/reception units, one mental health unit, and one segregation unit.

Upon entering the juvenile justice system, all male offenders are assigned to the reception and diagnostic unit and remain there for approximately 21 days. During this time, offenders are not allowed to socialize with the regular population. Male offenders receive the Initial Classification Analysis, which involves the utilization of several validated test assessment instruments to determine their placement level. These test assessments aid in identifying alcohol/drug abuse, mental health issues, classification level and possibility of recidivism. In addition to the classification analysis, offenders receive a

medical evaluation and a battery of tests for educational placement.

When the evaluation process is complete and the appropriate level of confinement is identified, juveniles are moved to the correlating facility within the state. Those offenders identified as maximum security are integrated in with the Kansas Juvenile Correctional Complex population on a gradual basis. Youth who require more extensive mental health services or are classified as medium-security, and are from western and central Kansas, are transferred to the Larned facility.

MAJOR ISSUES FROM PRIOR YEARS

The **2000 Legislature** approved the construction of the Kansas Juvenile Correctional Complex (KJCC), which includes a reception and diagnostic center, a maximum-security facility, and central program areas and administrative/support areas. Construction began in April 2001, and KJCC opened in the spring of 2005.

For **FY 2004**, a separate appropriation was not made for the KJCC during the 2003 Legislative Session. FY 2004 funding was included in the appropriation for the Topeka Juvenile Correctional Facility (TJCF). The separate Kansas Juvenile Correctional Complex budget started in FY 2005. Actual expenditures for FY 2004 were recorded and remained in the TJCF budget.

For **FY 2006**, the Legislature approved a plan to merge Topeka Juvenile Correctional Facility (TCJF) and KJCC. The merged agency was designated as the Kansas Juvenile Correctional Complex. 2005 SB 225 directed that all unencumbered funds, including State General Funds, of TJCF be transferred to the Kansas Juvenile Correctional Complex. In July 2005, operations ceased at the Topeka Juvenile Correctional Facility, and operations commenced at KJCC.

In **FY 2009**, Atchison Juvenile Correctional Facility suspended operations in December, 2008. The closing moved 11 youth offenders to the Kansas Juvenile Correctional Complex, increasing State General Funds expenditures by $816,500 for costs associated with these youth.

In **FY 2010**, Beloit Juvenile Correctional Facility suspended operations on August 28, 2009. The closing moved 20 female youth offenders to the modified west campus, formerly the Topeka Juvenile Correctional Facility.

During the **2012 Legislative Session**, a performance audit was conducted by Legislative Post Audit on the Kansas Juvenile Correctional Complex. The audit addressed whether adequate steps were taken to ensure the safety of juvenile offenders and staff, and whether KJCC's educational and vocational programs were adequate to help prepare offenders for future academic or work opportunities. The performance audit concluded that KJCC had not taken adequate steps to ensure the safety of offenders and staff. The report identified numerous safety and security problems, poor personnel management siting disorganization and lack of communicating safety and security policies. The performance audit did find that KJCC provides adequate academic programs to help juveniles earn a high school diploma or equivalent, but that the technical and work study programs are not adequate to prepare for future work opportunities.

The **2013 Legislature** added proviso language that exempted the Kansas Juvenile Correctional Complex from the competitive bidding requirement for educational services was

removed, and the language authorizing the agency to contract with educational service providers was modified by changing the word "public" to "accredited" in regard to what type of educational service providers the agency is allowed to contract with for FY 2014 and FY 2015.

During the **2013 Legislative Session**, the Governor vetoed the agency's entire FY 2015 operating budget.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 operating expenditures of $15.2 million, including $14.8 million from the State General Fund. The request is an increase of $43,155, or 0.3 percent, including a State General Fund increase of $155,807, or 1.1 percent, above the FY 2015 approved amount. The overall increase is due to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures, partially offset by a reduction in special revenue funds based on available federal funding. The request includes 236.5 FTE positions and 6.0 non-FTE unclassified positions, which is 26.0 fewer FTE positions than the FY 2015 approved amount**.** The decrease in FTE positions is attributable to the Department of Corrections taking over the agency's ancillary services.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 operating expenditures of $15.1 million, including $14.6 million from the State General Fund. The recommendation is a decrease of $155,807, or 1.1 percent, below the agency's FY 2015 estimate. The decrease is attributable to the Governor's December 2014 Allotment. The Governor recommends 236.5 FTE positions and 6.0 non-FTE unclassified positions, the same as the agency's estimate.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $15.2 million, including $14.7 million from the State General Fund. The request is an increase of $1,376, or less than 0.1 percent, above the FY 2015 estimate, partially offset by a State General Fund decrease of $19,890, or 0.1 percent. The request includes an enhancement of $99,704, all from the State General Fund, for fringe benefit shortfalls. The request includes 236.5 FTE and 6.0 non-FTE unclassified positions, the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $15.1 million, including $14.6 million from the State General Fund. The request is a decrease of $98,328, or less than 0.1 percent, including a State General Fund decrease of $119,594, or less than 0.1 percent, below the FY 2015 estimate. The decrease is primarily attributable to onetime bonuses made

in FY 2015 that are not made for FY 2016, lowered repair equipment expenditures, and the elimination of debt service payments for facility laundry equipment.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $15.0 million, including $14.5 million from the State General Fund. The recommendation is a decrease of $255,363, or 1.7 percent, all from the State General Fund, below the agency's request. The decrease is attributable to the Governor not recommending the agency's enhancement request and further recommending a reduction of $155,659, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor recommends 236.5 FTE positions and 6.0 non-FTE positions, the same as the agency's request.

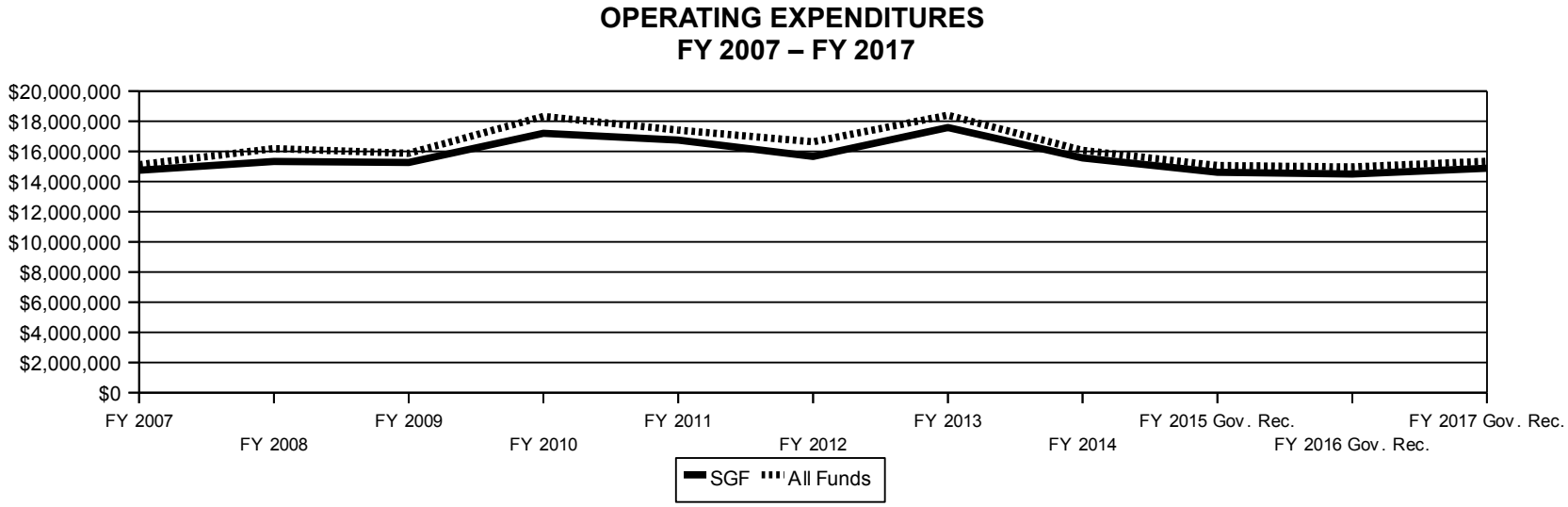
FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $15.7 million, including $15.3 million from the State General Fund. The request is an increase of $529,892, or 3.5 percent, including a State General Fund increase of $540,677, or 3.7 percent, above the FY 2016 request. The request includes an enhancement of $248,003, all from the State General Fund, for fringe benefit shortfalls. The request includes 236.5 FTE positions and 6.0 non-FTE unclassified positions, the same as the FY 2016 request. **Absent the enhancement**, the agency requests $15.5 million, including $15.0 million from the State General Fund. The request is an increase of $381,593, or 2.5 percent, including a State General Fund increase of $392,378, or 2.7 percent, above the FY 2016 request less enhancements. The increase is mainly due to a 27th payroll period, increased workers compensation rates, higher electricity costs, and lowered repair equipment expenditures.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $15.3 million, including $14.9 million from the State General Fund. The recommendation is a decrease of $406,779, or 2.6 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and further recommending a reduction of $158,776, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor recommends 236.5 FTE positions and 6.0 non-FTE positions, the same as the agency's request.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 14,743,611	(1.2)%	$ 15,118,846	(2.4)%	253.5
2008	15,335,883	4.0	16,185,218	7.1	269.1
2009	15,257,944	(0.5)	15,874,348	(1.9)	269.1
2010	17,193,295	12.7	18,314,286	15.4	297.5
2011	16,742,405	(2.6)	17,415,259	(4.9)	297.5
2012	15,658,804	(6.5)	16,633,157	(4.5)	292.5
2013	17,588,909	12.3	18,394,890	10.6	290.5
2014	15,557,179	(11.6)	16,067,799	(12.7)	262.5
2015 Gov. Rec.	14,613,373	(6.1)	15,062,107	(6.3)	236.5
2016 Gov. Rec.	14,493,927	(0.8)	14,963,927	(0.7)	236.5
2017 Gov. Rec.	14,883,188	2.7	15,342,403	2.5	236.5
Eleven-Year Change	$ 139,577	0.9 %	$ 223,557	1.5 %	(17.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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:									
General Administration	$ 1,778,134	$ 1,509,014	$ 1,507,191	$ (1,823)	(0.1) %	$ 1,496,247	$ 1,478,784	$ (17,463)	(1.2)%
Educational Services	1,712,133	1,752,896	1,807,490	54,594	3.1	1,752,896	1,807,490	54,594	3.1
Juvenile Correctional Services	7,342,861	7,673,240	7,660,372	(12,868)	(0.2)	7,604,752	7,487,344	(117,408)	(1.5)
Ancillary Services	2,408,996	1,507,594	1,507,197	(397)	(0.0)	1,494,763	1,477,171	(17,592)	(1.2)
Physical Plant/Central Services	2,825,675	2,775,170	2,737,040	(38,130)	(1.4)	2,713,449	2,713,138	(311)	(0.0)
TOTAL	$ 16,067,799	$ 15,217,914	$ 15,219,290	$ 1,376	0.0 %	$ 15,062,107	$ 14,963,927	$ (98,180)	(0.7)%
By Major Object of Expenditure:									
Salaries and Wages	$ 12,026,627	$ 11,495,315	$ 11,493,032	$ (2,283)	(0.0) %	$ 11,391,734	$ 11,237,669	$ (154,065)	(1.4)%
Contractual Services	3,376,884	3,317,188	3,388,581	71,393	2.2	3,317,188	3,388,581	71,393	2.2
Commodities	380,652	307,238	293,504	(13,734)	(4.5)	255,012	293,504	38,492	15.1
Capital Outlay	228,086	64,940	26,100	(38,840)	(59.8)	64,940	26,100	(38,840)	(59.8)
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 16,012,249	$ 15,184,681	$ 15,201,217	$ 16,536	0.1 %	$ 15,028,874	$ 14,945,854	$ (83,020)	(0.6)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	55,550	33,233	18,073	(15,160)	(45.6)	33,233	18,073	(15,160)	(45.6)
TOTAL	$ 16,067,799	$ 15,217,914	$ 15,219,290	$ 1,376	0.0 %	$ 15,062,107	$ 14,963,927	$ (98,180)	(0.7)%
Financing:									
State General Fund	$ 15,557,179	$ 14,769,180	$ 14,749,290	$ (19,890)	(0.1) %	$ 14,613,373	$ 14,493,927	$ (119,446)	(0.8)%
All Other Funds	510,620	448,734	470,000	21,266	4.7	448,734	470,000	21,266	4.7
TOTAL	$ 16,067,799	$ 15,217,914	$ 15,219,290	$ 1,376	0.0 %	$ 15,062,107	$ 14,963,927	$ (98,180)	(0.7)%

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:								
General Administration	$ 1,507,191	$ 1,574,908	$ 67,717	4.5 %	$ 1,478,784	$ 1,530,612	$ 51,828	3.5 %
Educational Services	1,807,490	1,796,705	(10,785)	(0.6)	1,807,490	1,796,705	(10,785)	(0.6)
Juvenile Correctional Services	7,660,372	8,011,203	350,831	4.6	7,487,344	7,731,312	243,968	3.3
Ancillary Services	1,507,197	1,574,870	67,673	4.5	1,477,171	1,528,585	51,414	3.5
Physical Plant/Central Services	2,737,040	2,791,496	54,456	2.0	2,713,138	2,755,189	42,051	1.5
TOTAL	$ 15,219,290	$ 15,749,182	$ 529,892	3.5 %	$ 14,963,927	$ 15,342,403	$ 378,476	2.5 %
By Major Object of Expenditure:								
Salaries and Wages	$ 11,493,032	$ 12,044,483	$ 551,451	4.8 %	$ 11,237,669	$ 11,637,704	$ 400,035	3.6 %
Contractual Services	3,388,581	3,398,446	9,865	0.3	3,388,581	3,398,446	9,865	0.3
Commodities	293,504	276,649	(16,855)	(5.7)	293,504	276,649	(16,855)	(5.7)
Capital Outlay	26,100	26,100	0	0.0	26,100	26,100	0	0.0
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 15,201,217	$ 15,745,678	$ 544,461	3.6 %	$ 14,945,854	$ 15,338,899	$ 393,045	2.6 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	18,073	3,504	(14,569)	(80.6)	18,073	3,504	(14,569)	(80.6)
TOTAL	$ 15,219,290	$ 15,749,182	$ 529,892	3.5 %	$ 14,963,927	$ 15,342,403	$ 378,476	2.5 %
Financing:								
State General Fund	$ 14,749,290	$ 15,289,967	$ 540,677	3.7 %	$ 14,493,927	$ 14,883,188	$ 389,261	2.7 %
All Other Funds	470,000	459,215	(10,785)	(2.3)	470,000	459,215	(10,785)	(2.3)
TOTAL	$ 15,219,290	$ 15,749,182	$ 529,892	3.5 %	$ 14,963,927	$ 15,342,403	$ 378,476	2.5 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $16,593,705 for the Kansas Juvenile Correctional Complex in FY 2015. Some adjustments have subsequently been made to that amount. These adjustments changes the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $52,226, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.

- A reduction of $1.9 million, based on the result of transfers within the Department of Corrections system.

- A reduction of $155,807, as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund amount to $14,613,373. 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.

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	$ 14,613,373	$ 14,769,180	$ 155,807	$ 14,613,373	$ 0
All Other Funds	561,386	448,734	(112,652)	448,734	(112,652)
TOTAL	$ 15,174,759	$ 15,217,914	$ 43,155	$ 15,062,107	$ (112,652)
FTE Positions	262.5	236.5	(26.0)	236.5	(26.0)

The **agency** estimates FY 2015 operating expenditures of $15.2 million, including $14.8 million from the State General Fund. The request is an increase of $43,155, or 0.3 percent, including a State General Fund increase of $155,807, or 1.1 percent, above the FY 2015 approved amount. The overall increase is due to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures, partially offset by a reduction in special revenue funds based on available federal funding. The request includes 236.5 FTE positions and 6.0 non-FTE unclassified positions, which is 26.0 fewer FTE positions than the FY 2015 approved amount. The decrease in FTE positions is attributable to the Department of Corrections taking over the agency's ancillary services.

The **Governor** recommends FY 2015 operating expenditures of $15.1 million, including $14.6 million from the State General Fund. The recommendation is a decrease of $155,807, or 1.1 percent, below the agency's FY 2015 estimate. The decrease is attributable to the Governor's December 2014 Allotment. The Governor recommends 236.5 FTE positions and 6.0 non-FTE unclassified positions, the same as the agency's estimate.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014, subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (103,581)	$ (103,581)	0.0
Lapse Reappropriations	(52,226)	(52,226)	0.0
TOTAL	$ (155,807)	$ (155,807)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $103,581 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.

Reappropriations Lapse:

A reduction of $52,226, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $52,226 for the agency. This allotment will force the agency to hold additional positions open.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 15,219,290	$ 14,963,927	$ (255,363)
FTE Positions	236.5	236.5	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ (19,890)	$ (119,446)	
All Other Funds	21,266	21,266	
TOTAL	$ 1,376	$ (98,180)	
Percent Change:			
State General Fund	(0.1) %	(0.8) %	
All Other Funds	4.7	4.7	
TOTAL	0.0 %	(0.7) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $15.2 million, including $14.7 million from the State General Fund. The request is an increase of $1,376, or less than 0.1 percent, above the FY 2015 estimate, partially offset by a State General Fund decrease of $19,890, or 0.1 percent. The request includes an enhancement of $99,704, all from the State General Fund, for fringe benefit shortfalls. The request includes 236.5 FTE and 6.0 non-FTE unclassified positions, the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $15.1 million, including $14.6 million from the State General Fund. The request is a decrease of $98,328, or less than 0.1 percent, including a State General Fund decrease of $119,594, or less than 0.1 percent, below the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages -** The agency requests $11.5 million in salaries and wages. The request is a decrease of $2,283, or less than 0.1 percent, below the FY 2015 estimate. The request includes an enhancement of $99,704 for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $11.4 million for salaries and wages. The decrease is mainly due to one-time bonuses made in FY 2015 that are not made for FY 2016**.**

- **Contractual Services -** The agency requests $3.4 million for contractual services. The request is an increase of $71,393, or 2.2 percent, above the FY 2015 estimate. The increase is primarily attributable to increases in the educational services contract based on enrollment and increased electricity expenditures.

- **Commodities -** The agency requests $293,504 for commodities. The request is a decrease of $13,734, or 4.5 percent, below the FY 2015 estimate. The decrease is predominately attributable to lowered expenditures for repair equipment.

- **Capital Outlay -** The agency requests $26,100 for capital outlay. The request is a decrease of $38,840, or 59.8 percent, below the FY 2015 estimate. The decrease is due to the agency no longer making debt service payments for facility laundry equipment.

The **Governor** recommends FY 2016 operating expenditures of $15.0 million, including $14.5 million from the State General Fund. The recommendation is a decrease of $255,363, or 1.7 percent, all from the State General Fund, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and further recommending a reduction of $155,659, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor recommends 236.5 FTE positions and 6.0 non-FTE positions, the same as the agency's request.

Enhancements Detail

FY 2016 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 99,704	$ 99,704	0.0	$ 0	$ 0	0.0

The **agency** requests an enhancement of $99,704, all from the State General Fund, for fringe benefit shortfalls. The agency states it cannot fund the Kansas Public Employees Retirement System (KPERS) rate increase of 1.0 percent without holding

open two Juvenile Corrections Officer positions. The agency states these open positions are essential to the safe operations of the facility.

The **Governor** does not recommend the agency's enhancement request.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 15,749,182	$ 15,342,403	$ (406,779)
FTE Positions	236.5	236.5	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 540,677	$ 389,261	
All Other Funds	(10,785)	(10,785)	
TOTAL	$ 529,892	$ 378,476	
Percent Change:			
State General Fund	3.7 %	2.7 %	
All Other Funds	(2.3)	(2.3)	
TOTAL	0.0 %	(0.7) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $15.7 million, including $15.3 million from the State General Fund. The request is an increase of $529,892, or 3.5 percent, including a State General Fund increase of $540,677, or 3.7 percent, above the FY 2016 request. The request includes an enhancement of $248,003, all from the State General Fund, for fringe benefit shortfalls. The request includes 236.5 FTE positions, and 6.0 non-FTE unclassified positions, the same as

the FY 2016 request. **Absent the enhancement**, the agency requests $15.5 million, including $15.0 million from the State General Fund. The request is an increase of $381,593, or 2.5 percent, including a State General Fund increase of $392,378, or 2.7 percent, above the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages -** The agency requests $12.0 million for salaries and wages. The request is an increase of $551,451, or 4.8 percent, above the FY 2016 request. The request includes an enhancement of $248,003, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $11.9 million for salaries and wages. The increase is mainly due to a 27th payroll period and higher workers compensation rates.

- **Contractual Services -** The agency requests $3.4 million for contractual services. The request is an increase of $9,865, or 0.3 percent, above the FY 2016 request. The increase is primarily attributable to higher electricity expenditures.

- **Commodities -** The agency requests $276,649 for commodities. The request is a decrease of $16,855, or 5.7 percent, below the FY 2016 request. The decrease is predominately due to lower expenditures for repair equipment.

The **Governor** recommends FY 2017 operating expenditures of $15.3 million, including $14.9 million from the State General Fund. The recommendation is a decrease of $406,779, or 2.6 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request and further recommending a reduction of $158,776, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor recommends 236.5 FTE positions and 6.0 non-FTE positions, the same as the agency's request.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 248,003	$ 248,003	0.0	$ 0	$ 0	0.0

The **agency** requests an enhancement of $248,003, all from the State General Fund, for fringe benefit shortfalls. The agency states it cannot fund the KPERS rate increases and group health insurance rate increases without holding open 3.0 Juvenile Corrections Officer positions. The agency states these open positions are essential to the safe operations of the facility.

The **Governor** does not recommend the agency's enhancement request.

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 $67,368, all from the State General Fund, and affects 217 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 $57,800, all from the State General Fund, and FY 2017 longevity payments total $63,400 all 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 $155,659, all from the State General Fund for FY 2016. This is a reduction of $158,776, all 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	96.9 %	96.9 %	97.1 %	97.0 %
All Other Funds	3.1	3.1	2.9	3.0
TOTAL	100.0 %	100.0 %	100%	100%

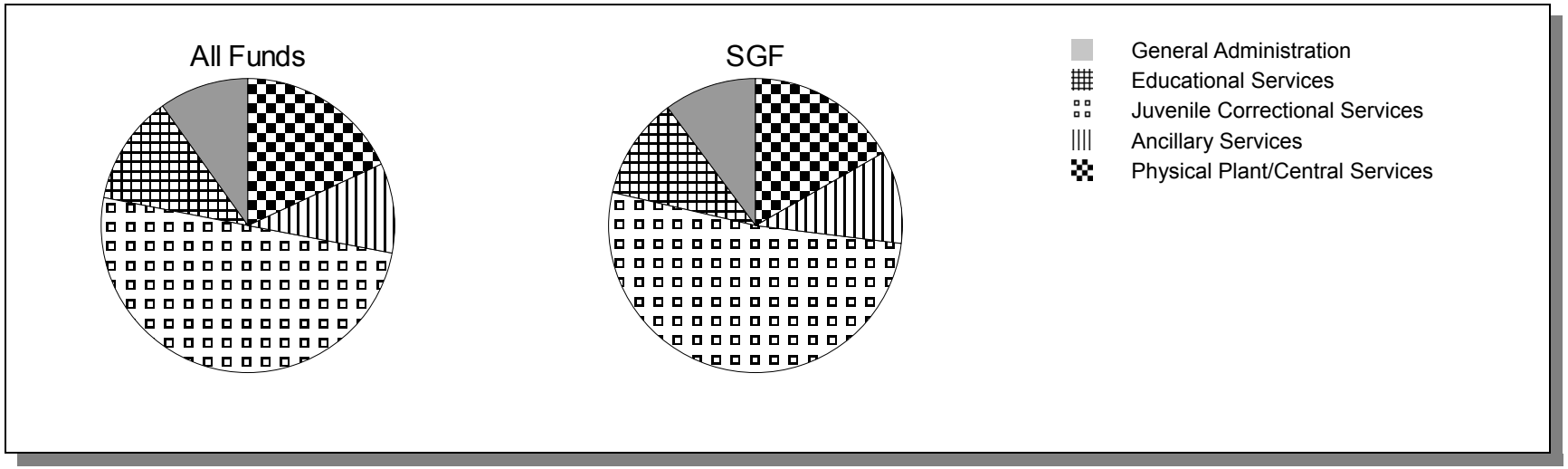
Note: Percentages may not add due to rounding.

Kansas Juvenile Correctional Complex Fee Fund

The Kansas Juvenile Correctional Complex Fee Fund is composed of reimbursements from other state agencies and from the lease of agency farmland. Funds are used to support agency operations.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 1,464	$ 526	$ 526	$ 701	$ 2,391	$ 876	$ 2,566
Revenue	17,638	4,175	5,865	4,175	4,175	4,175	4,175
Transfers in	149	0	0	0	0	0	0
Total Funds Available	$ 19,251	$ 4,701	$ 6,391	$ 4,876	$ 6,566	$ 5,051	$ 6,741
Less: Expenditures	18,725	4,000	4,000	4,000	4,000	4,000	4,000
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 526	$ 701	$ 2,391	$ 876	$ 2,566	$ 1,051	$ 2,741
Ending Balance as Percent of Expenditures	2.8%	17.5%	59.8%	21.9%	64.2%	26.3%	68.5%
	April	April	April	April	April	April	April
Month Highest Ending Balance	$ 10,746	$ 3,871	$ 3,871	$ 5,145	$ 17,550	$ 6,430	$ 18,834
	June	June	June	June	June	June	June
Month Lowest Ending Balance	$ 527	$ 189	$ 189	$ 252	$ 861	$ 315	$ 924

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
General Administration	$ 1,478,784	9.9 %	$ 1,478,784	10.2 %
Educational Services	1,807,490	12.1	1,622,490	11.2
Juvenile Correctional Services	7,487,344	50.0	7,487,344	51.7
Ancillary Services	1,477,171	9.9	1,477,171	10.2
Physical Plant/Central Services	2,713,138	18.1	2,428,138	16.8
TOTAL	$ 14,963,927	100.0 %	$ 14,493,927	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
General Administration	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Educational Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Juvenile Correctional Services	172.0	171.0	171.0	171.0	171.0	171.0	171.0
Ancillary Services	49.0	23.0	23.0	23.0	23.0	23.0	23.0
Physical Plant/Central Services	22.5	23.5	23.5	23.5	23.5	23.5	23.5
TOTAL	262.5	236.5	236.5	236.5	236.5	236.5	236.5

A. General Administration

The General Administration program provides leadership, direction, monitoring, and management of the Kansas Juvenile Correctional Complex. Program responsibilities include strategic planning, management of financial and human resources, management of recruiting, selection, training, and staff development, and programmatic leadership. The program is also responsible for managing and maintaining the physical plant to meet codes, managing contracts for services, accreditation standards, and meeting the needs of residents so that they may return to their communities as productive citizens.

GENERAL 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	$ 1,488,504	$ 1,380,053	$ 1,367,286	$ 1,384,339	$ 1,355,932	$ 1,452,056	$ 1,407,760
Contractual Services	114,205	97,719	97,719	96,752	96,752	96,752	96,752
Commodities	2,160	0	0	0	0	0	0
Capital Outlay	164,361	26,100	26,100	26,100	26,100	26,100	26,100
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,769,230	$ 1,503,872	$ 1,491,105	$ 1,507,191	$ 1,478,784	$ 1,574,908	$ 1,530,612
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	8,904	5,142	5,142	0	0	0	0
TOTAL	$ 1,778,134	$ 1,509,014	$ 1,496,247	$ 1,507,191	$ 1,478,784	$ 1,574,908	$ 1,530,612
Financing:							
State General Fund	$ 1,778,134	$ 1,509,014	$ 1,496,247	$ 1,507,191	$ 1,478,784	$ 1,574,908	$ 1,530,612
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,778,134	$ 1,509,014	$ 1,496,247	$ 1,507,191	$ 1,478,784	$ 1,574,908	$ 1,530,612
FTE Positions	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Non-FTE Uncl. Perm. Pos.	6.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	25.0	23.0	23.0	23.0	23.0	23.0	23.0

The **agency** requests FY 2016 operating expenditures of $1.5 million, all from the State General Fund. The request is a decrease of $1,823, or 0.1 percent, below the FY 2015 estimate. The request includes an enhancement of $12,349, all from the State General Fund, for fringe benefit shortfalls. The request contains 19.0 FTE positions, the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $1.5 million, all from the State General Fund.

The **Governor** recommends FY 2016 operating expenditures of $1.5 million, all from the State General Fund. The recommendation is a decrease of $28,407, or 1.9 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement request and further recommending a reduction of $16,058 to reduce employer contributions for state employee health insurance. The Governor recommends 19.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $1.6 million, all from the State General Fund. The request is an increase of $67,717, or 4.5 percent, above the FY 2016 request. The request includes an enhancement of $27,916, all from the State General Fund, for fringe benefit shortfalls. The request contains 19.0 FTE positions, the same as the FY 2016 request. **Absent the enhancement**, the agency requests $1.5 million, all from the State General Fund. The request is an increase of $52,150, or 3.5 percent, above the FY 2016 request less enhancements. The increase is primarily attributable to a 27th payroll period.

The **Governor** recommends FY 2017 operating expenditures of $1.5 million, all from the State General Fund. The recommendation is a decrease of $44,296, or 2.8 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement request and further recommending a reduction of $16,380 to reduce employer contributions for state employee health insurance. The Governor recommends 19.0 FTE positions, the same as the agency's request.

B. Educational Services

Educational services are provided through a contract with Interlocal #609 (Southeast Kansas Education Service Center at Greenbush) for educational services provided at Lawrence Gardner High School, located on the facility's grounds. The education program includes several components designed to meet the needs of students at the facility. Education services for male students are segregated from education services for female students.

The academic program consists of high school coursework and remedial coursework geared toward helping students earn a high school diploma or GED. A federal program is offered for students to improve their reading, writing, and math skills, and special education services are offered for all exceptional students who have a current individual education plan.

The vocational program includes several courses designed to give students hands-on training and opportunities to explore career options.

The work study/industries program allows students to use skills learned in the vocational program to earn wages to pay for restitution or college tuition. Work study/industries programs are designed for students that are in the process of finishing high school programs, or who have already graduated and need to transition into a work-training program.

College coursework is offered through Highland Community College and post secondary vocational and technical programs are offered through the Washburn Institute of Technology.

EDUCATIONAL SERVICES
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	1,712,133	1,752,896	1,752,896	1,807,490	1,807,490	1,796,705	1,796,705
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,712,133	$ 1,752,896	$ 1,752,896	$ 1,807,490	$ 1,807,490	$ 1,796,705	$ 1,796,705
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 1,712,133	$ 1,752,896	$ 1,752,896	$ 1,807,490	$ 1,807,490	$ 1,796,705	$ 1,796,705
Financing:							
State General Fund	$ 1,472,318	$ 1,589,162	$ 1,589,162	$ 1,622,490	$ 1,622,490	$ 1,622,490	$ 1,622,490
All Other Funds	239,815	163,734	163,734	185,000	185,000	174,215	174,215
TOTAL	$ 1,712,133	$ 1,752,896	$ 1,752,896	$ 1,807,490	$ 1,807,490	$ 1,796,705	$ 1,796,705
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests FY 2016 operating expenditures of $1.8 million, including $1.6 million from the State General Fund. The request is an increase of $54,594, or 3.1 percent, including a State General Fund increase of $33,328, or 2.1 percent, above the FY 2015 estimate. The increase is mainly due to negotiated annual increases the agency must pay each year based on enrollment.

The **Governor** concurs with the agency's FY 2016 request.

The **agency** requests FY 2017 operating expenditures of $1.8 million, including $1.6 million from the State General Fund. The request is a decrease of $10,785, or 0.6, below the FY 2016 request. There is no State General Fund change. The increase is mainly due to negotiated annual increases the agency must pay each year based on enrollment.

The **Governor** concurs with the agency's FY 2017 request.

C. Juvenile Correctional Services

The Juvenile Correctional Services program consists of 21 residential units and staff involved with all activities affecting the daily care, custody, management, and treatment of residents. The 21 residential units are structured as the following items.

- **Reception and diagnostic units**. Three diagnostic units provide initial housing for all male residents entering the state juvenile corrections system.

- **General population units**. Seventeen maximum and medium security general population units provide secure housing for residents who maintain an appropriate level of behavior to manage day-to-day activities.

- **Segregation unit**. The segregation living unit provides a highly structured and secure environment for those residents who have demonstrated through their actions or behavior that they are a legitimate threat to themselves, other residents, staff, or the community. Residents are typically housed on a short-term basis and do not leave the unit during their stay, since all programs and services are provided within the unit.

JUVENILE CORRECTIONAL SERVICES
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	$ 7,306,898	$ 7,651,267	$ 7,582,779	$ 7,642,299	$ 7,469,271	$ 8,007,699	$ 7,727,808
Contractual Services	1,441	1,404	1,404	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 7,308,339	$ 7,652,671	$ 7,584,183	$ 7,642,299	$ 7,469,271	$ 8,007,699	$ 7,727,808
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	34,522	20,569	20,569	18,073	18,073	3,504	3,504
TOTAL	$ 7,342,861	$ 7,673,240	$ 7,604,752	$ 7,660,372	$ 7,487,344	$ 8,011,203	$ 7,731,312
Financing:							
State General Fund	$ 7,342,861	$ 7,673,240	$ 7,604,752	$ 7,660,372	$ 7,487,344	$ 8,011,203	$ 7,731,312
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 7,342,861	$ 7,673,240	$ 7,604,752	$ 7,660,372	$ 7,487,344	$ 8,011,203	$ 7,731,312
FTE Positions	172.0	171.0	171.0	171.0	171.0	171.0	171.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	172.0	171.0	171.0	171.0	171.0	171.0	171.0

The **agency** requests FY 2016 operating expenditures of $7.7 million, all from the State General Fund. The request is a decrease of $12,868, or 0.2 percent, below the FY 2015 estimate. The request includes an enhancement of $65,833, all from the State General Fund, for fringe benefit shortfalls. The request contains 171.0 FTE positions, the same as the FY 2015 estimate. **Absent the enhancement**, the agency requests $7.6 million, all from the State General Fund. The request is a decrease of $78,701, or 1.0 percent, below the FY 2015 estimate. The decrease is mainly attributable to onetime bonuses made in FY 2015 that are not made for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of $7.5 million, all from the State General Fund. The recommendation is a decrease of $173,028, or 2.3 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement request and further recommending a reduction of $107,195 to

reduce employer contributions for state employee health insurance. The Governor recommends 171.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $8.0 million, all from the State General Fund. The request is an increase of $350,831, or 4.6 percent, above the FY 2016 request. The request includes an enhancement of $170,549, all from the State General Fund, for fringe benefit shortfalls. The request contains 171.0 FTE positions, the same as the FY 2016 request. **Absent the enhancement**, the agency requests $7.8 million, all from the State General Fund. The request is an increase of $246,115, or 3.2 percent, above the FY 2016 request less enhancements. The increase is due to a 27th payroll period and increased workers compensation rates.

The **Governor** recommends FY 2017 operating expenditures of $7.5 million, all from the State General Fund. The recommendation is a decrease of $279,891, or 3.5 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement request and further recommending a reduction of $109,342 to reduce employer contributions for state employee health insurance. The Governor recommends 171.0 FTE positions, the same as the agency's request.

D. Ancillary Services

The agency provides ancillary services that are designed to assist juvenile residents in becoming able to return to their communities and participate as productive citizens. Services include psychological services, health services, chaplaincy service, activity therapy, and substance abuse programs.

Psychologists provide crisis counseling and therapy to residents, and conduct training, consultations, and develop programs for residents. Social workers are assigned to every juvenile resident throughout his or her commitment to the facility and maintain monthly contact with families and community case managers regarding the juvenile's progress.

The facility's medical program is designed to ensure that youth receive adequate health care, comparable to accepted health and medical standards as practiced in the community and provided by credentialed professionals. Medical services include first aid, primary health care, medical screenings upon admission, general exams, dentistry, optometry, and dispensing of pharmaceuticals. The agency's staff provides nursing services, and all other medical services are delivered by contracted staff.

ANCILLARY SERVICES
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	$ 2,196,421	$ 1,404,744	$ 1,391,913	$ 1,407,077	$ 1,377,051	$ 1,474,750	$ 1,428,465
Contractual Services	168,421	102,850	102,850	100,120	100,120	100,120	100,120
Commodities	44,154	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,408,996	$ 1,507,594	$ 1,494,763	$ 1,507,197	$ 1,477,171	$ 1,574,870	$ 1,528,585
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 2,408,996	$ 1,507,594	$ 1,494,763	$ 1,507,197	$ 1,477,171	$ 1,574,870	$ 1,528,585
Financing:							
State General Fund	$ 2,408,996	$ 1,507,594	$ 1,494,763	$ 1,507,197	$ 1,477,171	$ 1,574,870	$ 1,528,585
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 2,408,996	$ 1,507,594	$ 1,494,763	$ 1,507,197	$ 1,477,171	$ 1,574,870	$ 1,528,585
FTE Positions	49.0	23.0	23.0	23.0	23.0	23.0	23.0
Non-FTE Uncl. Perm. Pos.	5.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	54.0	25.0	25.0	25.0	25.0	25.0	25.0

The **agency** requests FY 2016 operating expenditures of $1.5 million, all from the State General Fund. The request is a decrease of $397, or less than 0.1 percent, below the 2015 estimate. The request includes an enhancement of $12,381, all from the State General Fund, for fringe benefit shortfalls. The request contains 23.0 FTE positions, the same as the FY 2015 estimate.

The **Governor** recommends FY 2016 operating expenditures of $1.5 million, all from the State General Fund. The recommendation is a decrease of $30,026, or 2.0 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement request and further recommending a reduction of $17,645 to reduce employer contributions for state employee health insurance. The Governor recommends 23.0 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $1.6 million, all from the State General Fund. The request is an increase of $67,673, or 4.5 percent, above the FY 2016 request. The increase is primarily attributable to a 27th payroll period, higher worker compensation rates, and a larger enhancement of $28,287, all from the State General Fund, for fringe benefit shortfalls. The request contains 23.0 FTE positions, the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $1.5 million, all from the State General Fund. The recommendation is a decrease of $46,285, or 2.9 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement request and further recommending a reduction of $17,998 to reduce employer contributions for state employee health insurance. The Governor recommends 23.0 FTE positions, the same as the agency's request.

E. Physical Plant/Central Services

The agency's Physical Plant and Central Services program is divided into three subprograms.

- The maintenance and engineering subprogram includes the staff, resources, and supplies for maintaining and operating the central heating plant, and for maintaining the institutional facility, including buildings, equipment, and grounds.

- The supply services subprogram maintains the institutional warehouses, including storage and issuance of items utilized in the agency. The supply services subprogram maintains inventory records and assists in preparing agency purchasing estimates.

- Food services are provided by a contracted food service company, which is responsible for ordering, receiving, storing, preparing, and serving a minimum of two hot meals and one cold meal daily to all juveniles. Food preparation accommodates specialized diets for religious, allergy, weight reduction and other needs, and all meals meet federal school breakfast and lunch program guidelines.

PHYSICAL PLANT/CENTRAL SERVICES
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	$ 1,034,804	$ 1,059,251	$ 1,049,756	$ 1,059,317	$ 1,035,415	$ 1,109,978	$ 1,073,671
Contractual Services	1,380,684	1,362,319	1,362,319	1,384,219	1,384,219	1,404,869	1,404,869
Commodities	334,338	307,238	255,012	293,504	293,504	276,649	276,649
Capital Outlay	63,725	38,840	38,840	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,813,551	$ 2,767,648	$ 2,705,927	$ 2,737,040	$ 2,713,138	$ 2,791,496	$ 2,755,189
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	12,124	7,522	7,522	0	0	0	0
TOTAL	$ 2,825,675	$ 2,775,170	$ 2,713,449	$ 2,737,040	$ 2,713,138	$ 2,791,496	$ 2,755,189
Financing:							
State General Fund	$ 2,554,870	$ 2,490,170	$ 2,428,449	$ 2,452,040	$ 2,428,138	$ 2,506,496	$ 2,470,189
All Other Funds	270,805	285,000	285,000	285,000	285,000	285,000	285,000
TOTAL	$ 2,825,675	$ 2,775,170	$ 2,713,449	$ 2,737,040	$ 2,713,138	$ 2,791,496	$ 2,755,189
FTE Positions	22.5	23.5	23.5	23.5	23.5	23.5	23.5
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	22.5	23.5	23.5	23.5	23.5	23.5	23.5

The **agency** requests FY 2016 operating expenditures of $2.7 million, including $2.5 million from the State General Fund. The request is an decrease of $38,130, or 1.4 percent, all from the State General Fund, below the FY 2015 estimate. The request includes an enhancement of $9,141, all from the State General Fund, for fringe benefit shortfalls. The request contains 23.5 FTE positions, the same as the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Contractual Services -** The agency requests $1,384,219 for contractual services. The request is an increase of $21,900, or 1.6 percent, above the FY 2015 estimate. The increase is mainly due to 1.0 percent increase in food service costs.

- **Commodities -** The agency requests $293,504 for commodities. The request is a decrease of

$13,734, or 4.5 percent, below the FY 2015 estimate. The decrease is primarily attributable to lower expenditures for repair equipment.

- **Capital Outlay -** The agency does not request any capital outlay expenditures. The request is a decrease of $38,840, or 100.0 percent, below the FY 2015 estimate. The decrease is due to the agency making its last debt service payment on laundry equipment.

The **Governor** recommends FY 2016 operating expenditures of $2.7 million, including $2.4 million from the State General Fund. The recommendation is a decrease of $23,902, or 0.9 percent, all from the State General Fund, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement request and further recommending a reduction of $14,761, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor recommends 23.5 FTE positions, the same as the agency's request.

The **agency** requests FY 2017 operating expenditures of $2.8 million, including $2.5 million from the State General Fund. The request is an increase of $54,456, or 2.0 percent, all from the State General Fund, above the FY 2016 request. The request includes an enhancement of $21,251, all from the State General Fund, for fringe benefit shortfalls. The major changes for FY 2017 include the following items.

- **Salaries and Wages -** The agency requests $1.1 million for salaries and wages. The request is an increase of $50,661, or 4.8 percent, above the FY 2016 request. The increase is mainly due to an enhancement for fringe benefit shortfalls, a 27th payroll period, and higher workers compensation rates.

- **Contractual Services -** The agency requests $1.4 million for contractual services. The request is an increase of $20,650, or 1.5 percent, above the FY 2016 request. The increase is predominately attributable to higher electricity costs.

- **Commodities -** The agency requests $276,649 for commodities. The request is a decrease of $16,855, or 5.7 percent, below the FY 2016 request. The decrease is primarily attributable to lower expenditures for repair equipment.

The **Governor** recommends FY 2017 operating expenditures of $2.8 million, including $2.5 million from the State General Fund. The recommendation is a decrease of $36,307, or 1.3 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement request and further recommending a reduction of $15,056, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor recommends 23.5 FTE positions, the same as the agency's request.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Percent of offenders who showed improvement on standardized academic instruments	75.0%	52.3%	75.0%	75.0%	75.0%
Percent of Juveniles who successfully complete conditional release	85.0%	87.3%	89.0%	91.0%	93.0%
Average Daily Population	210	174	174	174	174

Larned Juvenile Correctional Facility

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	$ 8,882,641	$ 8,549,082	$ 8,474,714	$ 8,576,154	$ 8,402,879	$ 8,907,496	$ 8,626,641
Other Funds	97,448	88,818	88,818	88,818	88,818	88,818	88,818
TOTAL	$ 8,980,089	$ 8,637,900	$ 8,563,532	$ 8,664,972	$ 8,491,697	$ 8,996,314	$ 8,715,459
Capital Improvements:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	36,785	500,000	500,000	0	0	0	0
TOTAL	$ 36,785	$ 500,000	$ 500,000	$ 0	$ 0	$ 0	$ 0
GRAND TOTAL	**$ 9,016,874**	**$ 9,137,900**	**$ 9,063,532**	**$ 8,664,972**	**$ 8,491,697**	**$ 8,996,314**	**$ 8,715,459**
Percentage Change:							
Operating Expenditures							
State General Fund	(5.5) %	(3.8) %	(4.6) %	0.3 %	(0.8) %	3.9 %	2.7 %
All Funds	(5.4)	(3.8)	(4.6)	0.3	(0.8)	3.8	2.6
FTE Positions	147.0	136.0	137.0	136.0	137.0	136.0	137.0
Non-FTE Perm.Uncl.Pos.	4.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	151.0	140.0	141.0	140.0	141.0	140.0	141.0

AGENCY OVERVIEW

Larned Juvenile Correctional Facility (LJCF) is one of two state juvenile correctional facilities in Kansas providing custody and care for adjudicated juveniles. The facility is administered by the Department of Corrections and operates as a medium and maximum-security facility.

Larned Juvenile Correctional Facility's population consists of males, with the statutory admission ages between 10 and 23. The facility has a design capacity of up to 152 residents, and a budgeted bed capacity of 122 residents. Larned Juvenile Correctional Facility is located adjacent to the Larned State Hospital and the Larned Correctional Mental Health Facility.

The Larned Rehabilitation Center was established by Legislative enactment of KSA 75-335 on July 1, 1972. The original facility included 30 beds for males ages 15-18. SB 853 established a Youth Serviced Division within the Department of Social and Rehabilitative Services in 1982, and the center was expanded to 60 beds and renamed the Youth Center at Larned. In 1995, HB 2090 separated the youth center from the Larned State Hospital.

The 1996 Legislature enacted HB 2900, which established the Juvenile Justice Authority, beginning July 1, 1997. In 2003, the current 152-bed capacity facility was opened, and operations shifted to Larned Juvenile Correctional Facility from the Larned State Hospital. The facility provides community supervision for youth who are involved in the juvenile justice system, and safe, secure, humane, and restorative confinement of youth to enhance public safety. The Facility came under Department of Corrections administration in 2013 as a result of Executive Reorganization Order No. 42.

Within the 132,000 square foot facility, youth residents live, eat, attend school, and receive programming within the confines of one building. Specialized programs include substance abuse treatment, programming for youth residents who suffer from a mental illness or developmental delay, anger management, violent offender programs, and sex offender programs. Classes in independent living, parenting and vocation are also offered, and residents attend high school classes within the facility through Westside High School and Unified School District 495. Medical, psychological and religious services are also provided to residents.

MAJOR ISSUES FROM PRIOR YEARS

In **July of 2003**, the current 152-bed capacity facility was opened and operations shifted from the Larned State Hospital campus.

The **2002 Legislature** approved 19.0 FTE and 4.0 non-FTE positions for FY 2013 in anticipation of opening the new 152-bed Larned Juvenile Correctional Facility. To meet the State General Fund allotment of $107,096 for this agency, 18.0 FTE positions were left vacant for FY 2003. In addition, the opening of a 30-bed pod in the new facility was delayed until December 2003.

The **2009 Legislature** established the Kansas Council for Interstate Juvenile Supervision by enactment of SB 14. The Council is responsible for administration and oversight of state participation in the Interstate Compact for Juveniles, and

develops policies concerning the operations and procedures of the Compact within Kansas. The Compact is an agreement between member states that provides a means to safely and legally return children and youth who have left their home state without permission of their parent or guardian, and to provide supervision of youth adjudicated for an offense when they and their families relocate to another state. The Interstate Compact for Juveniles became effective March 1, 2010. As of September 2010, 46 of 56 eligible States and Territories are members of this compact.

The **2013 Legislature** removed proviso language that exempted the Larned Juvenile Correctional Facility from the competitive bidding requirement for educational services, and the language authorizing the agency to contract with educational service providers was modified by changing the word "public" to "accredited" in regard to what type of educational service providers the agency is allowed to contract with for FY 2014 and FY 2015.

During the **2013 Legislative Session**, the Governor vetoed the agency's entire FY 2015 operating budget.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 total expenditures of $9.1 million, including $8.5 million from the State General Fund. The request is an increase of $572,521, or 6.7 percent, or 4.1 percent, including a State General Fund increase of $74,368, or 0.9 percent, above the FY 2015 approved amount. The increase is due to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures and increased capital improvement expenditures for a new security system project. The request includes 136.0 FTE positions, which is 11.0 less FTE positions than the FY 2015 approved amount. The decrease in FTE positions is attributable to the Department of Corrections taking over the agency's ancillary services.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 total expenditures of $9.1 million, including $8.5 million from the State General Fund. The recommendation is a decrease of $74,368, or 0.8 percent, all from the State General Fund, below the agency's FY 2015 estimate. The decrease is attributable to the inclusion of the Governor's December 2014 Allotment.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $8.7 million, including $8.6 million from the State General Fund. The request is an increase of $27,072, or 0.3 percent, all from the State General Fund, above the FY 2015 estimate. The request includes enhancements totaling $74,951, all from the State General Fund, for fringe benefit shortfalls and IT

equipment replacement. The request includes 136.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $8.6 million, including $8.5 million from the State General Fund. The request is a decrease of $47,879, or 0.6 percent, below the FY 2015 estimate. The decrease is attributable to one-time bonuses made in FY 2015 that are not made for FY 2016 and reduced supplies for medical and mental services, partially offset by an increase in the educational services contract.

The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $8.5 million, including $8.4 million from the State General Fund. The recommendation is a decrease of $173,275, or 2.0 percent, all from the State General Fund, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and further recommending a reduction of $98,324, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor recommends 136.0 FTE positions, which is the same as the agency's request.

The Governor concurs with the agency's FY 2016 capital improvements request.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $9.0 million, including $8.9 million from the State General Fund. The request is an increase of $331,342, or 3.8 percent, all from the State General Fund, above the FY 2016 request. The increase is predominantly due to expenditures associated with a 27th payroll period in the fiscal year and enhancements totaling $180,562, all from the State General Fund, for fringe benefit shortfalls and IT equipment replacement. The request includes 136.0 FTE positions, the same as the FY 2016 request. **Absent the enhancements**, the agency requests $8.8 million, including $8.7 million from the State General Fund The request is an increase of $225,731, or 2.6 percent, all from the State General Fund, above the FY 2016 request less enhancements. The increase is due to a 27th payroll period in the fiscal year and an increase in the educational services contract.

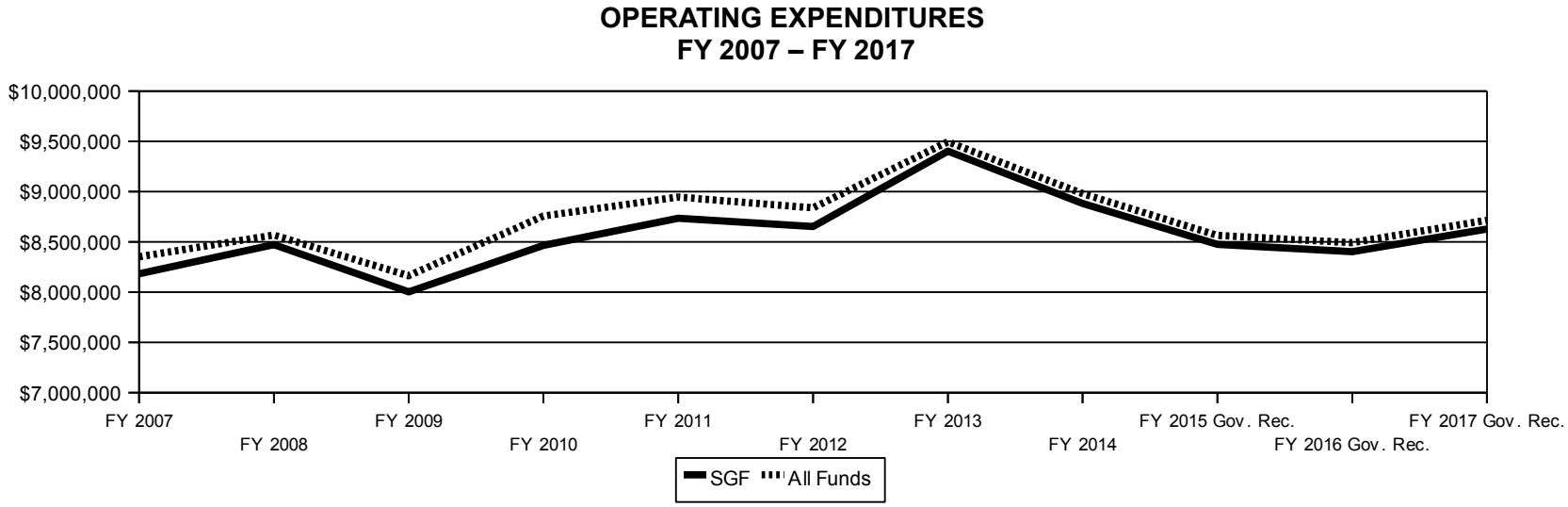
The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $8.7 million, including $8.6 million from the State General Fund. The recommendation is a decrease of $280,855, or 3.1 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and further recommending a reduction of $100,293, all from the State General Fund, to reduce employer contributions for state employee health insurance.

The Governor concurs with the agency's FY 2017 capital improvements request.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 8,183,444	(0.2)%	$ 8,350,916	(1.7)%	146.0
2008	8,471,656	3.5	8,567,348	2.6	146.0
2009	8,000,917	(5.6)	8,162,770	(4.7)	152.0
2010	8,464,847	5.8	8,756,568	7.3	157.0
2011	8,733,585	3.2	8,945,275	2.2	157.0
2012	8,650,737	(0.9)	8,838,301	(1.2)	150.0
2013	9,401,292	8.7	9,494,692	7.4	148.0
2014	8,882,641	(5.5)	8,980,089	(5.4)	147.0
2015 Gov. Rec.	8,474,714	(4.6)	8,563,532	(4.6)	137.0
2016 Gov. Rec.	8,402,879	(0.8)	8,491,697	(0.8)	137.0
2017 Gov. Rec.	8,626,641	2.7	8,715,459	2.6	137.0
Eleven-Year Change	$ 443,197	5.4 %	$ 364,543	4.4 %	(9.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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:									
General Administration	$ 1,048,820	$ 1,119,339	$ 1,162,221	$ 42,882	3.8 %	$ 1,109,957	$ 1,123,097	$ 13,140	1.2 %
Educational Services	1,311,858	1,330,073	1,379,723	49,650	3.7	1,330,073	1,379,723	49,650	3.7
Juvenile Correctional Services	4,044,238	4,226,135	4,191,287	(34,848)	(0.8)	4,189,573	4,092,004	(97,569)	(2.3)
Ancillary Services	1,523,881	928,930	932,431	3,501	0.4	920,141	911,250	(8,891)	(1.0)
Physical Plant/Central Services	1,051,292	1,033,423	999,310	(34,113)	(3.3)	1,013,788	985,623	(28,165)	(2.8)
TOTAL	$ 8,980,089	$ 8,637,900	$ 8,664,972	$ 27,072	0.3 %	$ 8,563,532	$ 8,491,697	$ (71,835)	(0.8)%
By Major Object of Expenditure:									
Salaries and Wages	$ 6,894,739	$ 6,593,549	$ 6,610,384	$ 16,835	0.3 %	$ 6,533,580	$ 6,453,189	$ (80,391)	(1.2)%
Contractual Services	1,719,455	1,758,769	1,789,228	30,459	1.7	1,758,769	1,789,228	30,459	1.7
Commodities	268,303	252,650	221,300	(31,350)	(12.4)	238,251	221,300	(16,951)	(7.1)
Capital Outlay	56,919	0	16,080	16,080	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 8,939,416	$ 8,604,968	$ 8,636,992	$ 32,024	0.4 %	$ 8,530,600	$ 8,463,717	$ (66,883)	(0.8)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	40,673	32,932	27,980	(4,952)	(15.0)	32,932	27,980	(4,952)	(15.0)
TOTAL	$ 8,980,089	$ 8,637,900	$ 8,664,972	$ 27,072	0.3 %	$ 8,563,532	$ 8,491,697	$ (71,835)	(0.8)%
Financing:									
State General Fund	$ 8,882,641	$ 8,549,082	$ 8,576,154	$ 27,072	0.3 %	$ 8,474,714	$ 8,402,879	$ (71,835)	(0.8)%
All Other Funds	97,448	88,818	88,818	0	0.0	88,818	88,818	0	0.0
TOTAL	$ 8,980,089	$ 8,637,900	$ 8,664,972	$ 27,072	0.3 %	$ 8,563,532	$ 8,491,697	$ (71,835)	(0.8)%

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:								
General Administration	$ 1,162,221	$ 1,213,161	$ 50,940	4.4 %	$ 1,123,097	$ 1,157,047	$ 33,950	3.0 %
Educational Services	1,379,723	1,405,541	25,818	1.9	1,379,723	1,405,541	25,818	1.9
Juvenile Correctional Services	4,191,287	4,373,927	182,640	4.4	4,092,004	4,208,412	116,408	2.8
Ancillary Services	932,431	977,274	44,843	4.8	911,250	940,937	29,687	3.3
Physical Plant/Central Services	999,310	1,026,411	27,101	2.7	985,623	1,003,522	17,899	1.8
TOTAL	$ 8,664,972	$ 8,996,314	$ 331,342	3.8 %	$ 8,491,697	$ 8,715,459	$ 223,762	2.6 %
By Major Object of Expenditure:								
Salaries and Wages	$ 6,610,384	$ 6,915,908	$ 305,524	4.6 %	$ 6,453,189	$ 6,651,133	$ 197,944	3.1 %
Contractual Services	1,789,228	1,815,046	25,818	1.4	1,789,228	1,815,046	25,818	1.4
Commodities	221,300	221,300	0	0.0	221,300	221,300	0	0.0
Capital Outlay	16,080	16,080	0	0.0	0	0	0	--
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 8,636,992	$ 8,968,334	$ 331,342	3.8 %	$ 8,463,717	$ 8,687,479	$ 223,762	2.6 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	27,980	27,980	0	0.0	27,980	27,980	0	0.0
TOTAL	$ 8,664,972	$ 8,996,314	$ 331,342	3.8 %	$ 8,491,697	$ 8,715,459	$ 223,762	2.6 %
Financing:								
State General Fund	$ 8,576,154	$ 8,907,496	$ 331,342	3.9 %	$ 8,402,879	$ 8,626,641	$ 223,762	2.7 %
All Other Funds	88,818	88,818	0	0.0	88,818	88,818	0	0.0
TOTAL	$ 8,664,972	$ 8,996,314	$ 331,342	3.8 %	$ 8,491,697	$ 8,715,459	$ 223,762	2.6 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $9,424,387 for the Larned Juvenile Correctional Facility in FY 2015. Three adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $14,399, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- A reduction of $889,704, as the result of net transfers within the Department of Corrections system.
- A reduction of $74,368 as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to $8,474,714. 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.

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	$ 8,474,714	$ 8,549,082	$ 74,368	$ 8,474,714	$ 0
All Other Funds	90,665	588,818	498,153	588,818	498,153
TOTAL	$ 8,565,379	$ 9,137,900	$ 572,521	$ 9,063,532	$ 498,153
FTE Positions	147.0	136.0	(11.0)	137.0	(10.0)

The **agency** estimates FY 2015 total expenditures of $9.1 million, including $8.5 million from the State General Fund. The request is an increase of $572,521, or 6.7 percent,, including a State General Fund increase of $74,368, or 0.9 percent, above the FY 2015 approved amount. The increase is due to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures and increased capital improvement expenditures for a new security system project. The request includes 136.0 FTE positions, which is 11.0 less FTE positions than the FY 2015 approved amount. The decrease in FTE positions is attributable to the Department of Corrections taking over the agency's ancillary services.

The **Governor** recommends FY 2015 total expenditures of $9.1 million, including $8.5 million from the State General Fund. The recommendation is a decrease of $74,368, or 0.8 percent, all from the State General Fund, below the agency's FY 2015 estimate. The decrease is attributable to the inclusion of the Governor's December 2014 Allotment.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ 59,969	$ 59,969	0.0
Lapse Reappropriations	14,399	14,399	0.0
TOTAL	$ 74,368	$ 74,368	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $59,969, all 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 agency operations but is reflective of a reduction of expenditures.

Reappropriations Lapse:

A reduction of $14,399, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $14,399 for the agency. This allotment will force the agency to hold additional positions open.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 8,664,972	$ 8,491,697	$ (173,275)
FTE Positions	136.0	137.0	1.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 27,072	$ (71,835)	
All Other Funds	0	0	
TOTAL	$ 27,072	$ (71,835)	
Percent Change:			
State General Fund	0.3 %	(0.8) %	
All Other Funds	0.0	0.0	
TOTAL	0.3 %	(0.8) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $8.7 million, including $8.6 million from the State General Fund. The request is an increase of $27,072, or 0.3 percent, all from the State General Fund, above the FY 2015 estimate. The request includes enhancements totaling $74,951, all from the State General Fund, for fringe benefit shortfalls and IT equipment replacement. The request includes 136.0 FTE positions, which is the same as the FY 2015 estimate. **Absent the enhancements**, the agency requests $8.6 million, including $8.5 million from the State General Fund. The request is a decrease of $47,879, or 0.6 percent, below the FY 2015 estimate. The major changes for FY 2016 include the following items.

- **Salaries and Wages.** The agency requests $6.6 million for salaries and wages. The request is an

increase of $16,835, or 0.3 percent, above the FY 2015 estimate. The request includes an enhancement of $58,871, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement,** the agency requests $6.6 million. The request is a decrease of $42,036, or 5.4 percent, below the FY 2015 estimate. The decrease is mainly due to one-time bonuses made in FY 2015 that are not made for FY 2016.

- **Contractual Services.** The agency requests $1.8 million for contractual services. The request is an increase of $30,459, or 1.7 percent, above the FY 2015 estimate. The increase is primarily attributable to the educational services contract that contains negotiated annual increases based on enrollment the agency must pay each year.

- **Commodities.** The agency requests $221,300 for commodities. The request is a decrease of $31,350, or 12.4 percent, below the FY 2015 estimate. The decrease is predominantly due to reduced supplies for medical and mental services.

- **Capital Outlay.** The agency requests $16,080 for capital outlay. The request is an enhancement to replace 25.0 percent of the agency's computer equipment. **Absent the enhancement**, the agency does not request any capital outlay expenditures.

The **Governor** recommends FY 2016 operating expenditures of $8.5 million, including $8.4 million from the State General Fund. The recommendation is a decrease of $173,275, or 2.0 percent, all from the State General Fund, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement requests and further recommending a reduction of $98,324, all from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor recommends 136.0 FTE positions, which is the same as the agency's request.

Enhancements Detail

FY 2016 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 58,871	$ 58,871	0.0	$ 0	$ 0	0.0
IT Replacement	16,080	16,080	0.0	0	0	0.0
TOTAL	**$ 74,951**	**$ 74,951**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $74,951, all from the State General Fund. The enhancement request includes the following:

- **Fringe Benefit Shortfalls.** The agency requests $58,871 for fringe benefit shortfalls. The agency states it will have to hold open or delay hiring 1.7 percent of its uniformed positions in order to fund the 1.0 percent increased contribution for KPERS; and
- **IT Replacement.** The agency requests $16,080 for IT replacement. The agency would like to replace 25.0 percent of its computer equipment to maximize staff performance.

The **Governor** does not recommend any of the agency's enhancement requests.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 8,996,314	$ 8,715,459	$ (280,855)
FTE Positions	136.0	137.0	1.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 331,342	$ 223,762	
All Other Funds	0	0	
TOTAL	$ 331,342	$ 223,762	
Percent Change:			
State General Fund	3.9 %	2.7 %	
All Other Funds	0.0	0.0	
TOTAL	3.8 %	2.6 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $9.0 million, including $8.9 million from the State General Fund. The request is an increase of $331,342, or 3.8 percent, all from the State General Fund, above the FY 2016 request. The increase is predominantly due to expenses associated with a 27th payroll period in the fiscal year and enhancements totaling $180,562, all from the State General Fund, for fringe benefit shortfalls and IT equipment replacement. . The request includes 136.0 FTE positions, the same as the FY 2016 request. **Absent the enhancements**, the agency requests $8.8 million, including $8.7 million from the State General Fund. The request is an increase of $225,731, or 2.6 percent, all from the State General Fund, above the FY 2016 request less enhancements. The major changes for FY 2017 include the following items.

- **Salaries and Wages.** The agency requests $6.9 million for salaries and wages. The request is an increase of $305,524, or 4.6 percent, above the FY 2016 request. The increase is due to a 27th payroll period in the fiscal year and an enhancement of $164,482, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $6.8 million for salaries and wages.

- **Contractual Services.** The agency requests $1.8 million for contractual services. The request is an increase of $25,818, or 1.4 percent, above the FY 2016 request. The increase is attributable to the educational services contract that contains negotiated annual increases based on enrollment the agency must pay each year.

The **Governor** recommends FY 2017 operating expenditures of $8.7 million, including $8.6 million from the State General Fund. The recommendation is a decrease of $280,855, or 3.1 percent, all from the State General Fund, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancement requests and further recommending a reduction of $100,293, all from the State General Fund, to reduce employer contributions for state employee health insurance.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Fringe Benefit Shortfalls	$ 164,482	$ 164,482	0.0	$ 0	$ 0	0.0
IT Replacement	16,080	16,080	0.0	0	0	0.0
TOTAL	**$ 180,562**	**$ 180,562**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $180,562, all from the State General Fund. The enhancement request includes the following items.

- **Fringe Benefit Shortfalls.** The agency requests $164,482 for fringe benefit shortfalls. The agency states it will have to hold open or delay hiring 4.6 percent of its uniformed positions in order to fund the 1.0 percent increased contribution for KPERS and health insurance increases.

- **IT Replacement.** The agency requests $16,080 for IT replacement. The agency would like to replace 25.0 percent of its computer equipment to maximize staff performance.

The **Governor** does not recommend the agency's enhancement requests.

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 $33,480, all from the State General Fund, and affects 108 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 $34,320, all from the State General Fund, and FY 2017 longevity payments total $36,160, all 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 $98,324, all from the State General Fund for FY 2016. This is a reduction of $100,293, all 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.

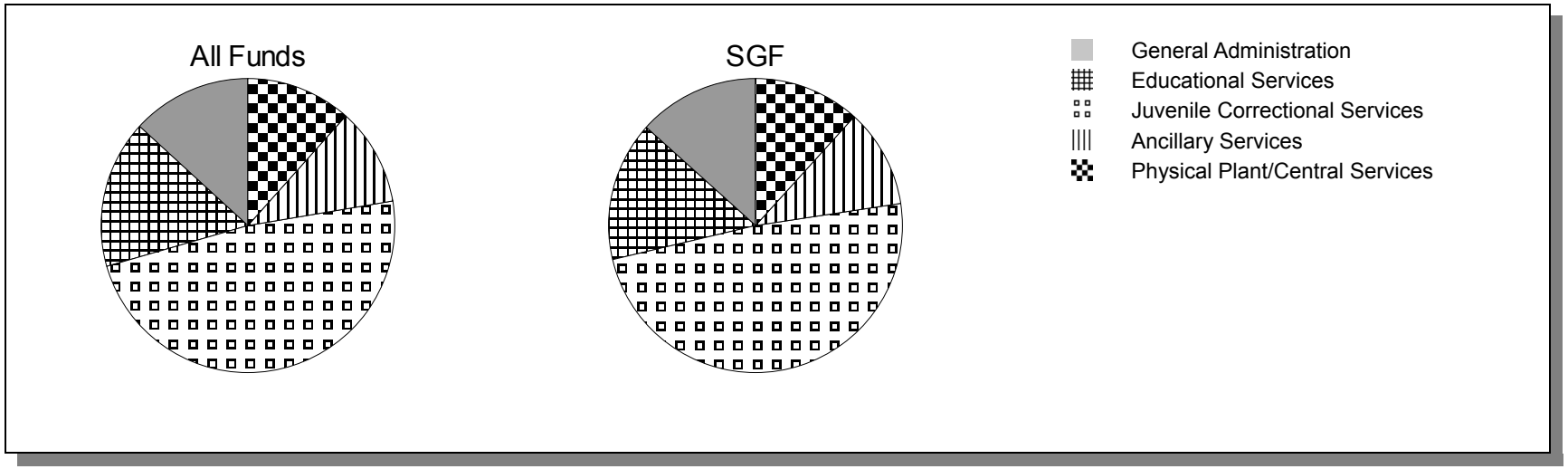
The Governor further proposes offering $1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution 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	99.0 %	99.0 %	99.0 %	99.0 %
All Other Funds	1.0	1.0	1.0	1.0
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

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
General Administration	$ 1,123,097	13.2 %	$ 1,123,097	13.4 %
Educational Services	1,379,723	16.2	1,290,905	15.4
Juvenile Correctional Services	4,092,004	48.2	4,092,004	48.7
Ancillary Services	911,250	10.7	911,250	10.8
Physical Plant/Central Services	985,623	11.6	985,623	11.7
TOTAL	$ 8,491,697	100.0 %	$ 8,402,879	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
General Administration	15.0	16.0	17.0	16.0	17.0	16.0	17.0
Educational Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Juvenile Correctional Services	87.0	87.0	87.0	87.0	87.0	87.0	87.0
Ancillary Services	32.0	20.0	20.0	20.0	20.0	20.0	20.0
Physical Plant/Central Services	13.0	13.0	13.0	13.0	13.0	13.0	13.0
TOTAL	147.0	136.0	137.0	136.0	137.0	136.0	137.0

A. General Administration

The General Administration program coordinates overall management and operations of the Larned Juvenile Correctional Facility (LJCF). The program is responsible for recruitment and employment of qualified personnel, training and development of staff, the annual budget, and the physical facility and related equipment.

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	$ 926,663	$ 997,203	$ 987,821	$ 1,034,196	$ 1,011,152	$ 1,085,136	$ 1,045,102
Contractual Services	83,561	85,396	85,396	80,205	80,205	80,205	80,205
Commodities	18,013	22,750	22,750	17,750	17,750	17,750	17,750
Capital Outlay	2,811	0	0	16,080	0	16,080	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,031,048	$ 1,105,349	$ 1,095,967	$ 1,148,231	$ 1,109,107	$ 1,199,171	$ 1,143,057
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	17,772	13,990	13,990	13,990	13,990	13,990	13,990
TOTAL	$ 1,048,820	$ 1,119,339	$ 1,109,957	$ 1,162,221	$ 1,123,097	$ 1,213,161	$ 1,157,047
Financing:							
State General Fund	$ 1,048,820	$ 1,119,339	$ 1,109,957	$ 1,162,221	$ 1,123,097	$ 1,213,161	$ 1,157,047
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,048,820	$ 1,119,339	$ 1,109,957	$ 1,162,221	$ 1,123,097	$ 1,213,161	$ 1,157,047
FTE Positions	15.0	16.0	17.0	16.0	17.0	16.0	17.0
Non-FTE Uncl. Perm. Pos.	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	18.0	19.0	20.0	19.0	20.0	19.0	20.0

The **agency** requests FY 2016 operating expenditures of $1.2 million, all from the State General Fund. The request is an increase of $42,882, or 3.8 percent, above the FY 2015 estimate. The increase is mainly due to hiring a new special investigator position and enhancements totaling $25,397, all from the State General Fund, for fringe benefit shortfalls and replacing IT equipment. **Absent the enhancements**, the agency requests $1.1 million, all from the State General Fund.

The **Governor** recommends FY 2016 operating expenditures of $1.1 million, all from the State General Fund. The recommendation is a decrease of $39,124, or 3.4 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancements for fringe benefit shortfalls and new computer equipment and a reduction of $13,727 to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of $1.2 million, all from the State General Fund. The request is an increase of $50,940, or 4.4 percent, above the FY 2016 request. The increase is attributable to expenses associated with a 27th payroll period in the fiscal year and enhancements totaling $42,112, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancements**, the agency requests $1.1 million, all from the State General Fund.

The **Governor** recommends operating expenditures of $1.2 million, all from the State General Fund. The recommendation is a decrease of $56,114, or 4.6 percent, below the agency's FY 2017 request. The decrease is due to the Governor not recommending the agency's enhancements for fringe benefit shortfalls and new computer equipment and a reduction of $14,002 to reduce employer contributions for state employee health insurance.

B. Educational Services

The Educational Services program provides for youth residents to attend year-round high school and college classes and vocational training. LJCF contracts with USD 495 to provide on-site educational services to youth residents. The contract includes all salaries of teachers, administrators, operational expenses, and an administration fee. Youth residents have an opportunity to earn a high school diploma, General Education Degree (GED), or receive vocational training. Barton County Community College also offers on-site college courses to youth residents at LJCF.

EDUCATIONAL SERVICES
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	1,288,095	1,330,073	1,330,073	1,379,723	1,379,723	1,405,541	1,405,541
Commodities	12,615	0	0	0	0	0	0
Capital Outlay	11,148	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,311,858	$ 1,330,073	$ 1,330,073	$ 1,379,723	$ 1,379,723	$ 1,405,541	$ 1,405,541
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 1,311,858	$ 1,330,073	$ 1,330,073	$ 1,379,723	$ 1,379,723	$ 1,405,541	$ 1,405,541
Financing:							
State General Fund	$ 1,223,040	$ 1,241,255	$ 1,241,255	$ 1,290,905	$ 1,290,905	$ 1,316,723	$ 1,316,723
All Other Funds	88,818	88,818	88,818	88,818	88,818	88,818	88,818
TOTAL	$ 1,311,858	$ 1,330,073	$ 1,330,073	$ 1,379,723	$ 1,379,723	$ 1,405,541	$ 1,405,541
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests FY 2016 operating expenditures of $1.4 million, including $1.3 million from the State General Fund. The request is an increase of $49,650, or 3.7 percent, all from the State General Fund, above the FY 2015 estimate. The educational services contract contains negotiated annual increases based on enrollment the agency must pay each year.

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

The **agency** requests FY 2017 operating expenditures of $1.4 million, including $1.3 million from the State General Fund. The request is an increase of $25,818, or 1.9 percent, all from the State General Fund, above the FY 2016 request. The educational services contract contains negotiated annual increases based on enrollment the agency must pay each year.

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

C. Juvenile Correctional Services

The Juvenile Correctional Services program consists of six living units and a central control center. The program is the largest in the facility and is responsible for the facility's security and supervision of the youth residents. Juvenile Correctional Services, through coordination with other programs, is involved in all activities affecting the daily care of youth residents. The living units are designed to provide different levels of structure to maximize treatment within an environment that assures proper supervision and services are afforded to all youth residents.

JUVENILE CORRECTIONAL SERVICES
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	$ 3,944,830	$ 4,119,283	$ 4,082,721	$ 4,096,737	$ 3,997,454	$ 4,279,377	$ 4,113,862
Contractual Services	45,692	44,550	44,550	43,550	43,550	43,550	43,550
Commodities	51,825	57,350	57,350	51,000	51,000	51,000	51,000
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 4,042,347	$ 4,221,183	$ 4,184,621	$ 4,191,287	$ 4,092,004	$ 4,373,927	$ 4,208,412
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	1,891	4,952	4,952	0	0	0	0
TOTAL	$ 4,044,238	$ 4,226,135	$ 4,189,573	$ 4,191,287	$ 4,092,004	$ 4,373,927	$ 4,208,412
Financing:							
State General Fund	$ 4,044,238	$ 4,226,135	$ 4,189,573	$ 4,191,287	$ 4,092,004	$ 4,373,927	$ 4,208,412
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 4,044,238	$ 4,226,135	$ 4,189,573	$ 4,191,287	$ 4,092,004	$ 4,373,927	$ 4,208,412
FTE Positions	87.0	87.0	87.0	87.0	87.0	87.0	87.0
Non-FTE Uncl. Perm. Pos.	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	88.0	88.0	88.0	88.0	88.0	88.0	88.0

The **agency** requests FY 2016 operating expenditures of $4.2 million, all from the State General Fund. The request is a decrease of $34,848, or 0.8 percent, below the FY 2015 estimate. The request includes an enhancement of $36,216, all from the State General Fund, for fringe benefit shortfalls. The decrease is mainly due to an increased shrinkage rate for salaries and wages. The agency states the increased shrinkage rate offsets costs associated with an increased KPERS rate.

The **Governor** recommends FY 2017 operating expenditures of $4.1 million, all from the State General Fund. The recommendation is a decrease of $99,283, or 2.4 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for fringe benefit shortfalls and a reduction of $63,067 to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $4.4 million, all from the State General Fund. The request is an increase of $182,640, or 4.4 percent, above the FY 2016 request. The increase is due to expenses associated with a 27th payroll period in the fiscal year and an enhancement of $101,185, all from the State General Fund, for fringe benefit shortfalls. **Absent the enhancement**, the agency requests $4.3 million, all from the State General Fund.

The **Governor** recommends FY 2017 operating expenditures of $4.2 million, all from the State General Fund. The recommendation is a decrease of $165,515, or 3.8 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for fringe benefit shortfalls and a reduction of $64,330, all from the State General Fund, to reduce employer contributions for state employee health insurance.

D. Ancillary Services

The agency provides ancillary services that are designed to assist juvenile residents in becoming able to return to their communities and participate as productive citizens. Services include psychological services, health services, religious programming, activity therapy, and substance abuse programs.

Psychologists provide crisis counseling and therapy to residents, and conduct training, consultations, and develop programs for residents. The facility's medical program is designed to ensure that youth receive adequate health care, comparable to accepted health and medical standards as practiced in the community and provided by credentialed professionals. Medical services include first aid, primary health care, medical screenings upon admission, general exams, dentistry, optometry, and dispensing of pharmaceuticals. The agency's staff provides nursing services, and all other medical services are delivered by contracted staff.

ANCILLARY SERVICES
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	$ 1,444,590	$ 912,885	$ 904,096	$ 920,886	$ 899,705	$ 965,729	$ 929,392
Contractual Services	23,009	3,000	3,000	1,500	1,500	1,500	1,500
Commodities	42,313	6,050	6,050	3,050	3,050	3,050	3,050
Capital Outlay	5,083	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,514,995	$ 921,935	$ 913,146	$ 925,436	$ 904,255	$ 970,279	$ 933,942
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	8,886	6,995	6,995	6,995	6,995	6,995	6,995
TOTAL	$ 1,523,881	$ 928,930	$ 920,141	$ 932,431	$ 911,250	$ 977,274	$ 940,937
Financing:							
State General Fund	$ 1,523,881	$ 928,930	$ 920,141	$ 932,431	$ 911,250	$ 977,274	$ 940,937
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,523,881	$ 928,930	$ 920,141	$ 932,431	$ 911,250	$ 977,274	$ 940,937
FTE Positions	32.0	20.0	20.0	20.0	20.0	20.0	20.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	32.0	20.0	20.0	20.0	20.0	20.0	20.0

The **agency** requests FY 2016 operating expenditures of $932,431, all from the State General Fund. The request is an increase of $3,501, or 0.4 percent, above the FY 2015 estimate. The increase is mainly due to an enhancement of $8,306, all from the State General Fund, for fringe benefit shortfalls partially offset by reduced expenditures for instate travel and supplies for medical and mental health services.

The **Governor** recommends FY 2016 operating expenditures of $911,250, all from the State General Fund. The recommendation is a decrease of $21,181, or 2.3 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for fringe benefit shortfalls and a reduction of $12,875 to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of $977,274, all from the State General Fund. The request is an increase of $44,843, or 4.8 percent, above the FY 2016 request. The increase is primarily attributable to a 27th payroll period and an enhancement of $23,205, all from the State General Fund, for fringe benefit shortfalls.

The **Governor** recommends FY 2017 operating expenditures of $977,274, all from the State General Fund. The recommendation is a decrease of $21,181, or 2.3 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for fringe benefit shortfalls and a reduction of $13,132 to reduce employer contributions for state employee health insurance.

E. Physical Plant/Central Services

The Physical Plant and Central Services program is responsible for maintenance and operation of the facility's heating and cooling systems, energy management systems, warehouse and food service, building grounds, vehicles, and related equipment. The agency has established a memorandum of agreement with the Larned State Hospital, which provides laundry services, dietary and food production, purchasing, and maintenance. The agency states that financial challenges affecting the Larned State Hospital will likely impact the LJCF through the delivery of the agreed-upon services.

PHYSICAL PLANT/CENTRAL SERVICES
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	$ 578,656	$ 564,178	$ 558,942	$ 558,565	$ 544,878	$ 585,666	$ 562,777
Contractual Services	279,098	295,750	295,750	284,250	284,250	284,250	284,250
Commodities	143,537	166,500	152,101	149,500	149,500	149,500	149,500
Capital Outlay	37,877	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,039,168	$ 1,026,428	$ 1,006,793	$ 992,315	$ 978,628	$ 1,019,416	$ 996,527
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	12,124	6,995	6,995	6,995	6,995	6,995	6,995
TOTAL	$ 1,051,292	$ 1,033,423	$ 1,013,788	$ 999,310	$ 985,623	$ 1,026,411	$ 1,003,522
Financing:							
State General Fund	$ 1,042,662	$ 1,033,423	$ 1,013,788	$ 999,310	$ 985,623	$ 1,026,411	$ 1,003,522
All Other Funds	8,630	0	0	0	0	0	0
TOTAL	$ 1,051,292	$ 1,033,423	$ 1,013,788	$ 999,310	$ 985,623	$ 1,026,411	$ 1,003,522
FTE Positions	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	13.0	13.0	13.0	13.0	13.0	13.0	13.0

The **agency** requests FY 2016 operating expenditures of $999,310, all from the State General Fund. The request is a decrease of $34,113, or 3.3 percent, below the FY 2015 estimate. The decrease is predominantly attributable to reduced expenditures for service repairs and cost indices for commodities, partially offset by an enhancement of $5,032, all from the State General Fund, for fringe benefit shortfalls.

The **Governor** recommends FY 2016 operating expenditures of $985,623, all from the State General Fund. The recommendation is a decrease of $13,687, or 1.4 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for fringe benefit shortfalls and a reduction of $8,655 to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of $1.0 million, all from the State General Fund. The request is is an increase of $27,101, or 2.7 percent, above the FY 2016 request. The increase is mainly due to a 27th payroll period and an enhancement of $14,060, all from the State General Fund, for fringe benefit shortfalls.

The **Governor** recommends FY 2017 operating expenditures of $1.0 million, all from the State General Fund. The recommendation is a decrease of $22,889, or 2.2 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for fringe benefit shortfalls and a reduction of $8,829 to reduce 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
Security Upgrade	$ 500,000	$ 500,000	$ 0	$ 0	$ 0	$ 0
Financing:						
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	500,000	500,000	0	0	0	0
TOTAL	$ 500,000	$ 500,000	$ 0	$ 0	$ 0	$ 0

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates capital improvement expenditures of $500,000, all from special revenue funds, for upgrades to its locking and intercom security system.

Current Year Governor Recommendation

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

Budget Year Agency Request

FY 2016 – Budget Year. The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2016 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

Budget Year Agency Request

FY 2017 – Budget Year. The agency does not request any capital improvement expenditures. Capital improvement expenditures for FY 2017 are made at the discretion of the Department of Corrections' Central Office.

Budget Year Governor Recommendation

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

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Percent of offenders who showed improvement on standardized academic instruments	81.0%	69.0%	72.0%	74.0%	74.0%
Percent of Juveniles who successfully complete conditional release	78.0%	89.0%	89.0%	89.0%	89.0%
Average Daily Population	137	137	137	137	137

ADJUTANT GENERAL'S DEPARTMENT

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	$ 8,956,085	$ 7,366,420	$ 6,988,446	$ 7,446,219	$ 5,786,324	$ 7,114,390	$ 6,454,207
Other Funds	56,049,441	39,995,726	39,782,298	31,759,182	31,803,912	28,533,150	28,572,360
TOTAL	$ 65,005,526	$ 47,362,146	$ 46,770,744	$ 39,205,401	$ 37,590,236	$ 35,647,540	$ 35,026,567
Capital Improvements:							
State General Fund	$ 2,501,021	$ 2,597,103	$ 2,364,760	$ 4,320,194	$ 2,389,593	$ 9,753,551	$ 2,824,893
Other Funds	9,033,032	2,773,785	2,501,034	2,374,860	826,004	1,932,669	826,004
TOTAL	$ 11,534,053	$ 5,370,888	$ 4,865,794	$ 6,695,054	$ 3,215,597	$ 11,686,220	$ 3,650,897
GRAND TOTAL	**$ 76,539,579**	**$ 52,733,034**	**$ 51,636,538**	**$ 45,900,455**	**$ 40,805,833**	**$ 47,333,760**	**$ 38,677,464**
Percentage Change:							
Operating Expenditures							
State General Fund	19.4 %	(17.7) %	(22.0) %	1.1 %	(17.2) %	(4.5) %	11.5 %
All Funds	(24.2)	(27.1)	(28.1)	(17.2)	(19.6)	(9.1)	(6.8)
FTE Positions	185.5	185.5	185.5	147.5	147.5	132.5	132.5
Non-FTE Perm.Uncl.Pos.	259.6	263.6	263.6	146.6	141.6	134.6	129.6
TOTAL	445.1	449.1	449.1	294.1	289.1	267.1	262.1

AGENCY OVERVIEW

The Adjutant General's Department provides for the organization and readiness training of the Kansas Air and Army National Guard, implementation of statewide Emergency Management programs, and Homeland Security for Kansas. The Adjutant General is the Governor's appointed military chief of staff, commanding the National Guard. He also serves as Director of Kansas Emergency Management and Director of Kansas Homeland Security. The Kansas National Guard has over 7,400 members across the state working in full-time civilian jobs and performing federal military duty on scheduled training weekends and summer camps. The agency assists Kansans during events such as winter storms, floods, tornadoes, wild fires, electrical power failures, hazardous material incidents, droughts, dam failures, radiological incidents, urban fires, earthquakes, or any other disaster or civil disturbance, including terrorism.

MAJOR ISSUES FROM PRIOR YEARS

The 2007 Legislature:

- Added a total of $6.6 million, all from the Statewide Maintenance and Disaster Relief Fund, for hazard mitigation, including language making the expenditure of $1.6 million for the creation of a Fusion Center. A Fusion Center is a multi-agency team providing homeland security information and analysis.

- Added $9.0 million in bonding authority for the creation of the Great Plains Regional Training Center in Salina.

The 2008 Legislature:

- Added $55.0 million, including $10.1 million from the State General Fund, for disaster assistance funding in FY 2008, to provide additional assistance required for current expenditure estimates related to the December 2007 ice storm.

- Added $500,000, all from the State General Fund, in FY 2008 for National Guard death benefits for the families of two National Guard members killed as a result of federal active duty in a combat zone.

- Added $100,000, all from the State General Fund, in FY 2009 to be used for planning purposes for the creation of the Great Plains Regional Training Site No. 1.

- Changed the position name of the "Homeland Security Regional Coordinators" to "Regional Emergency Management Coordinators."

The 2009 Legislature:

- Added $12.75 million, including $1.50 million from the State General Fund, for disaster relief in FY 2009, and language to reappropriate any remaining funds in the disaster relief account to FY 2010.

- Added $250,000, all from the State General Fund, in FY 2009 for a death benefit for one family of a National Guard member killed as a result of federal active duty in a combat zone.

- The Governor recommended special one-time transfers of $1.9 million, from the Adjutant General Expense Fund – Hazardous Mitigation sub-fund and $319,657 from the National Guard Life Insurance Premium Reimbursement Payment Fund to the State General Fund. The Legislature accepted the Governor's recommendation.

- Added $66.5 million, including $7.8 million from the State General Fund, for disaster assistance funding for payments on open disasters in FY 2010.

- Added an additional $157.3 million, including $18.5 million from the State General Fund, in FY 2010 for disaster relief expenditures for electric cooperatives related to the December 2007 ice storm.

- Reduced the agency's budget by 1.25 percent, during the regular session, as part of an across the board reduction to the Governor's FY 2009 recommended State General Fund operating expenditures excluding debt service payments and caseload estimates in FY 2009 ($324,446) and FY 2010 ($324,446).

- Reduced the agency's budget by 2.75 percent, during Omnibus, as part of an across the board reduction to the Governor's FY 2010 recommended State General Fund operating expenditures excluding debt service payments and caseload estimates in FY 2010 ($1.2 million, including $358,727 from the State General Fund.)

The 2010 Legislature:

- Added $459,357, all from the National Guard Museum Assistance Fund, in FY 2010 for the 35th Infantry Division museum expansion. In addition, $459,357 was transferred from the State General Fund to the National Guard Museum Assistance Fund in FY 2010.

- Added $101.0 million, including $10.2 million from the State General Fund, towards disaster relief payments on eleven open disasters in FY 2011.

- During the 2010 Interim, the State Finance Council authorized expenditures of $9.0 million, all from the State Emergency Fund, in FY 2011 for the cost of weather-related disasters. These funds allowed the agency to expend $90.0 million towards disaster relief ($9.0 million state's share,

$13.5 million local share, $67.5 million federal match). KSA 75-3712 provides that the State Finance Council may authorize expenditures from the State Emergency Fund, not to exceed $10.0 million.

The 2011 Legislature:

- Approved federal funds expenditures of $40.0 million in FY 2011, and $25.5 million in FY 2012 for the architectural, engineering, and construction costs of the Wichita Field Maintenance Shop and Armory. The 100.0 percent federally funded Armory and Field Maintenance Shop in Wichita houses the 287th Sustainment Brigade.

- Added $40.0 million, including $4.0 million from the State General Fund, for disaster relief expenditures in FY 2012.

- Approved a reduced resources budget for FY 2012, which was an all funds reduction of $458,141, and a State General Fund reduction of $254,141. State General Fund expenditure reductions across the agency's programs were: $20,997 from the Administration Program; $65,108 from the State Military Program; and $168,036, from the Physical Plant Program.

- Approved reducing the agency's FTE limitation by 20.0 vacant FTE positions, from 219.0 to 199.0 FTE positions in FY 2012.

- During the 2011 Interim, the State Finance Council authorized expenditures of $10.0 million, all from the State Emergency Fund, in FY 2012 for the cost of weather-related disasters. These funds allow the agency to expend $100.0 million towards disaster relief ($10.0 million state's share, $15.0 million local share, and $75.0 million federal match. KSA 75-3712 provides that the State Finance Council may authorize expenditures from the State Emergency Fund, not to exceed $10.0 million, in a given fiscal year.

The 2013 Legislature:

- Added $651,428, all from special revenue funds, and 3.0 FTE positions to transfer emergency response deployment personnel and resources from the Kansas Department of Transportation to the Adjutant General from FY 2013 to FY 2015.

- Added $63,680, including $141,869 from the State General Fund, to reduce reliance on federal funds in order to support the operations of the Kansas Fusion Center in FY 2014.

- Added $199,234, including $180,370 from the State General Fund, for utilities and maintenance at the Wichita Readiness Center in FY 2014.

- Added $75,620, all from the State General Fund, for crisis city sustainment and to fund a 0.5 FTE position in FY 2014.

- Deleted $71,002, all from the State General Fund, to reduce operating expenditures in FY 2014.

- Transferred $270,670, from the State Highway Fund, to a newly created special revenue fund for the Office of Emergency Communications in FY 2014 and FY 2015.

The 2014 Legislature:

- Added $155,168 in FY 2014 and $151,168 in FY 2015, all from special revenue funds, for collecting information from emergency first responders regarding equipment needed for mobile data communications.

- Deleted 15.0 vacant FTE positions in FY 2014 and FY 2015.

- Lapsed $3.0 million, all from the Disaster Relief Account, in FY 2014.

- Created and appropriated the Geological Survey Fund as a no limit fund and transferred $160,000, all from the Disaster Relief Account, to the Geological Survey Fund in FY 2014.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates a revised FY 2015 estimate totaling $52.7 million, including $10.0 million from the State General Fund, an all funds decrease of $7.0 million, or 11.7 percent, and a State General Fund decrease of $4.3 million, or 30.2 percent, from the current approved amounts for FY 2015. The FY 2015 revised estimate includes 185.5 FTE positions, which is no change from the amount approved by the 2014 Legislature.

The agency is requesting two supplementals totaling $545,094, including $242,343 from the State General Fund, in FY 2015. This request is comprised of the following.

- One operating supplemental for $40,000, including $10,000 from the State General Fund.

- One capital improvements supplemental for $505,094, including $232,343 from the State General Fund in FY 2015.

The agency's revised capital improvements estimate totals $5.4 million, including $2.6 million from the State General Fund, in FY 2015. This is an all funds increase of $505,094, or 10.4 percent, and a State General Fund increase of $232,343, or 9.8 percent, above the FY 2015 approved amount.

FY 2015 Governor Recommendation

The **Governor** recommends a total budget of $51.6 million, including $9.4 million from the State General Fund, in FY 2015. This is an all funds decrease of $1.1 million, or 2.1 percent, and a State General Fund decrease of $610,317, or 6.1 percent, below the agency's FY 2015 revised estimate. The difference from the agency's FY 2015 revised estimate, which was submitted before the December Allotment, is due to the following recommended adjustments: 1) Not recommending the agency's supplemental requests, 2) Allotment plan funding reductions, and 3) lapses to reappropriations.

The **Governor** recommends capital improvements expenditures totaling $4.9 million, including $2.4 million from the State General Fund, for FY 2015. This is an all funds decrease of $505,094, or 9.4 percent, and a State General Fund decrease of $232,343, or 8.9 percent, below the agency's FY 2015 revised estimate. This decrease is due to the Governor not recommending the agency's supplemental request for additional rehabilitation and repair expenditures for Kansas Army National Guard facilities.

FY 2016 Agency Request

The **agency** requests a FY 2016 budget totaling $39.2 million, including $7.5 million from the State General Fund. This is an all funds decrease of $8.2 million, or 17.2 percent, and a State General Fund increase of $79,799, or 1.1 percent, from the FY 2015 revised estimate. The FY 2016 request includes 147.5 FTE and 146.6 Non-FTE positions, which is a decrease of 38.0 FTE and 117.0 non-FTE positions from the FY 2015 revised estimate, and is primarily related to the closure of Kansas's Readiness Sustainment Maintenance Site Program. The request includes sixteen enhancements totaling $3.8 million, including $2.1 million from the State General Fund, for FY 2016. This request is comprised of **A)** Nine operating enhancements ($590,180 All Funds, including $450,698 State General Fund, and 7.0 non-FTE positions) and **B)** Seven capital improvements enhancements ($3.2 million All Funds, including $1.6 million State General Fund) for FY 2016.

The **agency** requests capital improvements expenditures totaling $6.7 million, including $4.3 million from the State General Fund, for FY 2016. This is an all funds increase of $1.3 million, or 24.7 percent, and a State General Fund increase of $1.7 million, or 66.3 percent, above the FY 2015 revised estimate. This increase is due to seven capital improvements enhancement requests totaling $3.2 million, including $1.6 million from the State General Fund, for FY 2016.

FY 2016 Governor Recommendation

The **Governor** recommends an operating budget totaling $37.6 million, including $5.8 million from the State General Fund, for FY 2016. This is an all funds decrease of $1.6 million, or 4.1 percent, and a State General Fund decrease of $1.7 million, or 22.3 percent, below the agency's FY 2016 request. The difference from the agency's FY 2016 request is due to the following recommended adjustments.

- Allotment Plan funding reductions.

- Reductions for employer contributions for state employee health insurance.
- Reductions to refinance current agency debt.
- Reductions due to non-recommended operating enhancement requests.
- Reductions to additional State General Funding request.
- Additional Civil Air Patrol operating expenditures.

The **Governor** recommends capital improvements expenditures totaling $3.2 million, including $2.4 million from the State General Fund, for FY 2016. This is an all funds decrease of $3.5 million, or 52.0 percent, and a State General Fund decrease of $1.9 million, or 44.7 percent, below the agency's FY 2016 request. This decrease is due to the following.

- The Governor not recommending six of the agency's seven capital improvements enhancements ($2.7 million all funds, including $1.1 million State General Fund).

- The Governor's recommendation to refinance current agency debt, which attributes for a decrease of $787,390, all from the State General Fund, in debt service principal payments from the agency's FY 2016 request.

The Governor's recommendation includes: 1) $1.2 million, including $329,893 from the State General Fund, to provide for the agency's base request for rehabilitation and repairs expenditures for FY 2016, and 2) the agency's capital improvements enhancement request for $472,000, all from the State General Fund, to provide for expenditures for the design of a new, 25,000 square foot, State Emergency Management Operations and Training Center located on or adjacent to the grounds of the Kansas National Guard 190th Refueling Wing at Forbes Field in Topeka.

FY 2017 Agency Request

The **agency** requests operating expenditures totaling $35.6 million, including $7.1 million from the State General Fund, for FY 2017. This is an all funds decrease of $3.6 million, or 9.1 percent, and a State General Fund decrease of $331,829, or 4.5 percent, below the FY 2016 request. The FY 2017 request includes 132.5 FTE and 134.6 non-FTE positions, which is a decrease of 15.0 FTE and 12.0 non-FTE positions from the FY 2016 request, and is primarily related to continued closure of Kansas's Readiness Sustainment Maintenance Site Program. This request is comprised of: **A)**The continuation and associated increases of the nine operating enhancements requested in FY 2016 into FY 2017 ($614,207 All Funds, including $469,560 from the State General Fund, and 7.0 non-FTE positions).

The **agency** requests capital improvements expenditures totaling $11.7 million, including $9.8 million from the State General Fund, for FY 2017. This is an all funds increase of $5.0 million, or 74.6 percent, and a State General Fund increase of $5.4 million, or 125.8 percent, above the FY 2016 request. This increase is due to five capital improvements enhancements totaling $8.0 million, including $6.9 million from the State General Fund, for FY 2017.

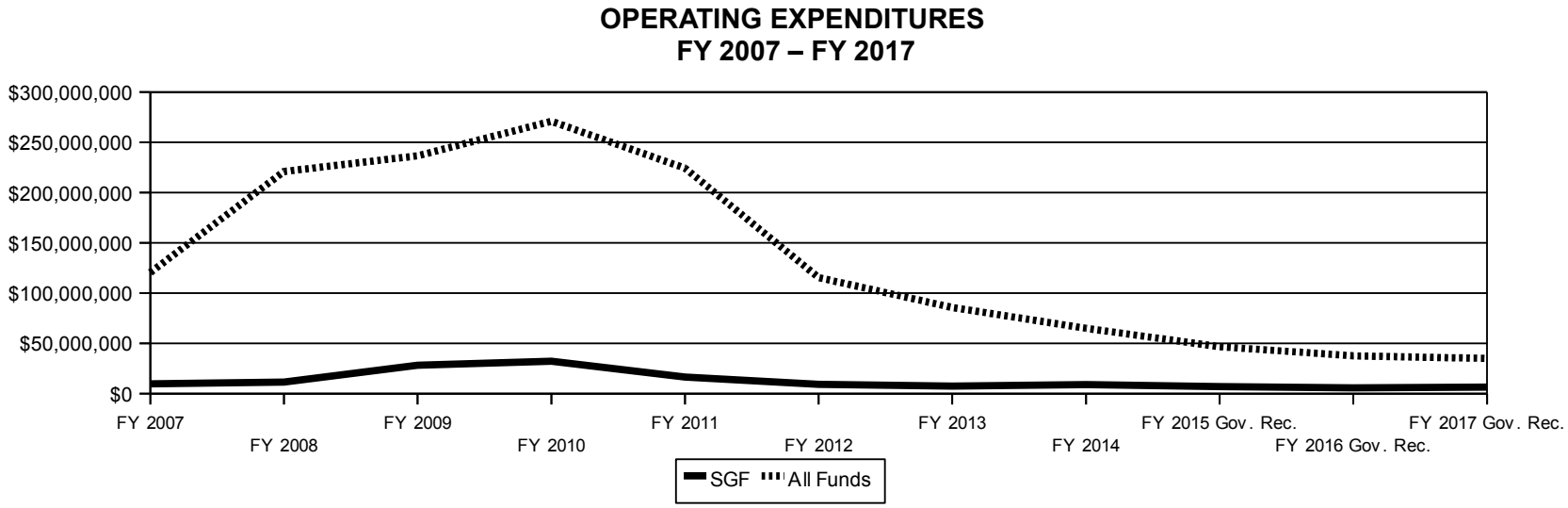
FY 2017 Governor Recommendation

The **Governor** recommends an operating budget totaling $35.0 million, including $6.5 million from the State General Fund, for FY 2017. This is an all funds decrease of $620,973 million, or 1.7 percent, and a State General Fund decrease of $660,183, or 9.3 percent, below the agency's FY 2017 request. The difference from the agency's FY 2017 request is due to the following recommended adjustments: 1) reductions to continue the Governor's allotment plan, 2) reductions to employer contributions for state employee health insurance, 3) reductions for less than requested enhancement funding, 4) reductions to additional State General Funding request, and 5) an increase for debt service payments, and 6) additional Civil Air Patrol operating expenditures.

The **Governor** recommends capital improvements expenditures totaling $3.7 million, including $2.8 million from the State General Fund, for FY 2017. This is an all funds decrease of $8.0 million, or 68.8 percent, and a State General Fund decrease of $6.93 million, or 71.0 percent, below the agency's FY 2017 request. This decrease from the agency's request is entirely due to the Governor not recommending any of the agency's five capital improvements enhancements ($8.0 million All Funds, including $6.9 million State General Fund).

The Governor's recommendation includes $1.2 million, including $329,893 from the State General Fund, to provide for the agency's base request for rehabilitation and repairs expenditures for FY 2017.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 9,824,083	(4.5)%	$ 120,567,533	44.8 %	219.0
2008	11,416,008	16.2	221,045,720	83.3	219.0
2009	28,193,359	147.0	236,670,077	7.1	219.0
2010	32,219,874	14.3	271,008,350	14.5	219.0
2011	16,557,307	(48.6)	224,429,806	(17.2)	219.0
2012	9,179,456	(44.6)	115,452,148	(48.6)	199.0
2013	7,503,792	(18.3)	85,724,171	(25.7)	200.0
2014	8,956,085	19.4	65,005,526	(24.2)	185.5
2015 Gov. Rec.	6,988,446	(22.0)	46,770,744	(28.1)	185.5
2016 Gov. Rec.	5,786,324	(17.2)	37,590,236	(19.6)	147.5
2017 Gov. Rec.	6,454,207	11.5	35,026,567	(6.8)	132.5
Eleven-Year Change	$ (3,369,876)	(34.3)%	$ (85,540,966)	(70.9)%	(86.5)

Note: Fluctuations in State General Fund and all other fund financing are attributed to disaster relief funding.

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 1,860,036	$ 2,195,119	$ 2,224,504	$ 29,385	1.3 %	$ 2,176,315	$ 2,209,898	$ 33,583	1.5 %
Emergency Preparedness	28,390,531	17,284,970	11,141,383	(6,143,587)	(35.5)	17,164,379	10,515,524	(6,648,855)	(38.7)
State Military Service Operations	2,049,081	623,566	336,545	(287,021)	(46.0)	613,759	326,738	(287,021)	(46.8)
Physical Plant / Central Services	31,385,460	25,959,317	24,303,759	(1,655,558)	(6.4)	25,754,376	24,152,069	(1,602,307)	(6.2)
Debt Service	1,320,418	1,299,174	1,199,210	(99,964)	(7.7)	1,061,915	386,007	(675,908)	(63.6)
TOTAL	$ 65,005,526	$ 47,362,146	$ 39,205,401	$ (8,156,745)	(17.2) %	$ 46,770,744	$ 37,590,236	$ (9,180,508)	(19.6)%
By Major Object of Expenditure:									
Salaries and Wages	$ 21,622,463	$ 16,775,246	$ 15,513,747	$ (1,261,499)	(7.5) %	$ 16,567,575	$ 15,005,847	$ (1,561,728)	(9.4)%
Contractual Services	13,906,341	11,270,688	13,184,754	1,914,066	17.0	11,137,509	12,932,454	1,794,945	16.1
Commodities	3,588,261	3,514,438	1,924,133	(1,590,305)	(45.3)	3,510,952	1,892,178	(1,618,774)	(46.1)
Capital Outlay	732,502	398,587	716,600	318,013	79.8	398,587	716,600	318,013	79.8
Debt Service	1,320,418	1,299,174	1,199,210	(99,964)	(7.7)	1,061,915	386,007	(675,908)	(63.6)
Subtotal - Operations	$ 41,169,985	$ 33,258,133	$ 32,538,444	$ (719,689)	(2.2) %	$ 32,676,538	$ 30,933,086	$ (1,743,452)	(5.3)%
Aid to Local Units	12,498,410	11,368,140	4,520,745	(6,847,395)	(60.2)	11,368,140	4,520,745	(6,847,395)	(60.2)
Other Assistance	11,337,131	2,735,873	2,146,212	(589,661)	(21.6)	2,726,066	2,136,405	(589,661)	(21.6)
TOTAL	$ 65,005,526	$ 47,362,146	$ 39,205,401	$ (8,156,745)	(17.2) %	$ 46,770,744	$ 37,590,236	$ (9,180,508)	(19.6)%
Financing:									
State General Fund	$ 8,956,085	$ 7,366,420	$ 7,446,219	$ 79,799	1.1 %	$ 6,988,446	$ 5,786,324	$ (1,202,122)	(17.2)%
Emergency Mgt Disaster Federal Fund	12,202,763	5,593,538	2,911,531	(2,682,007)	(47.9)	5,593,538	2,911,531	(2,682,007)	(47.9)
Other Federal Funds	42,227,352	33,151,932	28,234,103	(4,917,829)	(14.8)	32,944,449	28,010,638	(4,933,811)	(15.0)
All Other Funds	1,619,326	1,250,256	613,548	(636,708)	(50.9)	1,244,311	881,743	(362,568)	(29.1)
TOTAL	$ 65,005,526	$ 47,362,146	$ 39,205,401	$ (8,156,745)	(17.2) %	$ 46,770,744	$ 37,590,236	$ (9,180,508)	(19.6)%

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	$ 2,224,504	$ 2,122,606	$ (101,898)	(4.6) %	$ 2,209,898	$ 2,109,346	$ (100,552)	(4.6)%
Emergency Preparedness	11,141,383	7,858,112	(3,283,271)	(29.5)	10,515,524	7,209,336	(3,306,188)	(31.4)
State Military Service Operations	336,545	337,379	834	0.2	326,738	327,572	834	0.3
Physical Plant / Central Services	24,303,759	24,241,681	(62,078)	(0.3)	24,152,069	24,087,894	(64,175)	(0.3)
Debt Service	1,199,210	1,087,762	(111,448)	(9.3)	386,007	1,292,419	906,412	234.8
TOTAL	$ 39,205,401	$ 35,647,540	$ (3,557,861)	(9.1) %	$ 37,590,236	$ 35,026,567	$ (2,563,669)	(6.8)%
By Major Object of Expenditure:								
Salaries and Wages	$ 15,513,747	$ 16,042,698	$ 528,951	3.4 %	$ 15,005,847	$ 15,516,719	$ 510,872	3.4 %
Contractual Services	13,184,754	12,434,056	(750,698)	(5.7)	12,932,454	12,176,167	(756,287)	(5.8)
Commodities	1,924,133	1,893,212	(30,921)	(1.6)	1,892,178	1,861,257	(30,921)	(1.6)
Capital Outlay	716,600	716,600	0	0.0	716,600	716,600	0	0.0
Debt Service	1,199,210	1,087,762	(111,448)	(9.3)	386,007	1,292,419	906,412	234.8
Subtotal - Operations	$ 32,538,444	$ 32,174,328	$ (364,116)	(1.1) %	$ 30,933,086	$ 31,563,162	$ 630,076	2.0 %
Aid to Local Units	4,520,745	2,171,682	(2,349,063)	(52.0)	4,520,745	2,171,682	(2,349,063)	(52.0)
Other Assistance	2,146,212	1,301,530	(844,682)	(39.4)	2,136,405	1,291,723	(844,682)	(39.5)
TOTAL	$ 39,205,401	$ 35,647,540	$ (3,557,861)	(9.1) %	$ 37,590,236	$ 35,026,567	$ (2,563,669)	(6.8)%
Financing:								
State General Fund	$ 7,446,219	$ 7,114,390	$ (331,829)	(4.5) %	$ 5,786,324	$ 6,454,207	$ 667,883	11.5 %
Emergency Mgt Disaster Federal Fund	2,911,531	31,759	(2,879,772)	(98.9)	2,911,531	31,759	(2,879,772)	(98.9)
Other Federal Funds	28,234,103	27,875,561	(358,542)	(1.3)	28,010,638	27,646,512	(364,126)	(1.3)
All Other Funds	613,548	625,830	12,282	2.0	881,743	894,089	12,346	1.4
TOTAL	$ 39,205,401	$ 35,647,540	$ (3,557,861)	(9.1) %	$ 37,590,236	$ 35,026,567	$ (2,563,669)	(6.8)%

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $9,363,669 for the Adjutant General's Department in FY 2015. Several adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of $4,911,269, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- A reduction of $1,867,974, as the result of the Governor's December 9th State General Fund allotment.

This adjustment changes the FY approved State General Fund to $12,406,964. That amount is reflected in the table below as the currently approved FY State General Fund amount.

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	$ 12,406,964	$ 9,963,523	$ (2,443,441)	$ 9,353,206	$ (3,053,758)
All Other Funds	45,435,147	42,769,511	(2,665,636)	42,283,332	(3,151,815)
TOTAL	$ 57,842,111	$ 52,733,034	$ (5,109,077)	$ 51,636,538	$ (6,205,573)
FTE Positions	185.5	185.5	0.0	185.5	0.0

The **agency** requests a revised FY 2015 estimate totaling $52.7 million, including $10.0 million from the State General Fund, an all funds decrease of $5.1 million, or 8.8 percent, and a State General Fund decrease of $2.4 million, or 19.7 percent, below the current approved amounts for FY 2015. The agency's FY 2015 revised estimate includes supplemental funding

requests totaling $545,094, including $242,343 from the State General Fund. The FY 2015 revised estimate includes 185.5 FTE positions, which is no change from the amount approved by the 2014 Legislature.

Major Adjustments from the approved budget include:

State General Fund. The State General Fund decrease of $2.4 million from the FY 2015 approved amount is primarily due to reappropriations from FY 2014 totaling $4,911,269. This amount is comprised of reappropriations in the following State General Fund accounts: 1) $4,842,133 from disaster relief, 2) $211 from operations, 3) $46,311 from incident management team and 4) $22,641 from Military Activation Payments. Of these reappropriations, the primary decrease from the approved is due to unbudgeted FY 2015 disaster relief expenditure authority.

The FY 2015 approved budget includes expenditure authority totaling $5,303,015 for the state's portion of disaster relief for open disasters. The most recent estimates for disaster relief payouts included in the FY 2015 revised estimate total $749,257. This is a decrease of $4,553,758, or 85.9 percent, less than the FY 2015 approved amount. This decrease from the approved is also offset by the agency's FY 2015 supplemental requests totaling $242,343, from the State General Fund.

This State General Fund reduction from approved totals $4,311,415, which is reduced by the Governor's December allotment which lapsed $1,867,974 from the approved amount.

Federal Funds and All Other Funds. The FY 2015 revised estimate includes all other funds expenditures totaling $42.8 million, which is a decrease of $2.7 million, or 5.9 percent, below the current approved amount for FY 2015. This decrease is primarily attributable to significant decreases in federal funding related to the closure of Kansas Readiness Sustainment Maintenance Site Program and resulting loss of federal funds generated through it.

The **Governor** recommends a total budget of $51.6 million, including $9.4 million from the State General Fund, in FY 2015. This is an all funds decrease of $1.1 million, or 2.1 percent, and a State General Fund decrease of $610,317, or 6.1 percent, below the agency's FY 2015 revised estimate. The difference from the agency's FY 2015 revised estimate, which was submitted before the December Allotment, is due to the following recommended adjustments.

- A reduction of $545,094, including $242,343 from the State General Fund, due to the Governor not recommending the agency's supplemental requests.
- A reduction of $551,402, including $367,974 from the State General Fund, as part of the Governor's allotment plan, which includes: a 4.0 percent SGF funding reduction, bond refinancing, and a reduction to employers KPERS contributions. The State General Fund portion of this plan adjusted the FY 2015 approved budget, and the special revenue fund component, which is comprised of employers KPERS contributions, is included as part of the recommendation.
- Lapses totaling $1,972,000, all from the Disaster Relief Account of the State General Fund, $1.5 million for the Governor's FY 2015 allotment plan, and $472,000, to provide for FY 2016 expenditures for the design of a new, 25,000 square foot, State Emergency Management Operations and Training Center.

Supplemental Detail

FY 2015 SUPPLEMENTALS						
	Agency Estimate			Governor's Recommendation		
Supplementals	SGF	All Funds	FTE	SGF	All Funds	FTE
McConnell ASOS Utilities	$ 10,000	$ 40,000	0.0	$ 0	$ 0	0.0
Rehabilitation and Repair of Statewide Armories	232,343	505,094	0.0	0	0	0.0
TOTAL	**$ 242,343**	**$ 545,094**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** is requesting two supplementals totaling $545,094, including $242,343 from the State General Fund, in FY 2015. This request is comprised of **A)** One operating supplemental for $40,000, including $10,000 State General Fund and **B)** One capital improvements supplemental for $505,094, including $232,343 from the State General Fund in FY 2015.

A) The agency's supplemental request in FY 2015 includes the following:

- **McConnell ASOS Utilities.** The **agency** requests $40,000, including $10,000 from the State General Fund, to provide for the State's matching share of utility and sustainment costs for the Air Support Operations Squadron (ASOS) facility as part of the Cooperative Agreement with the National Guard Bureau in which the State is required to provide 25.0 percent of utility and sustainment costs for the facility. The agency states that electrical costs in FY 2014 for the facility totaled approximately $35,000 and sustainment costs were approximately $5,000.

The **Governor** does not recommend the supplemental request.

B) The agency's capital improvements supplemental request in FY 2015 includes the following:

- **Rehabilitation and Repair of Kansas Army National Guard Armories.** The agency requests $505,094, including $232,343 from the State General Fund, to provide the State's matching share of 50.0 percent of rehabilitation and repair costs of the 76 Kansas Army National Guard facilities (which comprise over 1.3 million square feet of armory facilities) in order to draw down matching federal money as per the Cooperative Agreement with the National Guard Bureau. Expenditures for rehabilitation and repair include: security for arms, ammunition and explosives,

fire & safety, physical security, intrusion detection and prevention, heating & cooling, waterproofing, air quality, plumbing, grounds-keeping, code compliance, and electrical expenditures.

The **Governor** does not recommend the supplemental request.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (24,243)	$ (24,243)	0.0
Reduce SGF funding by 4.0 Percent	(106,472)	(106,472)	0.0
Bond Refinancing	(237,259)	(237,259)	0.0
Disaster Relief Funding Lapse	(1,500,000)	(1,500,000)	0.0
TOTAL	$ (1,867,974)	$ (1,867,974)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $24,243 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 $183,428 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of $207,671.

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

A reduction of $106,472, 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.

Bond Refinancing:

A reduction of $237,259, all from the State General Fund, as part of the Governor's State General Fund allotment reducing expenditures from the State General Fund through the refinancing of current debt.

Disaster Relief Funding Lapse:

A lapse of $1.5 million, all from the Disaster Relief Account of the State General Fund, in FY 2015.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 39,205,401	$ 37,590,236	$ (1,615,165)
FTE Positions	147.5	147.5	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 79,799	$ (1,202,122)	
All Other Funds	(8,236,544)	(7,978,386)	
TOTAL	$ (8,156,745)	$ (9,180,508)	
Percent Change:			
State General Fund	1.1 %	(17.2) %	
All Other Funds	(20.6)	(20.1)	
TOTAL	(17.2) %	(19.6) %	
Change in FTE Positions	(38.0)	(38.0)	

The **agency** requests operating expenditures totaling $39.2 million, including $7.5 million from the State General Fund for FY 2016. This is an all funds decrease of $8.2 million, or 17.2 percent, and a State General Fund increase of $79,799, or 1.1 percent, from the FY 2015 revised estimate.

Major Adjustments include the following.

State General Fund. The State General Fund increase of $79,799 is due to: 1) The state's portion of disaster relief payouts decreasing from the FY 2015 revised estimate ($370,287); 2) reductions due to reappropriated expenditure authority in FY 2015 that does not reoccur in FY 2016 ($69,336); 3) reductions in the debt service interest payment schedule ($99,964); and an increase to operating expenditures totaling ($619,219, of which $450,698 is due to FY 2016

enhancement requests); and 4) an increase in Civil Air Patrol expenditures of $167.

Federal Funds and All Other Funds. The decrease of $8.2 million, all from federal and all other funds expenditures, is predominately related to the anticipated full closure of Kansas Readiness Sustainment Maintenance Site Program and resulting loss of federal funds generated through it (est. $1.6 million), and with the 75.0 percent federal matching funds decrease associated with less anticipated expenditures for disaster relief for FY 2016 (est. $2.7 million), less hazardous mitigation grants (est. $4.2 million), which is offset by an increase in enhancement requests from the FY 2015 revised estimate totaling $139,482.

The FY 2016 request includes 147.5 FTE and 146.6 Non-FTE positions, which is a decrease of 38.0 FTE and 117.0 non-FTE positions from the FY 2015 revised estimate, and is primarily related to the closure of Kansas Readiness Sustainment Maintenance Site Program.

The **agency** is requesting operating enhancements totaling $590,180, including $450,698 from the State General Fund, for FY 2016.

The **Governor** recommends an operating budget totaling $37.6 million, including $5.8 million from the State General Fund, for FY 2016. This is an all funds decrease of $1.6 million, or 4.1 percent, and a State General Fund decrease of $1.7 million, or 22.3 percent, below the agency's FY 2016 request. The difference from the agency's FY 2016 request is due to the following recommended adjustments.

- A reduction of $219,062, all from the State General Fund, to continue the Governor's recommended 4.0 percent allotment reduction to agency operating expenditures.

- A reduction of $150,759, including $28,877 from the State General Fund, to employer contributions for state employee health insurance.

- A reduction of $813,203, all from the State General Fund, to refinance current agency debt. The Governor's recommendation includes the refinancing of agency debt, and this reduction would account for a FY 2016 operating expenditures decrease to the current debt service interest payment schedule.

- A reduction of $437,141, including $333,064 from the State General Fund, due to the Governor recommending only two of the agency's nine requested operating enhancements.

- A reduction of $270,690, all from the State General Fund, and the addition of the same amount from the Emergency Communications Fund to provide continued funding for the Office of Emergency Communications . This would continue the State Highway Fund transfer to the office of emergency communications fund, rather than replacing this funding source with State General Fund, as was included in the agency's FY 2016 request.

- The addition of $5,000, all from the State General Fund for an increase to Civil Air Patrol operating expenditures.

Enhancements Detail

FY 2016 ENHANCEMENTS

Enhancements	Agency Request SGF	Agency Request All Funds	Agency Request FTE	Governor's Recommendation SGF	Governor's Recommendation All Funds	Governor's Recommendation FTE
KDEM Planner #1	$ 35,406	$ 70,811	0.0	$ 35,406	$ 70,811	0.0
KDEM Planner #2	35,406	70,811	0.0	0	0	0.0
KDEM PSE I	38,671	77,343	0.0	0	0	0.0
FC Operating Expenditures	40,000	40,000	0.0	0	0	0.0
FC Strategic Analyst	82,228	82,228	0.0	82,228	82,228	0.0
FC Terrorism Analyst	69,662	69,662	0.0	0	0	0.0
FC Weapons of Mass Destruction Analyst	69,663	69,663	0.0	0	0	0.0
FC Cyber Threat Analyst	69,662	69,662	0.0	0	0	0.0
McConnell ASOS Utilities	10,000	40,000	0.0	0	0	0.0
Civil Air Patrol Operating Costs	--	--	--	5,000	5,000	0.0
State Highway Fund Switch	--	--	--	(270,690)	0	0.0
Operations Subtotal:	*$ 450,698*	*$ 590,180*	*0.0*	*$ (148,056)*	*$ 158,039*	*0.0*
Capital Improvements:						
Rehabilitation and Repair of Statewide Armories	$ 476,929	$ 1,030,393	0.0	$ 0	$ 0	0.0
State Emergency Operations and Training Center Design	472,000	472,000	0.0	472,000	472,000	0.0
CST Building 2003 Joint Force Headquarters Expansion	251,000	974,000	0.0	0	0	0.0
Crisis City Building 6100 HVAC Replacement	158,400	158,400	0.0	0	0	0.0
Colby Armory Fence Replacement	18,751	37,502	0.0	0	0	0.0
Lawrence/Coffeyville Sec. Lighting	44,590	104,600	0.0	0	0	0.0
Paving Repairs Abilene/Pratt/Holton/Paola	193,631	387,262	0.0	0	0	0.0
Capital Improvements Subtotal:	*$ 1,615,301*	*$ 3,164,157*	*0.0*	*$ 472,000*	*$ 472,000*	*0.0*
GRAND TOTAL	**$ 2,065,999**	**$ 3,754,337**	**0.0**	**$ 323,944**	**$ 630,039**	**0.0**

The **agency** is requesting sixteen enhancements totaling $3.8 million, including $2.1 million from the State General Fund, for FY 2016. This request is comprised of **A)** Nine operating enhancements ($590,180 All Funds, including $450,698 State General Fund) and **B)** Seven capital improvements enhancements ($3.2 million All Funds, including $1.6 million State General Fund) for FY 2016.

A) The agency's nine operating enhancements for FY 2016 include the following.

1) **1.0 non-FTE KDEM Planner #1.** The **agency** requests $70,811, including $35,406 from the State General Fund, to hire an additional Kansas Division of Emergency Management (KDEM) Planner II position to assist with county emergency planning for FY 2016. The agency states that K.S.A. 48-928 (c) and (d) specifically charges KDEM with creating local disaster emergency plan standards, plans, and periodic review of these plans. In addition, K.S.A. 48-926 and 48-927 require KDEM to draft and keep current a state disaster emergency plan and state resources management plan. The agency states that **Kansas (3)** planning tasks are currently delegated to one county disaster emergency planner; one state logistics/resources planner; and one planning and mitigation branch director. Whereas neighboring FEMA Region VII states have: **Nebraska (8)** - one preparedness branch director, one lead planner, four all hazards planning specialists, and two response/emergency planners; **Missouri (9)** - one planning branch director, seven regional all hazards planners, and one logistics planner; and **Iowa (9)** - one planning branch director, seven all hazards planning specialists, and one logistics planner.

The agency further states that current staffing levels do not allow for effective support of: 1) disaster emergency planning in all 105 counties, 2) timely completion of statutory tasks, and 3) staffing of the State Emergency Operations Center (SEOC) planning positions creating increased risk to life safety of Kansas residents during emergency events.

The **Governor** recommends the agency's enhancement request for an additional emergency planner position for FY 2016.

2) **1.0 non-FTE KDEM Planner #2.** The **agency** requests $70,811, including $35,406 from the State General Fund, to hire an additional Kansas Division of Emergency Management (KDEM) Planner II position to assist with county emergency planning for FY 2016.

The **Governor** does not recommend the enhancement request.

3) **1.0 non-FTE Public Service Executive I.** The **agency** requests $77,343, including $38,671 from the State General Fund, to hire a Public Service Executive I - Recovery Specialist at the State Defense Building for FY 2016. The agency states that this position will be responsible for coordinating recovery activities and providing technical support to local levels of government before, during, and after an incident or disaster.

The **Governor** does not recommend the enhancement request.

4) **Fusion Center (FC) Operating Expenditures.** The **agency** requests $40,000, all from the State General Fund, to support ongoing operations and education for Fusion Center staff members for FY 2016. This includes $15,000 for contractual services, and $25,000 for commodities. This would include: 1) travel and training expenditures for four FC analysts to attend two separate recognized five day training courses, and three FC personnel to attend national and regional fusion center conferences throughout the year and coordinate information

sharing efforts and processes with fusion centers from surrounding states, and 2) in-house training efforts for agency personnel and partner agencies: including supplies, printing costs, software updates, and related equipment costs.

The **Governor** does not recommend the enhancement request.

5) **1.0 non-FTE Fusion Center Strategic Analyst.** The **agency** requests $82,228, all from the State General Fund, to hire a Strategic Analyst for FY 2016. The Strategic Analyst will lead the development, review and maintenance of policies, procedures, guidelines, and checklists. The position will also carry out training, mentoring and oversight for all full time and part time FC analysts to ensure that analytical production is maximized, focused and carried out with the utmost respect for privacy and civil liberties. This position will also be critical for developing continuity of FC essential missions in the event that the Director and/or Lead Analyst are incapacitated.

The **Governor** recommends the agency's enhancement request for an additional Fusion Center Analyst.

6) **1.0 non-FTE Fusion Center Terrorism Analyst.** The **agency** requests $69,662, all from the State General Fund, for a Terrorism Analyst for FY 2016. The agency states that this position will act as the primary coordinator for partnering agencies involved in the FC Terrorism Focus Team. This position's analytical focus will be on international terrorism organizations, transnational criminal organizations, and illicit trafficking that impacts Kansas homeland security. In addition, this position will maintain situational awareness on terrorism threats impacting Kansas for leadership/policymakers and responders.

The **Governor** does not recommend the enhancement request.

7) **1.0 non-FTE Fusion Center Weapons of Mass Destruction (WMD) Analyst.** The **agency** requests $69,663, all from the State General Fund, for a FC WMD Analyst for FY 2016. This position will act as the primary coordinator for analysts from partner agencies who are part of the FC Bio-Threat Focus Team. This position's analytical focus will be on potential developers and employers of chemical, biological, or radiological weapons with specific emphasis on animal, plant and human pathogens (man-made/natural). In addition, this position will maintain situational awareness on terrorism threats impacting Kansas for leadership/policymakers and responders.

The **Governor** does not recommend the enhancement request.

8) **1.0 non-FTE Fusion Center Cyber Threat Analyst.** The **agency** requests $69,662, all from the State General Fund, for a FC Cyber Threat analyst for FY 2016. This position will act as the primary coordinator for analysts from partner agencies who are part of the FC Critical Infrastructure Focus Team. This position's analytical focus will be on cyber security threats that have the potential to degrade, disrupt, or stop the essential functions of critical infrastructure or state and local government offices. In addition, this position will maintain situational awareness on terrorism threats impacting Kansas for leadership/policymakers and responders.

The **Governor** does not recommend the enhancement request.

9) **McConnell ASOS Utilities.** The **agency** requests $40,000, including $10,000 from the State General Fund, to provide for the State's matching share of utility and sustainment costs for

the Air Support Operations Squadron (ASOS) facility as part of the Cooperative Agreement with the National Guard Bureau in which the State is required to provide 25.0 percent of utility and sustainment costs for the facility for FY 2016. The agency states that electrical costs in FY 2014 for the facility totaled approximately $35,000 and sustainment costs were approximately $5,000.

The **Governor** does not recommend the enhancement request.

B) The agency's seven capital improvements enhancements for FY 2016 include the following.

1) **Rehabilitation and Repair of Kansas Army National Guard Armories.** The agency requests $1.0 million, including $476,929 from the State General Fund, to provide the State's matching share of 50.0 percent of rehabilitation and repair costs of the 76 Kansas Army National Guard facilities (which comprise over 1.3 million square feet of armory facilities) for FY 2016. These funds will draw down matching federal money as per the Cooperative Agreement with the National Guard Bureau. Expenditures for rehabilitation and repair include: security for arms, ammunition and explosives, fire & safety, physical security, intrusion detection and prevention, heating & cooling, waterproofing, air quality, plumbing, grounds-keeping, code compliance, and electrical expenditures.

The **Governor** does not recommend the enhancement request.

2) **State Emergency Operations and Training Center Design.** The **agency** requests $472,000, all from the State General Fund, to fund the design of a new State Emergency Management Operations and Training Center located on or adjacent to the grounds of the Kansas National Guard 190th Refueling Wing at Forbes Field in Topeka for FY 2016. The facility is planned to be 25,000 square foot. The new facility will house the Kansas Department of Emergency Management, and is planned to include a new State Emergency Operations Center with appropriate emergency generation, emergency communication and spaces for such personnel, facilities, and parking. This site will be the primary state center for all state emergency response operations and training. The agency states that this project is a vital component of the relocation of the Kansas National Guard's Headquarters from central Topeka to Forbes Field, 190th Air Wing property.

The **Governor** recommends the enhancement request, and lapses $472,000, all from the agency's Disaster Relief account of the State General Fund, to provide for this request for FY 2016.

3) **Civil Support Team Building 2003 Joint Force Headquarters Expansion.** The **agency** requests $974,000, including $251,000 from the State General Fund, for the construction of a Joint Force Headquarters Expansion for FY 2016. This expansion would provide approximately 5,500 square foot to the existing Weapons of Mass Destruction facility, and will include offices, latrines, and classroom to meet the required space for the assigned units. The agency states that current facilities are very inadequate to meet current standards and space requirements.

The **Governor** does not recommend the enhancement request.

4) **Crisis City Building 6100 Heating, Ventilating, and Air Conditioning Replacement.** The **agency** requests $158,400, all from the State General Fund, to replace the heating ventilating and air conditioning system at the Crisis City Training Facility in Salina, KS for FY 2016.

The **Governor** does not recommend the enhancement request.

5) **Colby Armory Fence Replacement.** The **agency** requests $37,502, including $18,751 from the State General Fund, for the replacement of the perimeter fencing system at the Colby Armory for FY 2016. The agency states that the existing system is damaged, broken, rusted, and has reached a point where additional repairs are not possible.

The **Governor** does not recommend the enhancement request.

6) **Lawrence/Coffeyville Section Lighting.** The **agency** requests $104,600, including $44,590 from the State General Fund, to replace security lighting at equipment and asset storage lots in Lawrence and Coffeyville for FY 2016. This project will replace security lighting fixtures that have failed or are at their end of life cycle with uniform, clear, and reliable security illumination.

The **Governor** does not recommend the enhancement request.

7) **Abilene/Pratt/Holton/Paola Paving Repairs.** The **agency** requests $387,262, including $193,631 from the State General Fund, to systematically repair failed pavement and related drainage systems at the Abilene, Pratt, Holton and Paola Armories for FY 2016. The agency states that paving has potholes and has buckled and driving is hazardous for vehicles. In addition, sloped ground developing from failed water drainage systems will be regraded.

The **Governor** does not recommend the enhancement request.

The **Governor** recommends two operating enhancements totaling $153,039, including $117,634 from the State General Fund, for FY 2016. The Governor also recommends one capital improvements enhancement for the State Emergency Operations and Training Center Design for FY 2016. The Governor's recommendation includes the addition of $5,000, all from the State General Fund, for additional operating expenditures for the Civil Air Patrol, and continues the transfer from the State Highway Fund to the Office of Emergency Communications Fund for FY 2016.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 35,647,540	$ 35,026,567	$ (620,973)
FTE Positions	132.5	132.5	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ (331,829)	$ 667,883	
All Other Funds	(3,226,032)	(3,231,552)	
TOTAL	$ (3,557,861)	$ (2,563,669)	
Percent Change:			
State General Fund	(4.5) %	11.5 %	
All Other Funds	(10.2)	(10.2)	
TOTAL	(9.1) %	(6.8) %	
Change in FTE Positions	(15.0)	(15.0)	

The **agency** requests operating expenditures totaling $35.6 million, including $7.1 million from the State General Fund, for FY 2017. This is an all funds decrease of $3.6 million, or 9.1 percent, and a State General Fund decrease of $331,829, or 4.5 percent, below the FY 2016 request. The FY 2017 request includes 132.5 FTE and 134.6 non-FTE positions, which is a decrease of 15.0 FTE and 12.0 non-FTE positions from the FY 2016 request, and is primarily related to continued closure of Kansas's Readiness Sustainment Maintenance Site Program.

Major adjustments include the following items.

State General Fund. The State General Fund decrease of $331,829 is due to: 1) The agency did not include any request for the state's portion of disaster relief payouts for FY 2017

which attributes to a decrease of $378,970 from the FY 2016 request, 2) reductions in the debt service interest payment schedule ($111,448), 3) an increase to operating expenditures totaling $157,458 (of which $469,560 is due to 2017 enhancement requests, which is less than the amount of the FY 2016 enhancement requests by $18,862); and 4) an increase in Civil Air Patrol expenditures of $1,131.

Federal Funds and All Other Funds. The decrease of $8.2 million, all from federal and all other funds expenditures, is predominately related to the anticipated full closure of Kansas Readiness Sustainment Maintenance Site Program and resulting loss of federal funds generated through it (est. $1.6 million). Without the inclusion of a request for disaster assistance funding for FY 2017, there is an associated decrease of the 75.0 percent federal matching funds from FY 2016 (est. $2.7 million) and less hazardous mitigation grants (est. $4.2 million). The decreases are offset by an increase of $139,482 in special revenue funds related to enhancement requests for FY 2017.

The agency is requesting operating enhancements totaling $614,207, including $469,560 from the State General Fund, for FY 2017.

The **Governor** recommends an operating budget totaling $35.0 million, including $6.5 million from the State General Fund, for FY 2017. This is an all funds decrease of $620,973 million, or 1.7 percent, and a State General Fund decrease of $660,183, or 9.3 percent, below the agency's FY 2017 request. The difference from the agency's FY 2017 request is due to the following recommended adjustments.

- A reduction of $224,651, all from the State General Fund, to continue the Governors recommended 4.0 percent allotment reduction to agency operating expenditures.

- A reduction of $152,039, including $28,133 from the State General Fund, to employer contributions for state employee health insurance.

- A reduction of $453,940, including $346,366 from the State General Fund, due to the Governor recommending only two of the agency's nine requested operating enhancements.

- A reduction of $270,690, all from the State General Fund, and the addition of the same amount from the Emergency Communications Fund to provide continued funding for the Office of Emergency Communications . This would continue the State Highway Fund transfer to the office of emergency communications fund, rather than replacing this funding source with State General Fund, as was included in the agency's FY 2017 request.

- The addition of $204,657, all from the State General Fund, for an increase to debt service interest payments.

- The addition of $5,000, all from the State General Fund for an increase to Civil Air Patrol operating expenditures.

Enhancements Detail

FY 2017 ENHANCEMENTS

Enhancements	Agency Request SGF	Agency Request All Funds	Agency Request FTE	Governor's Recommendation SGF	Governor's Recommendation All Funds	Governor's Recommendation FTE
KDEM Planner #1	$ 37,070	$ 74,143	0.0	$ 37,070	$ 74,143	0.0
KDEM Planner #2	37,070	74,143	0.0	0	0	0.0
KDEM PSE I	40,499	81,000	0.0	0	0	0.0
FC Operating Expenditures	40,000	40,000	0.0	0	0	0.0
FC Strategic Analyst	86,124	86,124	0.0	86,124	86,124	0.0
FC Terrorism Analyst	72,932	72,932	0.0	0	0	0.0
FC Weapons of Mass Destruction Analyst	72,933	72,933	0.0	0	0	0.0
FC Cyber Threat Analyst	72,932	72,932	0.0	0	0	0.0
McConnell ASOS Utilities	10,000	40,000	0.0	0	0	0.0
Civil Air Patrol Operating Costs	--	--	--	5,000	5,000	0.0
State Highway Fund Switch	--	--	--	(270,690)	0	0.0
Operations Subtotal:	*$ 469,560*	*$ 614,207*	*0.0*	*$ (142,496)*	*$ 165,267*	*0.0*
Capital Improvements:						
Rehabilitation and Repair of Statewide Armories	$ 486,497	$ 1,051,001	0.0	$ 0	$ 0	0.0
Coffeyville Maintenance Bay Heater Replacement	48,996	97,992	0.0	0	0	0.0
Pratt/Concordia Military Vehicle Lot Expansion	165,665	331,330	0.0	0	0	0.0
Lenexa Failed Paving Replacement	327,500	655,000	0.0	0	0	0.0
State Emergency Operations & Training Center Construction	5,900,000	5,900,000	0.0	0	0	0.0
Capital Improvement Subtotal:	*$ 6,928,658*	*$ 8,035,323*	*0*	*$ 0*	*$ 0*	*0.0*
GRAND TOTAL	**$ 7,398,218**	**$ 8,649,530**	**0.0**	**$ (142,496)**	**$ 165,267**	**0.0**

The **agency** is requesting fourteen enhancements totaling $8.6 million, including $7.4 million from the State General Fund, for FY 2017. This request is comprised of **A)** The continuation and associated increases of the nine operating enhancements requested beginning in FY 2016 and continuing into FY 2017 ($614,207 All Funds, including $469,560 from the State General Fund), and **B)** Five capital improvements enhancements ($8.0 million, including $6.9 million from the State General Fund).

A) The agency's nine continuing operating enhancements for FY 2017 include the following.

1) **1.0 non-FTE KDEM Planner #1.** The **agency** requests $74,143, including $37,070 from the State General Fund, to hire an additional KDEM Planner II position to assist with county emergency planning for FY 2017. The agency states that K.S.A. 48-928 (c) and (d) specifically charges KDEM with creating local disaster emergency plan standards, plans, and periodic review of these plans. In addition, K.S.A. 48-926 and 48-927 require KDEM to draft and keep current a state disaster emergency plan and state resources management plan.

The agency further states that current staffing levels do not allow for effective support of: disaster emergency planning in all 105 counties, timely completion of statutory tasks, and staffing of the State Emergency Operations Center (SEOC) planning positions, thereby creating increased risk to life safety of Kansas residents during emergency events.

The **Governor** recommends the agency's enhancement request for an additional emergency planner position for FY 2017.

2) **1.0 non-FTE KDEM Planner #2.** The **agency** requests $74,143, including $37,070 from the State General Fund, to hire an additional Kansas Division of Emergency Management (KDEM) Planner II position to assist with county emergency planning for FY 2017.

The **Governor** does not recommend the enhancement request.

3) **1.0 non-FTE Public Service Executive I.** The **agency** requests $81,000, including $40,499 from the State General Fund, to hire a Public Service Executive I - Recovery Specialist at the State Defense Building for FY 2017. The agency states that this position will be responsible for coordinating recovery activities and providing technical support to local levels of government before, during, and after an incident or disaster.

The **Governor** does not recommend the enhancement request.

4) **FC Operating Expenditures.** The **agency** requests $40,000, all from the State General Fund, to support ongoing operations and education for FC staff members for FY 2017. This includes $15,000 for contractual services, and $25,000 for commodities. This would include: 1) travel and training expenditures for four FC analysts to attend two separate recognized five day training courses, three FC personnel to attend national and regional fusion center conferences throughout the year and coordinate information sharing efforts and processes with fusion centers from surrounding states, and 2) in-house training efforts for the agency and partner agencies: including supplies, printing costs, software updates, and related equipment costs.

The **Governor** does not recommend the enhancement request.

5) **1.0 non-FTE FC Strategic Analyst.** The **agency** requests $86,124, all from the State General Fund, to hire a Strategic Analyst for FY 2017. The Strategic Analyst will lead the development, review and maintenance of policies, procedures, guidelines, and checklists. The position will also carry out training, mentoring and oversight for all full time and part time FC analysts to ensure that analytical production is maximized, focused and carried out with the utmost respect for privacy and

civil liberties. This position will also be critical for developing continuity of FC essential missions in the event that the Director and/or Lead Analyst are incapacitated.

The **Governor** recommends the agency's enhancement request for an additional Fusion Center Analyst.

6) **1.0 non-FTE FC Terrorism Analyst.** The **agency** requests $72,932, all from the State General Fund, for a Terrorism Analyst for FY 2017. The agency states that this position will act as the primary coordinator for partnering agencies involved in the FC Terrorism Focus Team. This position's analytical focus will be on international terrorism organizations, transnational criminal organizations and illicit trafficking that impacts Kansas homeland security. In addition, this position will maintain situational awareness on terrorism threats impacting Kansas for leadership/policymakers and responders.

The **Governor** does not recommend the enhancement request.

7) **1.0 non-FTE FC Weapons of Mass Destruction (WMD) Analyst.** The **agency** requests $72,933, all from the State General Fund, for a FC WMD Analyst for FY 2017. This position will act as the primary coordinator for analysts from partner agencies who are part of the FC Bio-Threat Focus Team. This position's analytical focus will be on potential developers and employers of chemical, biological or radiological weapons with specific emphasis on animal, plant, and human pathogens (man-made/natural). In addition, this position will maintain situational awareness on terrorism threats impacting Kansas for leadership/policymakers and responders.

The **Governor** does not recommend the enhancement request.

8) **1.0 non-FTE FC Cyber Threat Analyst.** The **agency** requests $72,932, all from the State General Fund, for a FC Cyber Threat Analyst for FY 2017. This position will act as the primary coordinator for analysts from partner agencies who are part of the FC Critical Infrastructure Focus Team. This position's analytical focus will be on cyber security threats that have the potential to degrade, disrupt, or stop the essential functions of critical infrastructure or state and local government offices. In addition, this position will maintain situational awareness on terrorism threats impacting Kansas for leadership/policymakers and responders.

The **Governor** does not recommend the enhancement request.

9) **McConnell ASOS Utilities.** The **agency** requests $40,000, including $10,000 from the State General Fund, to provide for the State's matching share of utility and sustainment costs for the Air Support Operations Squadron (ASOS) facility as part of the Cooperative Agreement with the National Guard Bureau in which the State is required to provide 25.0 percent of utility and sustainment costs for the facility for FY 2017. The agency states that electrical costs in FY 2014 for the facility totaled approximately $35,000 and sustainment costs were approximately $5,000.

The **Governor** does not recommend the enhancement request.

B) The agency's five capital improvements enhancements for FY 2016 include the following.

1) **Rehabilitation and Repair of Kansas Army National Guard Armories.** The **agency** requests $1.1 million, including $486,497 from the State General, to provide the State's matching share of 50.0 percent of rehabilitation and repair costs of the 76 Kansas Army National Guard facilities (which comprise over 1.3 million square feet of armory facilities) for FY 2017. These funds will draw down matching federal money as per the

Cooperative Agreement with the National Guard Bureau. Expenditures for rehabilitation and repair include: security for arms, ammunition and explosives, fire & safety, physical security, intrusion detection and prevention, heating & cooling, waterproofing, air quality, plumbing, grounds-keeping, code compliance, and electrical expenditures.

The **Governor** does not recommend the enhancement request.

2) **Coffeyville Maintenance Bay Heater Replacement.** The **agency** requests $97,992, including $48,996 from the State General Fund, to replace inefficient forced air overhead heaters with infrared radiant heaters, and proper sealing of doors and other points of breach into the maintenance bay building for FY 2017.

The **Governor** does not recommend the enhancement request.

3) **Pratt/Concordia Military Vehicle Lot Expansion.** The **agency** requests $331,330, including $165,665 from the State General Fund to expand the Pratt and Concordia Armory military vehicle storage lots, regrade these sites, and install new and complete security fence and gate systems for these sites for FY 2017.

The **Governor** does not recommend the enhancement request.

4) **Lenexa Failed Paving Replacement.** The **agency** requests $655,000, including $327,500 from the State General Fund, to replace half of the public parking lot at the Lenexa Armory for FY 2017. The agency states that this project would include removal of the existing asphalt pavement, modifications to the sub-grade, and new pavement installation and marking.

The **Governor** does not recommend the enhancement request.

5) **State Emergency Operations and Training Center Construction.** The **agency** requests $5.9 million, all from the State General Fund, for the construction of a new State Emergency Management Operations and Training Center. This facility would be located on or adjacent to the grounds of the Kansas National Guard 190th Refueling Wing at Forbes Field in Topeka for FY 2017. The facility is planned to be 25,000 square foot. The new facility will house the Kansas Department of Emergency Management, and is planned to include a new State Emergency Operations Center with appropriate emergency generation, emergency communication and spaces for such personnel, facilities, and parking. This site will be the primary state center for all state emergency response operations and training. The agency states that this project is a vital component of the Kansas National Guard's Headquarters' relocation from central Topeka to Forbes Field, 190th Air Wing property.

The **Governor** does not recommend the enhancement request.

The **Governor** recommends two operating enhancements totaling $160,267, including $123,194 from the State General Fund, for FY 2017. The Governor's recommendation includes the addition of $5,000, all from the State General Fund, for additional operating expenditures for the Civil Air Patrol, and continues the transfer from the State Highway Fund to the Office of Emergency Communications Fund for FY 2017.

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 $85,397, including $72,068 from the State General Fund, and affects 275 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 $17,560, including $3,250 from the State General Fund, and FY 2017 longevity payments total $20,640, including $3,888 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 $150,759, including $28,877 from the State General Fund for FY 2016. This is a reduction of $152,039, including $28,133 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.

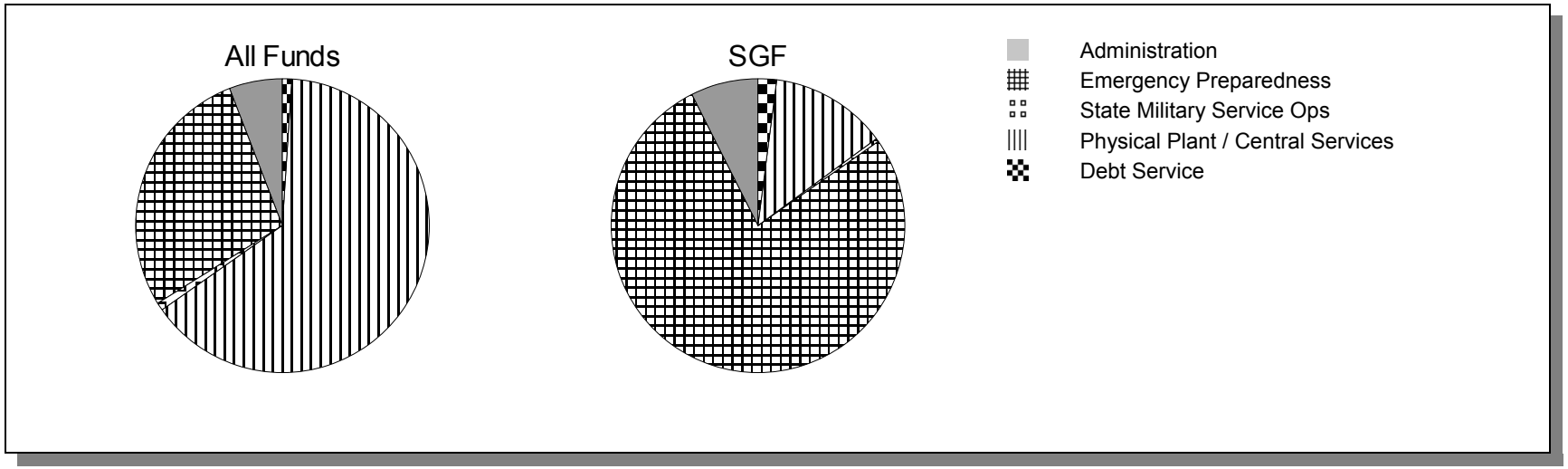
The Governor further proposes offering $1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution 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	19.0 %	15.4 %	20.0 %	18.4 %
Non-Federal Special Revenue Funds	1.6	2.4	1.8	2.6
Federal Emergency Assistance Fund	7.4	7.8	0.1	0.1
Other Federal Funds	72.0	74.5	78.2	78.9
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

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	$ 2,209,898	5.9 %	$ 1,412,327	24.4 %
Emergency Preparedness	10,515,524	28.0	1,469,604	25.4
State Military Service Ops	326,738	0.9	66,787	1.2
Physical Plant / Central Services	24,152,069	64.3	2,451,599	42.4
Debt Service	386,007	1.0	386,007	6.7
TOTAL	$ 37,590,236	100.0 %	$ 5,786,324	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	23.5	24.5	24.5	24.5	24.5	24.5	24.5
Emergency Preparedness	14.0	13.5	13.5	13.5	13.5	13.5	13.5
State Military Service Ops	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Physical Plant / Central Services	148.0	147.5	147.5	109.5	109.5	94.5	94.5
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	185.5	185.5	185.5	147.5	147.5	132.5	132.5

A. Administration

This program is responsible for the administrative functions of the agency. Sections include the Adjutant General's Administrative Support Staff, the Office of State Human Resources, Comptroller's Office, Public Information Office, State Facilities Office, Information Technology Office, Archives, and Administrative Services. The Administration program also includes the Civil Air Patrol (CAP) which provides disaster relief assistance, search and rescue, aerospace education training, cadet training, communications, and other functions related to the federal charter of the National Civil Air Patrol. CAP program funding includes salaries and wages for a 0.5 FTE secretary position.

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	$ 1,661,521	$ 1,971,437	$ 1,952,633	$ 1,997,183	$ 1,977,577	$ 1,928,016	$ 1,909,756
Contractual Services	153,294	179,384	179,384	173,401	178,401	144,670	149,670
Commodities	40,798	40,026	40,026	50,520	50,520	46,520	46,520
Capital Outlay	408	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,856,021	$ 2,190,847	$ 2,172,043	$ 2,221,104	$ 2,206,498	$ 2,119,206	$ 2,105,946
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	4,015	4,272	4,272	3,400	3,400	3,400	3,400
TOTAL	$ 1,860,036	$ 2,195,119	$ 2,176,315	$ 2,224,504	$ 2,209,898	$ 2,122,606	$ 2,109,346
Financing:							
State General Fund	$ 1,185,222	$ 1,201,860	$ 1,191,318	$ 1,692,930	$ 1,412,327	$ 1,765,220	$ 1,485,641
All Other Funds	674,814	993,259	984,997	531,574	797,571	357,386	623,705
TOTAL	$ 1,860,036	$ 2,195,119	$ 2,176,315	$ 2,224,504	$ 2,209,898	$ 2,122,606	$ 2,109,346
FTE Positions	23.5	24.5	24.5	24.5	24.5	24.5	24.5
Non-FTE Uncl. Perm. Pos.	8.0	11.0	11.0	11.0	11.0	9.0	9.0
TOTAL	31.5	35.5	35.5	35.5	35.5	33.5	33.5

The **agency's** request for FY 2016 expenditures totals $2.2 million, including $1.7 million from the State General Fund, for the Administration program. This is an all funds increase of $29,385, or 1.3 percent, and a State General Fund increase of $491,070, or 40.9 percent, above the FY 2015 revised estimate. The agency states that funding changes within the program primarily relate to the Administration program now encompassing positions for the State and Local Implementation Grant Program, the Office of Emergency Communications, the Communications on Wheels program, and the 911 Coordinator. Changes from the agency's FY 2015 revised estimate include the following items.

- **Salaries and Wages.** The agency requests expenditures of $2.0 million, including $1.5 million from the State General Fund, to fund 24.5 FTE positions and 11.0 non-FTE unclassified

positions for FY 2016. The request is an all funds increase of $25,746, or 1.3 percent, and a State General Fund increase of $419,497, or 38.4 percent, above the FY 2015 revised estimate. The agency states that this is a funding and position shift related to the transfer and continued support for the Communication on Wheels program, and the State and Local Implementation Grant Program that are now being provided from the State General Fund for FY 2016, instead of special revenue funds.

- **Contractual Services.** The agency requests expenditures of $173,410, including $129,751 from the State General Fund, for FY 2016. The request is an all funds decrease of $5,983, or 3.3 percent, and a State General Fund increase of $42,451, or 48.6 percent, from the FY 2015 revised estimate.

- **Commodities.** The agency requests expenditures of $50,520, including $46,520 from the State General Fund, for FY 2016. The request is an all funds increase of $10,494, or 26.2 percent, and a State General Fund increase of $29,994, or 181.5 percent, above the FY 2015 revised estimate.

- **Other Assistance.** The agency requests expenditures of $3,400, all from the State General Fund, for FY 2016. The request is a decrease of $872, or 20.4 percent, below the FY 2015 revised estimate. The agency states that these expenditures are for four employees who are receiving health insurance as part of the Voluntary Retirement Incentive Program that occurred in FY 2012.

The **Governor** recommends FY 2016 expenditures totaling $2.2 million, including $1.4 million from the State General Fund, which is an all funds decrease of $14,606, or 0.7 percent, and a State General Fund decrease of $280,603, or 16.6 percent, below the agency's FY 2016 request. The difference is due to the following recommended changes from the agency's request: 1) the addition of $5,000, all from the State General Fund, due to the Governor recommending additional operating expenditures for the Civil Air Patrol, 2) the change in funding source from the agency's requested State General Fund amount of $270,690, to a transfer from the State Highway Fund of the same amount, for funding from the Office of Emergency Communications fund, 3) the Governor recommends a reduction of $19,606, including $14,913 from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency's** request for FY 2017 expenditures totals $2.1 million, including $1.8 million from the State General Fund, for the Administration program. The request is an all funds decrease of $101,898, or 4.6 percent, and a State General Fund increase of $72,290, or 4.3 percent, above the FY 2016 request. The agency states that the all funds decrease is largely attributed to the loss of State and Local Implementation Grant Program funds from the FY 2016 request. Changes from the agency's FY 2016 request include the following items.

- **Salaries and Wages.** The agency requests expenditures of $1.9 million, including $1.6 million from the State General Fund, to fund 24.5 FTE positions and 9.0 non-FTE unclassified positions for FY 2017. This is a decrease of 2.0 non-FTE unclassified positions from the FY 2016

request. The request is an all funds decrease of $69,167, or 3.5 percent, and a State General Fund increase of $72,021, or 4.8 percent, above the FY 2016 request. The agency states that the all funds decrease is related to non-continuation of the State and Local Implementation Grant Program in the request, and the State General Fund increase is related to the 27th paycheck.

- **Contractual Services.** The agency requests expenditures of $144,670, including $130,020 from the State General Fund, for FY 2017. The request is an all funds decrease of $28,731, or 16.6 percent, and a State General Fund increase of $269, or 0.2 percent, from the FY 2016 request. The all funds decrease reflects the loss of State and Local Implementation Grant Program funding for FY 2017.

- **Commodities.** The agency requests expenditures of $46,520, all from the State General Fund, for FY 2017. The request is an all funds decrease of $4,000, or 7.9 percent, with no change to the State General Fund request, from the FY 2016 request. This decrease reflects the loss of State and Local Implementation Grant Program funding for FY 2017.

The **Governor** recommends FY 2017 expenditures totaling $2.1 million, including $1.5 million from the State General Fund, which is an all funds decrease of $13,260, or 0.6 percent, and a State General Fund decrease of $279,579, or 15.8 percent, below the agency's FY 2017 request. The difference is due to the following recommended changes from the agency's request: 1) the addition of $5,000, all from the State General Fund, due to the Governor recommending additional operating expenditures for the Civil Air Patrol, 2) the change in funding source from the agency's requested State General Fund amount of $270,690, to a transfer from the State Highway Fund of the same amount, for funding from the Office of Emergency Communications fund, 3) the Governor recommends a reduction of $18,260, including $13,889 from the State General Fund, to reduce employer contributions for state employee health insurance.

B. Emergency Preparedness

The Division of Emergency Management provides guidance, technical assistance, and coordinates response on a 24 hour basis to state and local governments in the event of emergencies or disasters. The program seeks to protect Kansans from all hazards and to reduce the vulnerability of people, property, and the environment by eliminating or reducing disaster impact, enhancing state and local emergency management organizational readiness, rapid and effective disaster response, effective recovery, and proactive leadership and advocacy.

EMERGENCY PREPAREDNESS
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	$ 3,021,390	$ 2,987,979	$ 2,960,567	$ 3,386,144	$ 3,002,585	$ 3,546,618	$ 3,145,731
Contractual Services	1,844,647	1,094,071	1,000,892	1,446,590	1,229,290	1,221,590	998,701
Commodities	204,081	183,972	183,972	313,622	288,622	288,622	263,622
Capital Outlay	356,743	87,544	87,544	372,000	372,000	372,000	372,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 5,426,861	$ 4,353,566	$ 4,232,975	$ 5,518,356	$ 4,892,497	$ 5,428,830	$ 4,780,054
Aid to Local Units	12,498,410	11,368,140	11,368,140	4,520,745	4,520,745	2,171,682	2,171,682
Other Assistance	10,465,260	1,563,264	1,563,264	1,102,282	1,102,282	257,600	257,600
TOTAL	$ 28,390,531	$ 17,284,970	$ 17,164,379	$ 11,141,383	$ 10,515,524	$ 7,858,112	$ 7,209,336
Financing:							
State General Fund	$ 3,041,799	$ 1,904,328	$ 1,804,326	$ 2,001,212	$ 1,469,604	$ 1,673,449	$ 1,122,824
All Other Funds	25,348,732	15,380,642	15,360,053	9,140,171	9,045,920	6,184,663	6,086,512
TOTAL	$ 28,390,531	$ 17,284,970	$ 17,164,379	$ 11,141,383	$ 10,515,524	$ 7,858,112	$ 7,209,336
FTE Positions	14.0	13.5	13.5	13.5	13.5	13.5	13.5
Non-FTE Uncl. Perm. Pos.	30.0	31.0	31.0	38.0	33.0	38.0	33.0
TOTAL	44.0	44.5	44.5	51.5	46.5	51.5	46.5

The **agency** requests FY 2016 operating expenditures totaling $11.1 million, including $2.0 million from the State General Fund, for the Emergency Preparedness program, an all funds decrease of $6.1 million, or 35.5 percent, and a State General Fund increase of $96,884, or 5.1 percent, from the FY 2015 revised estimate. The increase is due to eight of the agency's operating enhancement requests totaling $550,180, including $440,698 from the State General Fund, for FY 2016. Enhancements requested for this program include: *1)* 1.0 non-FTE KDEM Planner ($70,811 All Funds, including $35,406 State General Fund) *2)* 1.0 non-FTE KDEM Planner ($70,811 All Funds, including $35,406 State General Fund), *3)* 1.0 non-FTE Public Service Executive I ($77,343 All Funds, including $38,671 State General Fund), *4)* Fusion Center Operating Expenditures ($40,000 State General Fund), *5)* 1.0 non-FTE Fusion Center Strategic Analyst ($82,228 State General Fund), *6)* 1.0 non-FTE Fusion Center Terrorism Analyst ($69,662 State General Fund), *7)* 1.0 non-FTE Fusion Center Weapons of

Mass Destruction Analyst ($69,663 State General Fund), *8)* 1.0 non-FTE Fusion Center Cyber Threat Analyst ($69,662 State General Fund). The State General Fund increases from these enhancements are offset by decreases from one-time reappropriations of expenditure authority spent in FY 2015 that do not reoccur in the FY 2016 request, as well as a decrease in the estimated state portion of disaster relief expenditures within the FY 2016 request, compared to the FY 2015 revised estimate. Changes from the agency's FY 2015 revised estimate include the following items.

- **Salaries and Wages.** The agency requests expenditures of $3.4 million, including $1.1 million from the State General Fund, to fund 13.5 FTE positions and 38.0 non-FTE unclassified positions for FY 2016. The request is an all funds increase of $398,165, or 13.3 percent, and a State General Fund increase of $323,908, or 43.6 percent, above the FY 2015 revised estimate. The request is also an increase of 7.0 non-FTE positions from the FY 2016 request. Expenditure increases primarily reflect the agency's enhancement requests for additional personnel, which includes three KDEM positions and four FC positions.

- **Contractual Services.** The agency requests expenditures of $1.4 million, including $338,536 from the State General Fund, for FY 2016. The request is an all funds increase of $352,519, or 32.2 percent, and a State General Fund increase of $65,659, or 24.1 percent, above the FY 2015 revised estimate. The agency states that increases relate to fluctuations in disaster funding, and the agency is requesting one enhancement for additional operating expenditures for the FC for FY 2016.

- **Commodities.** The agency requests expenditures of $313,622, including $185,816 from the State General Fund, for FY 2016. The request is an all funds increase of $129,650, or 70.5 percent, and a State General Fund increase of $120,044, or 182.5 percent, above the FY 2015 revised estimate. The agency states that increases relate to fluctuations in disaster funding, and the agency is requesting one enhancement for additional operating expenditures for the FC for FY 2016.

- **Capital Outlay.** The agency requests expenditures of $372,000, including $45,000 from the State General Fund, for FY 2016. The request is an all funds increase of $284,456, or 324.9 percent, but a State General Fund decrease of $7,544, or 14.4 percent, from the FY 2015 revised estimate. This increase is related to an increase in Emergency Management Performance Grant fund expenditures of $323,000 for FY 2016.

- **Aid to Local Units.** The agency requests expenditures of $4.5 million, including $265,478 from the State General Fund, for FY 2016. The request is a decrease of $6.8 million, or 60.2 percent, and a State General Fund decrease of $308,715, or 53.8 percent, below the FY 2015 revised estimate. This decrease is attributable to lower disaster relief expenditures ($2.4 million, including $277,715 State General Fund), hazardous mitigation grants ($4.5 million All

Funds), and safe and drug-free schools funding ($15,000 All Funds).

- **Other Assistance.** The agency requests expenditures of $1.1 million, including $99,892 from the State General Fund, for FY 2016. The request is a decrease of $460,982, or 29.5 percent, and a State General Fund decrease of $96,468, or 49.1 percent, below the FY 2015 revised estimate. This decrease is attributable to lower disaster relief expenditures ($786,862, including $92,572 State General Fund), offset by increases for hazardous mitigation grants ($292,500 all funds) and emergency management performance grants ($37,276 all funds) from the FY 2015 revised estimate.

The **Governor** recommends FY 2016 expenditures totaling $10.5 million, including $1.5 million from the State General Fund, which is an all funds decrease of $625,859, or 5.6 percent, and a State General Fund decrease of $531,608, or 26.6 percent, below the agency's FY 2016 request. The difference is due to the following recommended reductions from the agency's request: 1) $397,141, including $323,064, from the State General Fund, due to the Governor not recommending the agency's six enhancement requests for 5.0 additional non-FTE positions and fusion center operating expenditures, 2) $202,300, all from the State General Fund, for a recommended 4.0 percent allotment, 3) The Governor recommends a reduction of $26,418, including $6,245 from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures totaling $7.9 million, including $1.7 million from the State General Fund, for the Emergency Preparedness program, an all funds decrease of $3.3 million, or 29.5 percent, and a State General Fund decrease of $327,763, or 16.4 percent, below the FY 2016 request. Changes from the agency's FY 2016 request include the following items.

- **Salaries and Wages.** The agency requests expenditures of $3.5 million, including $1.1 million from the State General Fund, to fund 13.5 FTE positions and 38.0 non-FTE unclassified positions for FY 2017. The request is an all funds increase of $160,474, or 4.7 percent, and a State General Fund increase of $51,207, or 4.8 percent, above the FY 2016 request. The request includes continued enhancements for 7.0 non-FTE positions with associated increases for these positions. Increases are primarily attributable to the agency's enhancement requests, and the 27th paycheck.

- **Contractual Services.** The agency requests expenditures of $1.2 million, including $338,536 from the State General Fund, for FY 2017. The request is an all funds decrease of $225,000, or 15.6 percent, below the FY 2016 request. This decrease is due to lower budgeted disaster relief expenditures compared to the FY 2016 request.

- **Commodities.** The agency requests expenditures of $288,622, including $160,816 from the State General Fund, for FY 2017. The request is an all funds decrease of $25,000, or 8.0 percent, and a State General Fund decrease of $25,000, or 13.5 percent, below the FY 2016 request. This decrease is due to less budgeted disaster relief expenditures compared to the FY 2016 request.

- **Aid to Local Units.** The agency requests all funds expenditures totaling $2.2 million for FY 2017. The request is a decrease of $2.3 million, or 52.0 percent, and a State General Fund decrease of $265,478, or 100.0 percent, below the FY 2016 request. The decrease is attributable to decreases from the FY 2016 request primarily in disaster relief expenditures ($2.3 million, including $265,478 from the State General Fund), hazardous mitigation grants ($92,500 all funds). Additionally the decrease is primarily due to no budgeted disaster relief expenditures in this category for FY 2017.

- **Other Assistance.** The agency requests expenditures of $257,600, including $11,400 from the State General Fund, for FY 2017. The request is a decrease of $844,682, or 76.6 percent, and a State General Fund decrease of $88,492, or 88.6 percent, below the FY 2016 request. The decrease is attributable to decreases from the FY 2016 request in disaster relief expenditures ($752,182, including $88,492 from the State General Fund), and a decrease to hazardous mitigation grants ($92,500 all funds). The decrease is also attributable to no budgeted disaster relief expenditures in this category for FY 2017.

The **Governor** recommends FY 2017 expenditures totaling $7.2 million, including $1.1 million from the State General Fund, which is an all funds decrease of $648,776, or 8.3 percent, and a State General Fund decrease of $550,625, or 32.9 percent, below the agency's FY 2017 request. The difference is due to the following recommended reductions from the agency's request: 1) $413,940, including $336,366, from the State General Fund, due to the Governor not recommending the agency's six enhancement requests for 5.0 additional non-FTE positions and fusion center operating expenditures, 2) $207,889, all from the State General Fund, for a recommended 2.0 percent allotment, 3) The Governor recommends a reduction of $26,947, including $6,370 from the State General Fund, to reduce employer contributions for state employee health insurance.

C. State Military Service Operations

The State Military Service Operations program provides funding for payment of Kansas National Guard soldiers when they are called to State Active Duty. Soldiers may be called to State Active Duty for disasters or emergencies such as floods, tornadoes, ice storms, terrorism, or a civil disturbance. The program also pays for the use of federal training equipment on a cost basis for equipment issued to the Kansas National Guard. The Governor has the authority to call over 7,400 Kansas National Guard citizen soldiers and airmen to leave their full time employment and families to serve on emergency or other State Active Duty. The current number of assigned positions is: 2,315 Air National Guard Members (2,379 authorized, 97.3 percent of authorized); and 5,135 Army National Guard Members (5,168 authorized, 99.4 percent of authorized). This program does not contain any FTE positions, however, KSA 75-2935 (g) states that when National Guard Members are called in for State Active Duty, they are considered to be active within the unclassified service and are compensated within these parameters.

STATE MILITARY SERVICE OPERATIONS
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	$ 1,395,962	$ 206,383	$ 206,383	$ 210,279	$ 210,279	$ 211,113	$ 211,113
Contractual Services	342,287	74,688	74,688	10,578	10,578	10,578	10,578
Commodities	0	10,000	10,000	10,000	10,000	10,000	10,000
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,738,249	$ 291,071	$ 291,071	$ 230,857	$ 230,857	$ 231,691	$ 231,691
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	310,832	332,495	322,688	105,688	95,881	105,688	95,881
TOTAL	$ 2,049,081	$ 623,566	$ 613,759	$ 336,545	$ 326,738	$ 337,379	$ 327,572
Financing:							
State General Fund	$ 832,303	$ 99,208	$ 89,401	$ 76,594	$ 66,787	$ 77,411	$ 67,604
All Other Funds	1,216,778	524,358	524,358	259,951	259,951	259,968	259,968
TOTAL	$ 2,049,081	$ 623,566	$ 613,759	$ 336,545	$ 326,738	$ 337,379	$ 327,572
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests FY 2016 expenditures totaling $336,545, including $76,594 from the State General Fund, for the State Military Services Operations program. This is an all funds decrease of $287,021, or 46.0 percent, and a State General Fund decrease of $22,614, or 22.8 percent, below the FY 2015 revised estimate. The request includes $76,594 from the State General Fund and $259,951 from all other funds. The request includes funding for 995 work-days: 100 for Emergency State Active Duty; 50 for Civic State Active Duty; 175 to augment Public Assistance duties related to damage to public property for Federally Declared Disasters; 0 for Preliminary Damage Assessments & Training; 270 to augment Hazard Mitigation duties related to previous disasters; and 400 for Nuclear Response Training and Exercises. Wolf Creek Nuclear Operating Corporation and the Nebraska Public Power District (Cooper Nuclear Station).

The **agency** requests FY 2017 expenditures totaling $337,379, including $77,411 from the State General Fund, for the State Military Services Operations program. This is an all funds increase of $834, or 0.2 percent, and a State General Fund increase of $817, or 1.1 percent, above the FY 2016 request. The request includes $77,411 from the State General Fund and $259,968 from all other funds.

The **Governor** recommends a 2.0 percent allotment for the State Military Services Operations program totaling $9,870, all from the State General Fund, for each fiscal year request including FY 2015, FY 2016, and FY 2017.

D. Physical Plant / Central Services

The Physical Plant Operations program is responsible for the maintenance of the physical facilities and equipment of the Kansas Army and Air National Guard. The agency maintains over 3.5 million square feet of operating space in and around 82 buildings and facilities located in 34 communities across the state. The agency maintains the State Defense Building, 35 state-owned armories, nine field maintenance sites, six statewide training facilities, the 190th Air Refueling Wing at Forbes Field, 184th Air Refueling Wing at the McConnell Air Force Base, the Smoky Hill Weapons Range, the 190th Civil Engineering Squadron Fire Protection Branch at Forbes Field, and the Kansas Readiness Sustainment Maintenance Site Program. A number of Kansas Readiness Sustainment Maintenance sites have been recommended for closure due to cuts in federal funding.

PHYSICAL PLANT / CENTRAL SERVICES
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	$ 15,543,590	$ 11,609,447	$ 11,447,992	$ 9,920,141	$ 9,815,406	$ 10,356,951	$ 10,250,119
Contractual Services	11,566,113	9,922,545	9,882,545	11,554,185	11,514,185	11,057,218	11,017,218
Commodities	3,343,382	3,280,440	3,276,954	1,549,991	1,543,036	1,548,070	1,541,115
Capital Outlay	375,351	311,043	311,043	344,600	344,600	344,600	344,600
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 30,828,436	$ 25,123,475	$ 24,918,534	$ 23,368,917	$ 23,217,227	$ 23,306,839	$ 23,153,052
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	557,024	835,842	835,842	934,842	934,842	934,842	934,842
TOTAL	$ 31,385,460	$ 25,959,317	$ 25,754,376	$ 24,303,759	$ 24,152,069	$ 24,241,681	$ 24,087,894
Financing:							
State General Fund	$ 2,576,343	$ 2,861,850	$ 2,841,486	$ 2,476,273	$ 2,451,599	$ 2,510,548	$ 2,485,719
All Other Funds	28,809,117	23,097,467	22,912,890	21,827,486	21,700,470	21,731,133	21,602,175
TOTAL	$ 31,385,460	$ 25,959,317	$ 25,754,376	$ 24,303,759	$ 24,152,069	$ 24,241,681	$ 24,087,894
FTE Positions	148.0	147.5	147.5	109.5	109.5	94.5	94.5
Non-FTE Uncl. Perm. Pos.	221.6	221.6	221.6	97.6	97.6	87.6	87.6
TOTAL	369.6	369.1	369.1	207.1	207.1	182.1	182.1

The **agency** requests FY 2016 expenditures totaling $24.3 million, including $2.5 million from the State General Fund, for the Physical Plant and Central Services program. This is an all funds decrease of $1.7 million, or 6.4 percent, and a State General Fund decrease of $385,577, or 13.5 percent, below the FY 2015 revised estimate. The all funds decrease is primarily due to the anticipated full closure of the Kansas's Readiness Sustainment Maintenance Site Program in FY 2016, and the resulting loss of federal funds generated through it.

The **Governor** recommends FY 2016 expenditures totaling $24.2 million, including $2.5 million from the State General Fund, which is an all funds reduction of $151,690, or 0.6 percent, and a State General Fund reduction of $24,674, or 1.0 percent, below the agency's FY 2016 request. The FY 2016 recommendation includes the following reductions from the agency's FY 2016 request: 1) $40,000, including $10,000 from the State General Fund, due to the Governor not recommending the agency's FY 2016 enhancement request for McConnell

ASOS utilities, 2) $6,955, all from the State General Fund, for the recommended 4.0 percent allotment, 3) The Governor recommends a reduction of $104,735, including $7,719 from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures totaling $24.2 million, including $2.5 million from the State General Fund, for the Physical Plant and Central Services program. This is an all funds decrease of $62,078, or 0.3 percent, and a State General Fund increase of $34,275, or 1.4 percent, from the FY 2016 request. This decrease is due to a decrease in contractual services ($496,967) offset by an increase in salaries and wages ($436,810) from the FY 2016 request.

The **Governor** recommends FY 2017 expenditures totaling $24.1 million, including $2.5 million from the State General Fund, which is an all funds reduction of $153,787, or 0.6 percent, and a State General Fund reduction of $24,829, or 1.0 percent, below the agency's FY 2016 request. The FY 2017 recommendation includes the following reductions from the agency's FY 2017 request: 1) $40,000, including $10,000 from the State General Fund, due to the Governor not recommending the agency's FY 2017 enhancement request for McConnell ASOS utilities, 2) $6,955, all from the State General Fund, for the recommended 2.0 percent allotment, 3) The Governor recommends a reduction of $106,832, including $7,874 from the State General Fund, to reduce employer contributions for state employee health insurance.

E. Debt Service

The Legislature approved the issuance of $22.0 million in revenue bonds in five increments to fund restoration of the Kansas National Guard Armories. The first bonds were issued in November 2000 with the final bonds being issued during 2005. This is a 20-year bonding program.

Subsequently, the 2005 Legislature approved the issuance of an additional $9.0 million in bonds for armory renovation, with three bonds issues of $3.0 million be made in FY 2007, FY 2008, and FY 2009. Each issuance required State Finance Council approval prior to being issued. The agency received approvals and issued the FY 2007 bonds in September 2007, the FY 2008 bonds in September 2008, and then received approval for the final set of bonds at the June 2010 meeting of the State Finance Council.

The Legislature also approved the issuance of bonds for the Pittsburg State University and Adjutant General's Department joint use facility. The first debt service payment on these bonds was made in FY 2007 from the Principal and Interest account, and the first payment from the State General Fund was made in FY 2008.

The Legislature also approved the issuance of $9.0 million in revenue bonds to construct, equip, and purchase land for the Great Plains Training Center in Salina. These bonds were issued in September 2007. The first debt service payment from the State General Fund was paid in FY 2009.

DEBT SERVICE - INTEREST
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
Projects:							
Armory Bonds	$ 909,210	$ 906,373	$ 771,294	$ 824,978	$ 37,587	$ 733,443	$ 963,912
PSU University Bonds	47,985	45,188	36,327	42,388	44,851	39,388	41,851
Great Plains Training Center Bonds	363,223	347,613	254,294	331,844	303,569	314,931	286,656
TOTAL	$ 1,320,418	$ 1,299,174	$ 1,061,915	$ 1,199,210	$ 386,007	$ 1,087,762	$ 1,292,419
Financing:							
State General Fund	$ 1,320,418	$ 1,299,174	$ 1,061,915	$ 1,199,210	$ 386,007	$ 1,087,762	$ 1,292,419
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 1,320,418	$ 1,299,174	$ 1,061,915	$ 1,199,210	$ 386,007	$ 1,087,762	$ 1,292,419

The **agency** requests State General Fund debt service interest payments totaling $1.3 million in FY 2015, $1.2 million for FY 2016, and $1.1 million for FY 2017. Debt service payments for bonds include the following items.

- **Armory Bonds** - The agency requests $906,373 in FY 2015 and $824,978 for FY 2016, and $733,433 for FY 2017 for debt service interest payments on bonds for the restoration of the Kansas National Guard Armories.

- **Pittsburg State University Bonds** - The agency requests $45,188 in FY 2015, $42,388 for FY 2016, and $39,388 for FY 2017 for debt service interest payments on bonds issued for the Pittsburg Joint Readiness Center; and Great **Plains Training Center Bonds** - The agency requests $347,613 in FY 2015, $331,844 for FY 2016, and $314,931 for FY 2017 for debt service interest payments on the bonds issued for the Great Plains Training Center.

- The **Governor's** recommendation includes the refinancing of current agency debt, and includes debt service interest payments totaling $1.1 million in FY 2015, $386,007 for FY 2016, and $1.3 million for FY 2017. The Governor's recommendation to refinance current debt in FY 2015 attributes for the difference between the agency's request and the Governor's recommendations in each fiscal year. The refinancing is anticipated to result in reductions from the agency's requested debt service interest payments by $237,259 in FY 2015 and $813,203 for FY 2016; and an increase in debt service interest payments of $204,657 for FY 2017.

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
Debt Service Principal:						
Armory Bonds	$ 1,835,000	$ 1,835,000	$ 1,910,000	$ 1,122,610	$ 2,010,000	$ 2,010,000
Pittsburg State University	70,000	70,000	75,000	75,000	80,000	80,000
GPRT Center Bonds	375,000	375,000	390,000	390,000	405,000	405,000
Subtotal Debt Service Principal SGF:	*$ 2,280,000*	*$ 2,280,000*	*$ 2,375,000*	*$ 1,587,610*	*$ 2,495,000*	*$ 2,495,000*
State General Fund Projects:						
Contractual Services	$ 84,760	$ 84,760	$ 0	$ 0	$ 0	$ 0
Rehab and Repair of Armories State Match *Base Request*	0	0	329,893	329,983	329,893	329,893
Rehab and Repair of Armories State Match *Supp./Enhance.*	232,343	0	476,929	0	486,497	0
Enhancement Projects	0	0	1,138,372	472,000	6,442,161	0
Subtotal SGF Projects:	*$ 317,103*	*$ 84,760*	*$ 1,945,194*	*$ 801,983*	*$ 7,258,551*	*$ 329,893*
Special Revenue / Federal Fund Projects (FED):						
NGB Ops/Maint. *Base* FED	$ 1,001,034	$ 1,001,034	$ 826,004	$ 826,004	$ 826,004	$ 826,004
NGB Ops/Maint. FED Match *Enhancements*	272,751	0	1,548,856	0	1,106,665	0
NGB Mil. Construction FED	1,500,000	1,500,000	0	0	0	0
Subtotal SRF & FED Projects:	*$ 2,773,785*	*$ 2,501,034*	*$ 2,374,860*	*$ 826,004*	*$ 1,932,669*	*$ 826,004*
GRAND TOTAL	$ 5,370,888	$ 4,865,794	$ 6,695,054	$ 3,215,597	$ 11,686,220	$ 3,650,897
Financing:						
State General Fund	$ 2,597,103	$ 2,364,760	$ 4,320,194	$ 2,389,593	$ 9,753,551	$ 2,824,893
All Other Funds	2,773,785	2,501,034	2,374,860	826,004	1,932,669	826,004
TOTAL	$ 5,370,888	$ 4,865,794	$ 6,695,054	$ 3,215,597	$ 11,686,220	$ 3,650,897

Current Year Agency Estimate

FY 2015 – Current Year. The agency's revised capital improvements estimate totals $5.4 million, including $2.6 million from the State General Fund, in FY 2015. This is an all funds increase of $505,094, or 10.4 percent, and a State General Fund increase of $232,343, or 9.8 percent, above the FY 2015 approved amount. This increase is due entirely to the agency's supplemental request totaling $505,094, including $232,343 from the State General Fund, to provide the State's matching share of 50.0 percent of rehabilitation and repair costs of the 76 Kansas Army National Guard facilities in order to draw down matching federal money as per the Cooperative Agreement with the National Guard Bureau in FY 2015. The FY 2015 revised estimate includes the following.

- **State General Fund** - The agency's FY 2015 revised estimate includes debt service principal expenditures totaling $2.3 million; contractual services including engineering and architectural expenditures totaling $84,760; and the state's portion of a supplemental request for rehabilitation and repair of state armories totaling $232,343.

- **All Other Funds** - The FY 2015 revised estimate includes $2.5 million in approved special revenue funds for the completion of the Wichita Readiness Center and Field Maintenance Shop in FY 2015. The additional increase included in the FY 2015 revised estimate totals $272,751, and reflects the draw down of federal matching funds as part of the agency's supplemental request for rehabilitation and repair of state armories in FY 2015.

Current Year Governor Recommendation

The **Governor** recommends capital improvements expenditures totaling $4.9 million, including $2.4 million from the State General Fund, in FY 2015. This is an all funds decrease of $505,094, or 9.4 percent, and a State General Fund decrease of $232,343, or 8.9 percent, below the agency's FY 2015 revised estimate. This decrease is due to the Governor not recommending the agency's supplemental request for additional rehabilitation and repair expenditures for Kansas Army National Guard facilities.

Budget Year Agency Request

FY 2016 – Budget Year. The agency requests capital improvements expenditures totaling $6.7 million, including $4.3 million from the State General Fund, for FY 2016. This is an all funds increase of $1.3 million, or 24.7 percent, and a State General Fund increase of $1.7 million, or 66.3 percent, above the FY 2015 revised estimate. This increase is due to seven capital improvements enhancement requests totaling $3.2 million, including $1.6 million from the State General Fund, for FY 2016. The FY 2016 request includes the following.

- **State General Fund** - The agency's FY 2016 request includes debt service principal expenditures totaling $2.4 million; the State General Fund portion of seven capital improvements enhancements totaling $1.6 million; and the agency also includes a base request for rehabilitation and repair expenditures totaling $329,893 for FY 2016.

- **All Other Funds** - The FY 2016 request includes $2.4 million, a decrease of $398,925, or 14.4 percent, below the FY 2015 revised estimate. There is a significant decrease from the FY 2015 revised estimate compared to the FY 2016 request that is related to special revenue fund expenditures included in the FY 2015 revised estimate for the Wichita Readiness and Field Maintenance shop that do not re-occur in the FY 2016 request. This decrease is offset by the increase from the special revenue fund portion of the agency's seven enhancement requests, and the special revenue fund portion of matching funds budgeted to be drawn down as part of the agency's base capital improvements request for FY 2016.

Budget Year Governor Recommendation

The **Governor** recommends capital improvements expenditures totaling $3.2 million, including $2.4 million from the State General Fund, for FY 2016. This is an all funds decrease of $3.5 million, or 52.0 percent, and a State General Fund decrease of $1.9 million, or 44.7 percent, below the agency's FY 2016 request. This decrease is due to: 1) the Governor not recommending six of the agency's seven capital improvements enhancements ($2.7 million all funds, including $1.1 million State General Fund), and 2) the Governor's recommendation to refinance current agency debt, which attributes for a decrease of $787,390, all from the State General Fund, in debt service principal payments from the agency's FY 2016 request.

The Governor's recommendation includes: 1) $1.2 million, including $329,893 from the State General Fund, to provide for the agency's base request for rehabilitation and repairs expenditures for FY 2016, and 2) the agency's capital improvements enhancement request for $472,000, all from the State General Fund, to provide for expenditures for the design of a new, 25,000 square foot, State Emergency Management Operations and Training Center located on or adjacent to the grounds of the Kansas National Guard 190th Refueling Wing at Forbes Field in Topeka.

Budget Year Agency Request

FY 2017 – Budget Year. The agency requests capital improvements expenditures totaling $11.7 million, including $9.8 million from the State General Fund, for FY 2017. This is an all funds increase of $5.0 million, or 74.6 percent, and a State General Fund increase of $5.4 million, or 125.8 percent, above the FY 2016 request. This increase is due to five capital improvements enhancements totaling $8.0 million, including

$6.9 million from the State General Fund, for FY 2017. The FY 2017 request includes the following.

- **State General Fund** - The agency's FY 2017 request includes debt service principal expenditures totaling $2.5 million; the State General Fund portion of seven capital improvements enhancements totaling $6.9 million; and the agency also includes a base request for rehabilitation and repair expenditures totaling $329,893 for FY 2017.
- **All Other Funds** - The FY 2017 request includes $1.9 million, a decrease of $442,191, or 18.6 percent, below the FY 2016 request. This decrease is due to less enhancement requests that are eligible to draw down federal matching funds within the FY 2017 enhancement funding requests as opposed to the FY 2016 enhancement requests.

Budget Year Governor Recommendation

The **Governor** recommends capital improvements expenditures totaling $3.7 million, including $2.8 million from the State General Fund, for FY 2017. This is an all funds decrease of $8.0 million, or 68.8 percent, and a State General Fund decrease of $6.9 million, or 71.0 percent, below the agency's FY 2017 request. This decrease from the agency's request is entirely due to the Governor not recommending any of the agency's five capital improvements enhancements ($8.0 million all funds, including $6.9 million State General Fund).

The Governor's recommendation includes $1.2 million, including $329,893 from the State General Fund, to provide for the agency's base request for rehabilitation and repair expenditures for FY 2017.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Percent of late utility bill charges to total agency utility expenses	--	0.047%	0.000%	0.000%	0.000%
Percent of administrative costs to total agency expenses	1.1%	--	--	--	--
Number of training workshops sponsored by KDEM	100	129	100	100	100
Number of county emergency operation plans reviewed for compliance	66	44	50	25	25
Number of training and exercise planning workshops conducted across the state	--	74	74	74	74
Percent of missions within the time-frame specified by the requester	100.0%	100.0%	100.0%	100.0%	100.0%
Percent of payments for state active duty made on time	100.0%	99.0%	100.0%	100.0%	100.0%
Utility dollars expended on electricity at the State Defense Building and armories	$723,501	$768,629	$820,000	$824,000	$824,000
Utility dollars expended on natural gas at the State Defense Building and armories	$252,275	$253,906	$260,000	$267,000	$267,000

Kansas Bureau of Investigation

	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	$ 15,872,266	$ 17,296,905	$ 16,206,028	$ 23,778,589	$ 20,824,386	$ 24,068,728	$ 21,300,319
Other Funds	11,094,751	11,955,408	11,712,559	10,335,043	10,277,918	10,381,852	10,323,723
TOTAL	$ 26,967,017	$ 29,252,313	$ 27,918,587	$ 34,113,632	$ 31,102,304	$ 34,450,580	$ 31,624,042
Capital Improvements:							
State General Fund	$ 257,078	$ 100,000	$ 100,000	$ 2,404,500	$ 2,195,000	$ 5,924,504	$ 2,205,000
Other Funds	6,892	122,000	122,000	0	0	0	0
TOTAL	$ 263,970	$ 222,000	$ 222,000	$ 2,404,500	$ 2,195,000	$ 5,924,504	$ 2,205,000
GRAND TOTAL	**$ 27,230,987**	**$ 29,474,313**	**$ 28,140,587**	**$ 36,518,132**	**$ 33,297,304**	**$ 40,375,084**	**$ 33,829,042**
Percentage Change:							
Operating Expenditures							
State General Fund	(2.9) %	9.0 %	2.1 %	37.5 %	28.5 %	1.2 %	2.3 %
All Funds	(3.6)	8.5	3.5	16.6	11.4	1.0	1.7
FTE Positions	211.0	223.0	223.0	223.0	223.0	223.0	223.0
Non-FTE Perm.Uncl.Pos.	81.0	81.0	81.0	93.0	93.0	93.0	93.0
TOTAL	292.0	304.0	304.0	316.0	316.0	316.0	316.0

AGENCY OVERVIEW

The Kansas Bureau of Investigation (KBI) was established in 1939 as a division within the office of the Attorney General. The mission of the KBI is to provide professional investigative and laboratory services to Kansas criminal justice agencies, and to collect and disseminate criminal justice information for the purpose of promoting public safety and the prevention of crime in Kansas. The KBI headquarters is located in Topeka, with regional offices in Wichita and Overland Park. Laboratory facilities are located in Topeka, Great Bend, Pittsburg, and Kansas City.

MAJOR ISSUES FROM PRIOR YEARS

The 2006 Legislature:

- Added funding of $2.4 million, all from the State General Fund, for the purchase of the IMA building in Topeka; security, communications, and laboratory renovations at the Headquarters and IMA buildings; and completion of the second floor at the Great Bend Laboratory in FY 2007.
- Enacted the Personal and Family Protection Act allowing certain persons licensed by the Kansas Attorney General to carry concealed handguns. The 2006 Legislature increased expenditures from the Record Check Fee Fund by $120,568 and added 4.0 FTE positions in FY 2007 for implementation of the Act.
- Added $263,212, all from the State General Fund, for 4.0 additional agent positions in FY 2007.
- Enacted passed HB 2554 requiring DNA sample collection for the DNA database of any adult arrested or juvenile placed in custody for the commission or attempted commission of a felony or specific non-felony offense.
- Added a total of 13.0 new FTE positions including: 3.0 laboratory positions, 3.0 record check positions, 2.0 Offender Registration Unit positions, and 3.0 positions to be utilized for either the implementation of legislation regarding DNA specimen collections or for the Offender Registration Unit.
- Enacted HB 2754 requiring offenders to register with the KBI for the commission of person felonies when a court makes a finding that a deadly weapon was used, commonly referred to as “Miki’s Law.” The Legislature added $65,464, all from the State General Fund, in FY 2007 for the Offender Registration for implementation of the legislation.

The 2007 Legislature:

- Added $124,000, all from the State General Fund, for the agency to purchase property in

Topeka in the block containing the Headquarters building in FY 2008.

The 2008 Legislature:

- Added language providing for the reappropriation of the $124,000, all from the State General Fund, to FY 2009 for the agency to purchase property in Topeka in the block containing the Headquarters building.
- Added $50,000, all from the State General Fund, to complete the buyout and demolition of properties on the same block as the headquarters.
- Added $6,000, all from the State General Fund, in FY 2009 for the purchase of one evidence refrigeration unit as related to 2008 HB 2727, which requires the KBI to store sexual assault kits for five years.
- Approved $80,000, all from the KBI Motor Vehicle Fund, to replace four vehicles.

The 2009 Legislature:

- The Governor recommended a special one-time transfer of $100,000 from the Private Detective Fee Fund to the State General Fund in FY 2009. The Legislature accepted the Governor's recommendation but reduced the transfer by 21.5 percent for a total transfer of $78,500.
- Added language to reappropriate the total unencumbered State General Fund balance of the Land Acquisition Fund savings to operating expenditures in FY 2010, to provide funding for Kansas Criminal Justice Information System (KCJIS) communication lines.
- Added $326,000, all from the State General Fund, for the Kansas Criminal Justice Information System (KCJIS) Central Message Switch Replacement project in FY 2010.
- Added $81,297, including $47,696 from the State General Fund, in FY 2010 for undermarket pay adjustments for positions that had recommended pay adjustments in the Hay group study on Kansas state employee compensation. The study was completed in FY 2008.
- The Governor recommended and the Legislature approved the addition of $83,300, all from the State General Fund, and 1.0 FTE position for a new DNA scientist in the Laboratory Division in FY 2010.
- During the Regular Session, reduced the agency's budget by 1.25 percent, as part of an across the board reduction to the Governor's FY 2009 recommended State General Fund operating expenditures, excluding debt service payments and caseload estimates for FY 2009 ($212,814) and FY 2010 ($209,672).
- Reduced the agency's budget by 2.75 percent, as part of an across the board reduction to the Governor's FY 2010 recommended State General Fund operating expenditures excluding debt service payments and caseload estimates for FY 2010 ($423,085).

The 2010 Legislature:

- Deleted $218,000 from the State General Fund, and added $660,000 from the Criminal Justice Information System Line Fund, in FY 2011, with the passage of 2010 Senate Sub. for HB 2226, which raised district court traffic fines by $5 to provide funding for the Kansas Criminal Justice Information System (KCJIS) circuits.

- Added $1,080,630, all from the State General Fund, to assist in reducing the DNA backlog in FY 2011. The funds allowed for the purchase of new equipment, consumables, and for computer and software licenses.

The 2011 Legislature:

- Appropriated the Social Security Administration Reimbursement – Federal Fund as a no limit fund in FY 2011. The KBI has two special agents working with the Social Security Administration (SSA). Their work is reimbursed by the SSA, and this fund allows for the expenditure of those reimbursements.

- Appropriated the Project Safe Neighborhoods Fund with a $114,408 expenditure limitation in FY 2011. The KBI received a sub-grant from the Attorney General's Office that pays the salary for one Special Assistant US Attorney position, this allows for the expenditure of that grant.

- Added $150,000, all from the State General Fund, in FY 2011 and $450,000, all from the State General Fund, in FY 2012 to provide funding for meth lab cleanup.

- Added 12.0 FTE positions in FY 2012, to add back half of the FTE positions reduced under the Governor's FY 2012 recommendation. This allowed the agency to keep 3.0 newly hired FTE positions and increased the agency's FTE limitation from the Governor's recommended 197.0 FTE positions to 209.0 FTE positions for FY 2012.

- Added $100,000, all from the State General Fund, for capital improvements in FY 2012.

- Approved a reduced resources budget in FY 2012, which was an all funds reduction of $556,598, and a State General Fund reduction of $783,941. State General Fund expenditure reductions across the agency's programs were as follows: $188,146 from the Administration program; $368,146 from the Investigations program; and $227,343 from the Forensic Laboratory. Funding for the Forensic Laboratory portion of the reduction was recommended to be shifted to the Forensic Laboratory and Materials Fee Fund.

The 2012 Legislature:

- Deleted the no limit Private Detective Fee Fund in FY 2013. This program, which issues permits for private detectives, was located in the Kansas Bureau of Investigation budget, but is by statute assigned to the Attorney General. This shifted the program back to its statutory location.

- Added $136,258, including $127,553 from the State General Fund, and 3.0 FTE positions, to restore funding that had been deleted by the

Governor's recommended savings from the Voluntary Retirement Incentive Program (VRIP), in FY 2013.

- Approved $300,000, all from the State General Fund, for capital improvements, including $100,000 for general rehabilitation and repair projects and $200,000 for switchgear and electrical panel replacement, in FY 2013.

The 2013 Legislature:

- Added language authorizing expenditures for an agreement with Washburn University for the construction of the forensic laboratory in FY 2014.
- Added $608,532, all from the State General Fund, and 5.0 FTE positions in FY 2014 and FY 2015 for the Crimes Against Children Unit.
- Deleted $384,785 in FY 2013 and $200,000 in FY 2014 for the meth lab clean-up program.
- Deleted 12.0 FTE positions in FY 2014 and FY 2015, which were unfilled.
- Deleted $109,253, all from the State General Fund, in FY 2014, for reductions in the Administration program.
- Deleted $987,465, including $176,270 from the State General Fund, to reflect reduced funding for salaries and wages in FY 2014.
- Deleted $1,032,241, including $203,729 from the State General Fund, to reflect reduced funding for salaries and wages in FY 2015.

The 2014 Legislature:

- Deleted $137,514 from the State General Fund reappropriation from FY 2013 to FY 2014.
- Deleted 12.0 vacant FTE positions in FY 2014.
- Added $1,350, all from the KCJIS Line Fund, to procure and operate telecommunications circuits for each county, and made the KCJIS Line Fund a no-limit fund in FY 2014 and FY 2015.
- Added $386,527, all from the State General Fund, for a 10.0 percent base pay increase for all forensic scientist positions for FY 2015.
- Added $554,119, all from the State General Fund, for a 10.0 percent base pay increase for all special agent positions for FY 2015.
- Added $95,000, all from the Record Check Fee Fund, for replacing two heating boilers at the Great Bend Regional Office and for roof repair at the Topeka Headquarters Annex, for FY 2015.
- Added language creating a new special revenue fund, the Uninterrupted Power Source Replacement Fund, to receive funds for replacement of the Uninterrupted Power Source at the Great Bend Regional Office, and transferred $27,000, all from the State Highway Fund, to the Uninterrupted Power Source Replacement Fund for FY 2015.
- Added $27,000, all from the Uninterrupted Power Source Replacement Fund, for replacement of the Uninterrupted Power Source at the Great Bend Regional Office in FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates a revised FY 2015 request totaling $29.5 million, including $17.4 from the State General Fund. This is an all funds increase of $347,846, or 1.2 percent, and a State General Fund increase of $355,396, or 2.1 percent, above the FY 2015 amount approved by the 2014 Legislature. The increase is entirely attributable to the agency's supplemental requests. The FY 2015 revised estimate includes 223 FTE and 81 non-FTE positions, which is unchanged from the number of positions approved by the 2014 Legislature. The estimate includes capital improvements expenditures of $222,000, which is unchanged from the amount approved by the 2014 Legislature.

FY 2015 Governor Recommendation

The **Governor** recommends $27.9 million, including $16.2 million from the State General Fund, in FY 2015. This is an all funds decrease of $1.3 million, or 4.6 percent, and a State General Fund decrease of $1.1 million, or 6.3 percent, below the agency's FY 2015 revised estimate. The Governor's recommendation includes 208.0 FTE and 69.0 non-FTE positions, which is unchanged from the agency's FY 2015 revised estimate. The Governor does not recommend the agency's supplemental request for KCJIS funding. The Governor recommends reducing expenditures to the KCJIS Line Fund, reducing State General Fund expenditures for agency salary savings, and reducing employer contributions to KPERS.

The Governor's recommendation includes capital improvement expenditures of $222,000, which is unchanged from the agency's FY 2015 revised estimate.

FY 2016 Agency Request

The **agency** requests $34.1 million, including $6.5 million from the State General Fund, for FY 2016 operating expenditures. This is an all funds increase of $4.9 million, or 16.6 percent, and a State General Fund increase of $6.5 million, or 37.5 percent, above the FY 2015 revised estimate. The increase is attributable to higher expenditures on salaries and wages, capital outlay, debt service, and other assistance, which is partially offset by lower expenditures on commodities and aid to local units of government. The FY 2016 request includes 223 FTE positions and 93 non-FTE positions, which is an increase of 12.0 non-FTE positions. The FY 2016 request includes State General Fund capital improvements expenditures of $2.4 million, which is an increase of $2.2 million above the FY 2015 revised estimate due to debt service principal payments for the forensic science laboratory at Washburn University and capital improvements enhancements for renovation planning and access control upgrades.

FY 2016 Governor Recommendation

The **Governor** recommends $31.1 million, including $20.8 million from the State General Fund, for FY 2016. This is an all funds decrease of $3.0 million, or 8.8 percent, and a State General Fund decrease of $3.0 million, or 12.4 percent, below the agency's FY 2016 request. The Governor's recommendation includes 207.0 FTE and 76.0 non-FTE positions, which is a a decrease of 5.0 non-FTE positions due to the Governor not recommending the agency's enhancement request for KCJIS maintenance and support. The Governor does not recommend any of the agency's enhancement requests. The Governor also recommends reducing expenditures to the KCJIS Line Fund to eliminate the estimated shortfall, and reducing employer contributions for state employee health insurance.

The Governor's FY 2016 recommendation includes State General Fund capital improvements expenditures of of $2.2 million, which is a decrease of $209,500, or 8.7 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's two enhancement requests for Topeka headquarters renovation planning and access control upgrades.

FY 2017 Agency Request

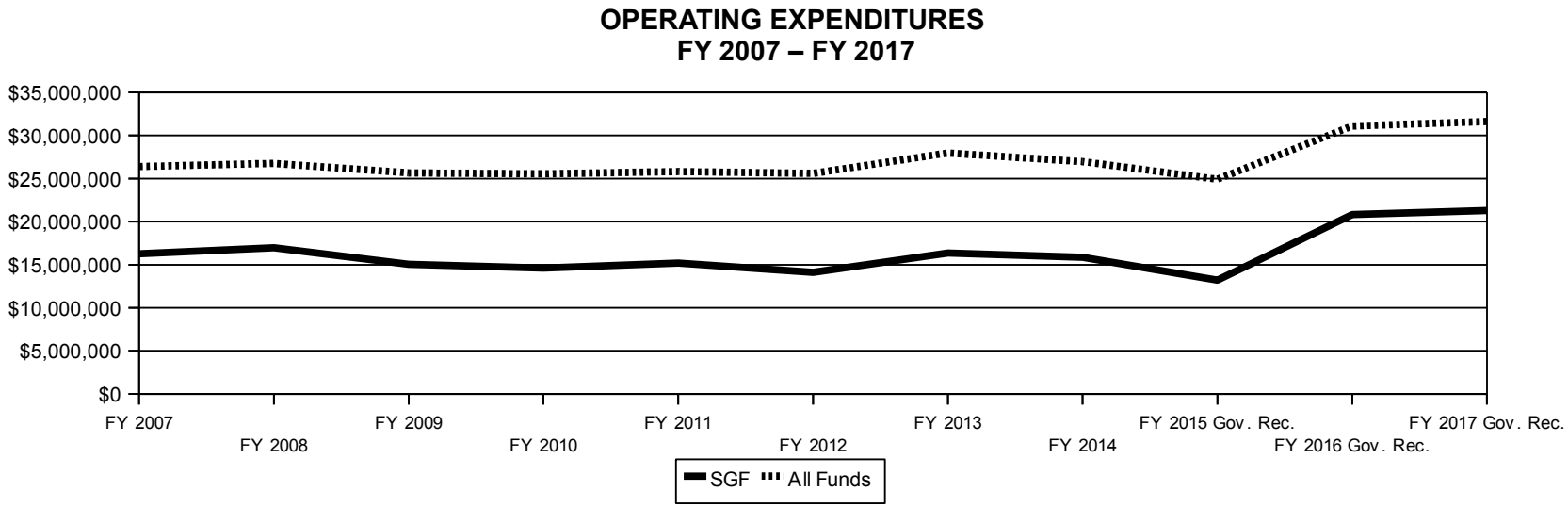
The **agency** requests $34.5 million, including $24.0 million from the State General Fund, for FY 2017. This is an all funds increase of $1.0 million, or 5.0 percent, and a State General Fund increase of $802,662, or 5.2 percent, above the FY 2016 request. The increase is attributable to higher expenditures on salaries and wages, offset by reduced expenditures on contractual services, commodities, capital outlay, debt service, and other assistance. The FY 2017 request includes 223 FTE and 93 non-FTE positions, which is no change from the FY 2016 request. The FY 2017 request includes State General Funds expenditures of $5.9 million, an increase of $3.5 million, above the FY 2016 request. The increase is due to capital improvements enhancement requests for renovation and repair of the Topeka headquarters and its parking garage.

FY 2017 Governor Recommendation

The **Governor** recommends $31.6 million, including $21.3 million from the State General Fund, for FY 2017. This is an all funds decrease of $2.8 million, or 8.2 percent, and a State General Fund decrease of $2.8 million, or 11.5 percent, below the agency's FY 2017 request. The Governor's recommendation includes 207.0 FTE and 76.0 non-FTE positions, which is a decrease of 5.0 non-FTE positions due to the Governor not recommending the agency's enhancement request for KCJIS maintenance and support. The Governor does not recommend any of the agency's enhancement requests. The governor also recommends reducing expenditures to the KCJIS Line Fund to eliminate the estimated shortfall, and reducing employer contributions for state employee health insurance.

The Governor's FY 2017 recommendation includes State General Fund capital improvements expenditures of $2.2 million, which is a decrease of $3.8 million, or 62.8 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's two enhancement requests for the Topeka headquarters renovation and repair of the Topeka parking garage. The Governor does not recommend the agency's two enhancement requests for Topeka headquarters renovation planning and access control upgrades.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 16,264,231	18.4 %	$ 26,394,775	8.9 %	220.0
2008	16,974,027	4.4	26,764,369	1.4	220.0
2009	15,055,052	(11.3)	25,662,582	(4.1)	220.0
2010	14,607,892	(3.0)	25,551,718	(0.4)	221.0
2011	15,180,709	3.9	25,813,836	1.0	221.0
2012	14,102,572	(7.1)	25,598,545	(0.8)	209.0
2013	16,343,055	15.9	27,972,736	9.3	218.0
2014	15,872,266	(2.9)	26,967,017	(3.6)	211.0
2015 Gov. Rec.	16,206,028	2.1	27,918,587	3.5	223.0
2016 Gov. Rec.	20,824,386	28.5	31,102,304	11.4	223.0
2017 Gov. Rec.	21,300,319	2.3	31,624,042	1.7	223.0
Eleven-Year Change	$ 5,036,088	31.0 %	$ 5,229,267	19.8 %	3.0

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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:									
General Services	$ 6,860,830	$ 7,334,666	$ 8,427,805	$ 1,093,139	14.9 %	$ 6,863,360	$ 6,540,316	$ (323,044)	(4.7)%
Investigation	13,123,916	14,130,240	14,347,955	217,715	1.5	13,319,868	13,277,681	(42,187)	(0.3)
Forensic Laboratory	6,982,271	7,787,407	9,108,148	1,320,741	17.0	7,735,359	9,054,583	1,319,224	17.1
Debt Service	0	0	2,229,724	2,229,724	--	0	2,229,724	2,229,724	--
TOTAL	$ 26,967,017	$ 29,252,313	$ 34,113,632	$ 4,861,319	16.6 %	$ 27,918,587	$ 31,102,304	$ 3,183,717	11.4 %
By Major Object of Expenditure:									
Salaries and Wages	$ 16,489,743	$ 19,248,921	$ 20,477,358	$ 1,228,437	6.4 %	$ 18,348,361	$ 19,205,443	$ 857,082	4.7 %
Contractual Services	6,213,763	6,143,946	7,367,109	1,223,163	19.9	5,710,780	6,545,239	834,459	14.6
Commodities	1,146,877	1,491,200	1,219,273	(271,927)	(18.2)	1,491,200	1,152,220	(338,980)	(22.7)
Capital Outlay	1,908,567	943,412	1,623,328	679,916	72.1	943,412	772,838	(170,574)	(18.1)
Debt Service	0	0	2,229,724	2,229,724	--	0	2,229,724	2,229,724	--
Subtotal - Operations	$ 25,758,950	$ 27,827,479	$ 32,916,792	$ 5,089,313	18.3 %	$ 26,493,753	$ 29,905,464	$ 3,411,711	12.9 %
Aid to Local Units	1,169,286	1,398,560	1,169,286	(229,274)	(16.4)	1,398,560	1,169,286	(229,274)	(16.4)
Other Assistance	38,781	26,274	27,554	1,280	4.9	26,274	27,554	1,280	4.9
TOTAL	$ 26,967,017	$ 29,252,313	$ 34,113,632	$ 4,861,319	16.6 %	$ 27,918,587	$ 31,102,304	$ 3,183,717	11.4 %
Financing:									
State General Fund	$ 15,872,266	$ 17,296,905	$ 23,778,589	$ 6,481,684	37.5 %	$ 16,206,028	$ 20,824,386	$ 4,618,358	28.5 %
Record Check Fee Fund	2,664,710	3,132,755	2,657,347	(475,408)	(15.2)	3,114,421	2,636,762	(477,659)	(15.3)
Forensic Lab and Materials Fee Fund	1,794,282	2,302,174	1,872,309	(429,865)	(18.7)	2,288,693	1,858,698	(429,995)	(18.8)
HIDTA Federal Fund	3,588,460	3,798,907	3,457,147	(341,760)	(9.0)	3,796,861	3,449,322	(347,539)	(9.2)
All Other Funds	3,047,299	2,721,572	2,348,240	(373,332)	(13.7)	2,512,584	2,333,136	(179,448)	(7.1)
TOTAL	$ 26,967,017	$ 29,252,313	$ 34,113,632	$ 4,861,319	16.6 %	$ 27,918,587	$ 31,102,304	$ 3,183,717	11.4 %

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:								
General Services	$ 8,427,805	$ 8,282,820	$ (144,985)	(1.7) %	$ 6,540,316	$ 6,590,920	$ 50,604	0.8 %
Investigation	14,347,955	14,672,161	324,206	2.3	13,277,681	13,592,161	314,480	2.4
Forensic Laboratory	9,108,148	9,279,530	171,382	1.9	9,054,583	9,224,892	170,309	1.9
Debt Service	2,229,724	2,216,069	(13,655)	(0.6)	2,229,724	2,216,069	(13,655)	(0.6)
TOTAL	$ 34,113,632	$ 34,450,580	$ 336,948	1.0 %	$ 31,102,304	$ 31,624,042	$ 521,738	1.7 %
By Major Object of Expenditure:								
Salaries and Wages	$ 20,477,358	$ 21,509,456	$ 1,032,098	5.0 %	$ 19,205,443	$ 19,919,360	$ 713,917	3.7 %
Contractual Services	7,367,109	7,313,019	(54,090)	(0.7)	6,545,239	6,442,949	(102,290)	(1.6)
Commodities	1,219,273	1,206,203	(13,070)	(1.1)	1,152,220	1,160,321	8,101	0.7
Capital Outlay	1,623,328	1,025,652	(597,676)	(36.8)	772,838	705,162	(67,676)	(8.8)
Debt Service	2,229,724	2,216,069	(13,655)	(0.6)	2,229,724	2,216,069	(13,655)	(0.6)
Subtotal - Operations	$ 32,916,792	$ 33,270,399	$ 353,607	1.1 %	$ 29,905,464	$ 30,443,861	$ 538,397	1.8 %
Aid to Local Units	1,169,286	1,169,286	0	0.0	1,169,286	1,169,286	0	0.0
Other Assistance	27,554	10,895	(16,659)	(60.5)	27,554	10,895	(16,659)	(60.5)
TOTAL	$ 34,113,632	$ 34,450,580	$ 336,948	1.0 %	$ 31,102,304	$ 31,624,042	$ 521,738	1.7 %
Financing:								
State General Fund	$ 23,778,589	$ 24,068,728	$ 290,139	1.2 %	$ 20,824,386	$ 21,300,319	$ 475,933	2.3 %
Record Check Fee Fund	2,657,347	2,750,554	93,207	3.5	2,636,762	2,729,558	92,796	3.5
Forensic Lab and Materials Fee Fund	1,872,309	1,932,134	59,825	3.2	1,858,698	1,918,250	59,552	3.2
HIDTA Federal Fund	3,457,147	3,495,959	38,812	1.1	3,449,322	3,487,977	38,655	1.1
All Other Funds	2,348,240	2,203,205	(145,035)	(6.2)	2,333,136	2,187,938	(145,198)	(6.2)
TOTAL	$ 34,113,632	$ 34,450,580	$ 336,948	1.0 %	$ 31,102,304	$ 31,624,042	$ 521,738	1.7 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $17,040,860 for the Kansas Bureau of Investigation 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 adjustments have been made.

- An increase of $649, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- A reduction of $67,453 as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to $16,974,056. That amount is reflected in the table below as the currently approved FY State General Fund amount.

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	$ 16,974,056	$ 17,396,905	$ 422,849	$ 16,306,028	$ (668,028)
All Other Funds	12,077,408	12,077,408	0	11,834,559	(242,849)
TOTAL	$ 29,051,464	$ 29,474,313	$ 422,849	$ 28,140,587	$ (910,877)
FTE Positions	223.0	223.0	0.0	223.0	0.0

The **agency** requests a revised FY 2015 estimate totaling $29.5 million, including $17.4 from the State General Fund. This is an all funds increase of $422,849, or 1.5 percent, and a State General Fund increase of $422,849, or 2.5 percent, above the FY 2015 approved amount. The State General Fund increase is attributable to the agency's supplemental requests, the

Governor's allotment to reduce the KPERS employer contribution rate and the agency lapsing its reappropriation. The FY 2015 revised estimate includes 223.0 FTE and 81.0 non-FTE positions, which is unchanged from the number of positions approved by the 2014 Legislature. The revised estimate includes capital improvements expenditures of $220,000 including $100,000 from the State General Fund, which is unchanged from the amount approved by the 2014 Legislature.

Categories of expenditures are detailed below.

- **Salaries and Wages.** The agency's FY 2015 revised estimate includes $19.2 million all funds and $13.4 from the State General Fund for 208.0 FTE and 69.0 non-FTE positions. This is an all funds increase of $191,344, or 1.0 percent, and a State General Fund increase of $191,344, or 1.4 percent, above the FY 2015 approved amount. The increase is attributable to the agency's supplemental request for a technical salary adjustment for special agent and scientist pay, and the Governor's State General Fund allotment which reduces the employer contribution to KPERS.

- **Contractual Services.** The agency's FY 2015 revised estimate includes $6.1 million all funds and $2.8 million from the State General Fund. This is a State General Fund increase of $232,154, or 3.9 percent, above the FY 2015 approved amount. The increase is attributable to the agency's supplemental request to cover a revenue shortfall in the Kansas Criminal Justice Information System (KCJIS) Circuit Line Fund.

- **Commodities.** The agency's FY 2015 revised estimate includes $1.5 million, including $744,687 from the State General Fund, which is unchanged from the FY 2015 approved amount.

- **Capital Outlay**. The agency's FY 2015 revised estimate includes $943,412, including $337,353 from the State General Fund, which is unchanged from the FY 2015 approved amount.

- **Aid to Local Units**. The agency's FY 2015 revised estimate includes $1.4 million, all from special revenue funds, which is unchanged from the FY 2015 approved amount.

- **Other Assistance**. The agency's FY 2015 revised estimate includes $26,274, including $14,656 from the State General Fund, which is unchanged from the FY 2015 amount.

The **Governor** recommends $27.9 million, including $16.2 million from the State General Fund, in FY 2015. This is an all funds decrease of $1.3 million, or 4.6 percent, and a State General Fund decrease of $1.1 million, or 6.3 percent, below the agency's FY 2015 revised estimate. The Governor's recommendation includes 208.0 FTE and 69.0 non-FTE positions, which is unchanged from the agency's FY 2015 revised estimate. More specifically,

The Governor concurs with the agency request with the following exceptions.

- Did not recommend the agency's supplemental request for KCJIS funding.

- Reduced expenditures from the KCJIS Line Fund by $201,012, all from special revenue funds, to eliminate the estimated shortfall.
- Reduced State General Fund expenditures by $791,270 for agency salary savings.
- Reduced expenditures by $109,290, including $67,453 all from the State General Fund, to reduce employer contributions to KPERS.

Supplemental Detail

FY 2015 SUPPLEMENTALS

	Agency Estimate			Governor's Recommendation		
Supplementals	SGF	All Funds	FTE	SGF	All Funds	FTE
KCJIS Funding	$ 232,154	$ 232,154	0.0	$ 0	$ 0	0.0
Technical Salary Adjustment						0.0
Agents	61,946	61,946	0.0	61,946	61,946	0.0
Scientists	61,945	61,945	0.0	61,945	61,945	0.0
TOTAL	**$ 356,045**	**$ 356,045**	**0.0**	**$ 123,891**	**$ 123,891**	**0.0**

The **agency's** FY 2015 revised estimate includes supplemental expenditures totaling $356,045, all from the State General Fund. These include the following items.

- **KCJIS Funding.** The agency requests $232,154, all from the State General Fund, in FY 2015, to cover a revenue shortfall in the KCJIS Circuit Line Fund. KCJIS provides Kansas law enforcement and criminal justice agencies access to sensitive, criminal justice related information and provides a secure resource with which to communicate with one another. Pursuant to KSA 74-7336, current revenues in the KCJIS Circuit Line Fund are 2.91 percent of the fines, penalties, and forfeitures received from clerks of district courts.

The **Governor** does not recommend the agency's supplemental request.

- **Technical Salary Adjustment.** The agency requests $123,891 in salaries and wages in FY 2015 for funding that was inadvertently omitted from 2014 HB 2231.

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

The **Governor** recommends FY 2015 supplemental requests totaling $123,891, all from the State General Fund.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (67,453)	$ (67,453)	0.0
TOTAL	$ (67,453)	$ (67,453)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $67,453 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 $41,837 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of $109,290.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 34,113,632	$ 31,102,304	$ (3,011,328)
FTE Positions	223.0	223.0	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 6,481,684	$ 4,618,358	
All Other Funds	(1,620,365)	(1,434,641)	
TOTAL	$ 4,861,319	$ 3,183,717	
Percent Change:			
State General Fund	37.5 %	28.5 %	
All Other Funds	(13.6)	(12.2)	
TOTAL	16.6 %	11.4 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests $34.1 million, including $23.8 million from the State General Fund, for FY 2016 operating expenditures. This is an all funds increase of $4.9 million, or 16.6 percent, and a State General Fund increase of $6.5 million, or 37.5 percent, above the FY 2015 revised estimate. The increase is attributable to higher expenditures on salaries and wages, capital outlay, debt service, and other assistance, which is partially offset by lower expenditures on commodities and aid to local units of government. The FY 2016 request includes 223.0 FTE positions and 93.0 non-FTE positions, which is an increase of 12.0 non-FTE positions above the FY 2015 revised estimate. The increase in non-FTE positions is attributable to the addition of 12.0 positions for the Laboratory Science program and the agency's FY 2016 enhancement request for KCJIS maintenance and support. The increase is offset by non-

FTE reductions in the Investigation program due to reduced federal funding estimated for FY 2016.

Changes from the FY 2015 revised estimate include the following items.

- **Salaries and Wages**. The agency's FY 2016 request includes $20.5 million, including $15.3 million from the State General Fund, for FY 2016. This is an all funds increase of $1.2 million, or 6.4 percent, and a State General Fund increase of $1.9 million, or 14.0 percent, above the FY 2015 revised estimate. The increase is largely attributable to higher expenditures on pay to unclassified employees in the Forensic Laboratory program due to the additional 12.0 non-FTE laboratory positions. Other increases are attributable to the agency's FY 2016 enhancement requests for KCJIS maintenance and support, program consultants in the IBR Unit, and funding for a new special agent class.

- **Contractual Services.** The agency requests $7.4 million, including $4.3 million from the State General Fund, for FY 2016. This is an all funds increase of $1.2 million, or 19.9 percent, and a State General Fund increase of $1.5 million, or 54.8 percent, above the FY 2015 revised estimate. The increase is largely attributable to the higher expenditures in the Forensic Laboratory program for electricity and the clean up of meth labs. Increased expenditures also stem from the agency's FY 2016 enhancement requests for KCJIS maintenance, support, and updates, and funding for a new special agent class.

- **Commodities.** The agency requests $1.2 million, including $736,421 from the State General Fund, for FY 2016. This is an all funds decrease of $271,927, or 18.2 percent, and a State General Fund decrease of $8,266, or 1.1 percent, below the agency's FY 2015 revised estimate. The decrease is due to lower expenditures on professional scientific supplies and materials used in the Forensic Laboratory program.

- **Capital Outlay.** The agency requests $1.6 million, including $1.2 million from the State General Fund, for FY 2016. This is an all funds increase of $679,916, or 72.1 percent, and a State General Fund increase of $842,501, or 249.7 percent, above the agency's FY 2015 revised estimate. The increase is largely attributable to the agency's FY 2016 enhancement requests for KCJIS maintenance, support, and updates, and scientific supplies and passenger cars included as part of the FY 2016 enhancement request for a new special agent class.

- **Debt Service.** The agency requests $2.2 million, all from the State General Fund, for FY 2016 for debt service interest payments on bonds issued to finance the forensic science laboratory at Washburn University.

- **Aid to Local Units.** The agency requests $1.2 million, all from special revenue funds, for FY 2016. This is an all funds decrease of $229,274, or 16.4 percent, below the FY 2015 revised estimate, and is attributable to reduced transfers to local law enforcement agencies as part of the

High Intensity Drug Trafficking Area (HIDTA) program. Monetary fluctuations in estimated expenditures stems from the federal allocation of money to the agency after the agency has submitted its budget.

- **Other Assistance.** The agency requests $27,554, including $24,799 from the State General Fund, for FY 2016. This is an all fund increase of $1,280, or 4.9 percent, and a State General Fund increase of $10,143, or 69.2 percent, above the agency's FY 2015 revised estimate, and is attributable to the agency's payments to former employees participating in the VRIP.

The **Governor** recommends $31.1 million, including $20.8 million from the State General Fund, for FY 2016. This is an all funds decrease of $3.0 million, or 8.8 percent, and a State General Fund decrease of $3.0 million, or 12.4 percent, below the agency's FY 2016 request. The Governor's recommendation includes 207.0 FTE and 76.0 non-FTE positions, which is a decrease of 5.0 non-FTE positions due to the Governor not recommending the agency's enhancement request for KCJIS maintenance and support.

The Governor concurs with the agency request with the following exceptions.

- Does not recommend the agency's enhancement requests.

- Reduced expenditures to the KCJIS Line Fund by $6.922, all from special revenue funds, to eliminate the estimated shortfall.

- Reduced expenditures of $175,847, including $125,644 all from the State General Fund, to reduce employer contributions for state employee health insurance.

Enhancements Detail

FY 2016 ENHANCEMENTS						
	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Operating Enhancements:						
KCJIS Maintenance and Support	$ 1,277,401	$ 1,277,401	0.0	$ 0	$ 0	0.0
KCJIS Security Architecture	455,400	455,400	0.0	0	0	0.0
Program Consultants	105,332	105,332	0.0	0	0	0.0
Special Agents	990,426	990,426	0.0	0	0	0.0
Subtotal	$ 2,828,559	$ 2,828,559	0.0	$ 0	$ 0	0.0
Capital Improvements Enhancements						
Topeka HQ Renovation	$ 100,000	$ 100,000	0.0	$ 0	$ 0	0.0
Access Control	109,500	109,500	0.0	0	0	0.0
Subtotal	$ 209,500	$ 209,500	0.0	$ 0	$ 0	0.0
TOTAL	**$ 3,038,059**	**$ 3,038,059**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests operating expenditure enhancements totaling $2.8 million, all from the State General Fund, for FY 2016. These include the following items.

- **KCJIS Maintenance and Support.** The agency requests $1.3 million, all from the State General Fund, and 5.0 non-FTE positions, for KCJIS maintenance and support for FY 2016. The enhancement includes funding to: schedule hardware and software replacements to ensure critical infrastructure is maintained; cover a shortfall in the KCJIS Circuit Line Fund; finance necessary maintenance contracts; and hire technical staff to support and maintain KCJIS.

The **Governor** does not recommend the agency's request.

- **KCJIS Security Architecture.** The agency requests $455,400, all from the State General Fund, for KCJIS security architecture modernization for FY 2016. The modernization project will accommodate new projects, including a new Kansas Offender Registration Tool, statewide citation tracker, and a new system for

tracking DUI offenders, while allowing different user types to access the data. These include court clerks and other administrative judicial personnel, records management personnel, and emergency management.

The **Governor** does not recommend the agency's request.

- **Program Consultants.** The agency requests $105,332, all from the State General Fund, for 2.0 non-FTE Program Consultant positions in the Incident Based Reporting Unit for FY 2016. The two positions have been funded by a grant through the Justice Assistance Grant (JAG) program, but the grant will no longer fund the positions. The positions perform training and audits of local law enforcement agencies to ensure offense and arrest reports are submitted according to state and federal guidelines.

The **Governor** does not recommend the agency's request.

- **Special Agents.** The agency requests $990,426, all from the State General Fund, to fund 10.0 unfunded special agent vacancies and to hire special agents by September 2015, for FY 2016. These agents will work on cases involving drug trafficking organizations, criminal intelligence, tactical operations, technical surveillance operations, and clandestine laboratory operations.

The **Governor** does not recommend the agency's request.

The **agency** requests capital improvements enhancements totaling $209,500, all from the State General Fund, for FY 2016. These requests include the following items.

- **Topeka Headquarters Renovation Planning.** The agency requests $100,000 all from the State General Fund, to plan and assess how the headquarters building can be repurposed for non-lab functions, for FY 2016.

The **Governor** does not recommend the agency's request.

- **Access Control.** The agency requests $109,500, all from the State General Fund, for access control upgrades at the Great Bend, Wichita, and Overland Park facilities for FY 2016. Access control upgrades will include new access control doors and additional interior and exterior cameras to provide security, similar to other KBI facilities.

The **Governor** does not recommend the agency's request.

The **Governor** does not recommend any of the agency's FY 2016 enhancement requests.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 34,450,580	$ 31,624,042	$ (2,826,538)
FTE Positions	223.0	223.0	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 290,139	$ 475,933	
All Other Funds	46,809	45,805	
TOTAL	$ 336,948	$ 521,738	
Percent Change:			
State General Fund	1.2 %	2.3 %	
All Other Funds	0.5	0.4	
TOTAL	1.0 %	1.7 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures totaling $34.5 million, including $24.1 million from the State General Fund, for FY 2017. This is an all funds increase of $336,948, or 1.0 percent, and a State General Fund increase of $290,139, or 1.2 percent, above the FY 2016 request. The increase is attributable to higher expenditures on salaries and wages, offset by reduced expenditures on contractual services, commodities, capital outlay, debt service, and other assistance. The FY 2017 request includes 223 FTE and 93 non-FTE positions, which is no change from the FY 2016 request.

Categories of expenditures are detailed below.

- **Salaries and Wages**. The agency requests $21.5 million, including $16.1 million from the State General Fund, for FY 2017. This is an all

funds increase of $1.0 million, or 5.0 percent, and a State General Fund increase of $802,662, or 5.2 percent, above the FY 2016 request. The increase is largely attributable to the agency's FY 2017 enhancement request to fund a new class of special agents and includes higher expenditures on salaries and fringe benefits. Other increases stem from higher employer contributions to KPERS and increased pay to employees due to the 27th paycheck.

- **Contractual Services**. The agency requests $7.3 million, including $4.4 million from the State General Fund, for FY 2017. This is an all funds decrease of $54,090, or 0.7 percent, and a State General Fund increase of $60,991, or 1.4 percent, above the FY 2016 request. The all funds decrease is largely attributable to lower expenditures on information systems consulting that was included as part of the agency's FY 2016 enhancement request for KCJIS architecture upgrades that are not continued in the FY 2017 request.

- **Commodities**. The agency requests $1.2 million, including $720,707 from the State General Fund, for FY 2017. This is an all funds decrease of $13,070, or 1.1 percent, and a State General Fund decrease of $15,714, or 2.1 percent, below the FY 2016 request. The decrease is attributable to lower expenditures for stationery and office supplies included as part of the agency's FY 2016 supplemental request for KCJIS maintenance and support, which are not continued in the FY 2017 request.

- **Capital Outlay**. The agency requests $1.0 million, including $650,870 from the State General Fund, for FY 2017. This is an all funds decrease of $597,676, or 36.8 percent, and a State General Fund decrease of $528,984, or 44.8 percent, below the FY 2016 request. The decrease is largely attributable to lower expenditures on software included as part of the agency's FY 2016 enhancement request for KCJIS architecture upgrades which were continued in the FY 2017 request. In addition, the agency did not include expenditures for scientific equipment and passenger cars in its FY 2017 request for a new class of special agents, which were included in the FY 2016 request.

- **Debt Service**. The agency requests $2.2 million, all from the State General Fund, for debt service interest payments on bonds issued to finance the forensic science laboratory at Washburn University for FY 2017.

- **Aid to Local Units**. The agency requests $1.2 million, all from special revenue funds, for FY 2017, which in unchanged from the FY 2016 request.

- **Other Assistance.** The agency requests $10,895, including $9,638 from the State General Fund, for FY 2017. This is an all funds decrease of $16,659, or 60.5 percent, and a State General Fund decrease of $15,161, or 61.1 percent, below the FY 2016 request. The decrease is attributable to lower employer payments for the VRIP.

The **Governor** recommends $31.6 million, including $21.3 million from the State General Fund, for FY 2017. This is an all funds decrease of $2.8 million, or 8.2 percent, and a State General Fund decrease of $2.8 million, or 11.5 percent, below the agency's FY 2017 request. The Governor's recommendation includes 207.0 FTE and 76.0 non-FTE positions, which is a decrease of 5.0 non-FTE positions due to the Governor not recommending the agency's enhancement request for KCJIS maintenance and support.

The Governor concurs with the agency request with the following exceptions.

- Does not recommend agency's operating enhancement requests.

- Reduced expenditures to the KCJIS Line Fund by $6.922, all from special revenue funds, to eliminate the estimated shortfall.

- Reduced expenditures by $179,366, including $128,159 all from the State General Fund, to reduce employer contributions for state employee health insurance.

Enhancements Detail

FY 2017 ENHANCEMENTS						
	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Operating Enhancements:						
KCJIS Maintenance and Support	$ 1,280,352	$ 1,280,352	0.0	$ 0	$ 0	0.0
KCJIS Security Architecture	51,350	51,350	0.0	0	0	0.0
Program Consultants	109,994	109,994	0.0	0	0	0.0
Special Agents	998,554	998,554	0.0	0	0	0.0
KIBRS Feasibility Study	200,000	200,000	0.0	0	0	0.0
Subtotal	$ 2,640,250	$ 2,640,250	0.0	$	$	
Capital Improvements Enhancements:						
Topeka HQ Renovation	$ 3,469,504	$ 3,469,504	0.0	$ 0	$ 0	0.0
Topeka Parking Garage	250,000	250,000	0.0	0	0	0.0
Subtotal	$ 3,719,504	$ 3,719,504	0.0	$ 0	$ 0	0.0
TOTAL	**$ 6,359,754**	**$ 6,359,754**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests operating expenditure enhancements totaling $2.6 million, all from the State General Fund, for FY 2017. These include the following items.

- **KCJIS Maintenance and Support.** The agency requests $1.3 million, all from the State General Fund, and 5.0 non-FTE positions, for KCJIS maintenance and support for FY 2017. The enhancement includes funding to: schedule hardware and software replacements to ensure critical infrastructure is maintained; cover a shortfall in the KCJIS Circuit Line Fund; finance necessary maintenance contracts; and hire technical staff to support and maintain KCJIS.

The **Governor** does not recommend the agency's request.

- **KCJIS Security Architecture.** The agency requests $51,350, all from the State General Fund, for the continuation of the KCJIS security architecture modernization project for FY 2017. The modernization project will accommodate new

projects, including a new Kansas Offender Registration Tool, statewide citation tracker, and a new system for tracking DUI offenders, while allowing different user types to access the data These include court clerks and other administrative judicial personnel, records management personnel, and emergency management.

The **Governor** does not recommend the agency's request.

- **Program Consultants.** The agency requests $109,994, all from the State General Fund, for two Program Consultant positions in the Incident Based Reporting Unit for FY 2017. The two positions have been funded by a grant through the JAG program, but the grant will no longer fund the positions. The positions perform training and audits of local law enforcement agencies to ensure offense and arrest reports are submitted according to state and federal guidelines.

The **Governor** does not recommend the agency's request.

- **Special Agents.** The agency requests $998,554 all from the State General Fund, for FY 2017 to fund 10.0 unfunded special agent vacancies and to hire special agents by September 2015. The agents will work on cases involving drug trafficking organizations, criminal intelligence, tactical operations, technical surveillance operations, and clandestine laboratory operations.

The **Governor** does not recommend the agency's request.

- **KIBRS Feasibility.** The agency requests $200,000, all from the State General Fund, for FY 2017 for a feasibility study to replace the Kansas Incident Based Reporting System (KIBRS). The agency notes that KIBRS is the oldest repository at the KBI that collects offense and arrest information from local law enforcement. KIBRS was written in a programming language that is no longer used and is very difficult to find programmers to update the system. As a result, KIBRS cannot be updated to include the additional data legislators or local law enforcement consider important for collection.

The **Governor** does not recommend the agency's request.

The **agency** requests capital improvements enhancements totaling $3.7 million, all from the State General Fund, for FY 2017. These include the following items.

- **Topeka Headquarters Renovation.** The agency requests $3.5 million, all from the State General Fund, for the renovation of the KBI headquarters in Topeka for FY 2017. The agency states that the building is approximately 85 years old and the last renovation occurred in 1984. Since 1984, the building has been taxed with more personnel, technological advancements, and an increase in heat producing equipment. Portions of the current building will also need to be re-purposed for non-lab functions when the new forensic laboratory opens at Washburn University. Renovations will include additional space for agents and additional storage space.

The **Governor** does not recommend the agency's request.

- **Topeka Parking Garage.** The agency requests $250,000, all from the State General Fund, to refurbish the main structure of the parking garage for FY 2017. In June 2014, consultants toured the parking garage and noted that melting ice was causing structural steel in the garage's beams to rust, thereby weakening the structure's steel supports, which is causing additional stress and damage to the garage's concrete.

The **Governor** does not recommend the agency's request.

The **Governor** does not recommend the agency's FY 2017 enhancement requests.

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 $65,188, including $44,652 from the State General Fund, and affects 210 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 $73,120, including $53,618 from the State General Fund, and FY 2017 longevity payments total $79,080, including $57,838 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 $175,847, including $125,644 from the State General Fund for FY 2016. This is a reduction of $179,366, including $128,159 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 Funds	69.7 %	67.0 %	69.9 %	67.4 %
Record Check Fee Fund	7.8	8.5	8.0	8.6
Forensic Lab and Materials Fee Fund	5.5	6.0	5.6	6.1
HIDTA Federal Fund	10.1	11.1	10.1	11.0
All Other Funds	6.9	7.5	6.4	6.9
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

Record Check Fee Fund

This no limit fee fund was established to collect fees in order to recover all or part of the direct and indirect operating expenses for criminal history record checks conducted for non-criminal justice entities and private organizations. Expenditures may be made from the Record Check Fee Fund for operating expenditures of the KBI. There are a variety of record checks, each with a different fee. In addition, monies collected go to pay the Federal Bureau of Investigation (FBI) for fingerprint searches done at the national level.

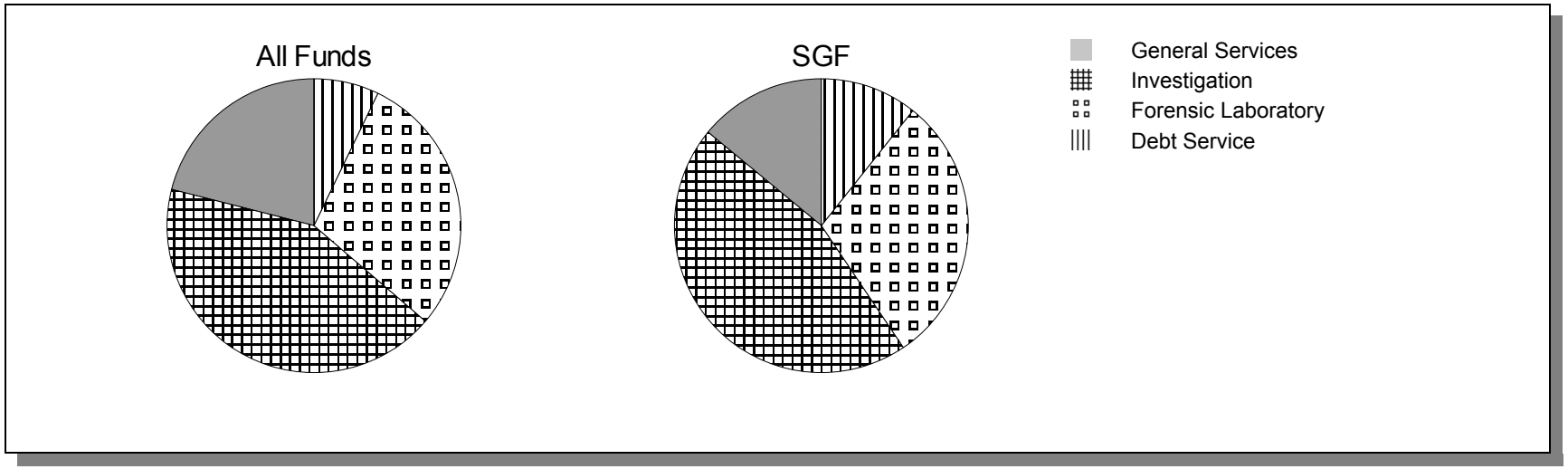
Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 1,532,287	$ 1,505,663	$ 1,505,663	$ 935,441	$ 960,687	$ 969,184	$ 1,015,015
Revenue	2,644,978	2,664,445	2,664,445	2,691,090	2,691,090	2,718,001	2,718,001
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 4,177,265	$ 4,170,108	$ 4,170,108	$ 3,626,531	$ 3,651,777	$ 3,687,185	$ 3,733,016
Less: Expenditures	2,671,602	3,227,755	3,209,421	2,657,347	2,636,762	2,750,554	2,729,558
Transfers Out	0	6,912	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 1,505,663	$ 935,441	$ 960,687	$ 969,184	$ 1,015,015	$ 936,631	$ 1,003,458
Ending Balance as Percent of Expenditures	56.4%	29.0%	29.9%	36.5%	38.5%	34.1%	36.8%
	June	May	May	May	May	May	May
Month Highest Ending Balance	$ 358,113	$ 278,597	$ 280,701	$ 281,000	$ 284,819	$ 294,000	$ 299,569
	July	February	February	February	February	February	February
Month Lowest Ending Balance	$ 32,200	$ 187,100	$ 189,104	$ 190,000	$ 193,819	$ 193,000	$ 204938

Forensic Laboratory and Materials Fee Fund

This fund was established to collect court costs for scientific analysis, which assists in the conviction of offenders. The fund is used to provide for training and supplies of the laboratory. The 1995 legislature enacted that 20.0 percent of money received from drivers license reinstatements are deposited into this fund. The 2006 legislature enacted that 80 percent of excess concealed weapon licensure money collected by the attorney general be deposited into this fund pursuant to K.S.A. 75-7c13. Reimbursement from Topeka Police Department for a DNA scientist's salary and reimbursement from Topeka Police Department and Kansas City Kansas Police Department for a firearms examiner's salary will be deposited as a recovery of expense into the drivers' license reinstatement fund in FY 2015, FY 2016, and FY 2017.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 936,887	$ 1,366,112	$ 1,366,112	$ 803,949	$ 818,161	$ 671,640	$ 699,463
Revenue	1,747,945	1,740,000	1,740,742	1,740,000	1,740,000	1,740,000	1,740,000
Transfers in	475,562	11	0	0	0	0	0
Total Funds Available	$ 3,160,394	$ 3,106,123	$ 3,106,854	$ 2,543,949	$ 2,558,161	$ 2,411,640	$ 2,439,463
Less: Expenditures	1,794,282	2,302,174	2,288,693	1,872,309	1,858,698	1,932,134	1,918,250
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 1,366,112	$ 803,949	$ 818,161	$ 671,640	$ 699,463	$ 479,506	$ 521,213
Ending Balance as Percent of Expenditures	76.1%	34.9%	35.7%	35.9%	37.6%	24.8%	27.2%
	March	May	May	May	May	May	May
Month Highest Ending Balance	$ 204,691	$ 205,000	$ 106,184	$ 205,000	$ 207,319	$ 205,000	$ 208,476
	November	November	November	November	November	November	November
Month Lowest Ending Balance	$ 123,732	$ 112,000	$ 113,184	$ 112,000	$ 114,319	$ 112,500	$ 115,976

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
General Services	$ 6,540,316	21.0 %	$ 2,922,087	14.0 %
Investigation	13,277,681	42.7	9,457,831	45.4
Forensic Laboratory	9,054,583	29.1	6,214,744	29.8
Debt Service	2,229,724	7.2	2,229,724	10.7
TOTAL	$ 31,102,304	100.0 %	$ 20,824,386	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
General Services	42.0	42.0	42.0	41.0	41.0	41.0	41.0
Investigation	97.0	109.0	109.0	109.0	109.0	109.0	109.0
Forensic Laboratory	57.0	57.0	57.0	57.0	57.0	57.0	57.0
Off Budget	15.0	15.0	15.0	16.0	16.0	16.0	16.0
TOTAL	211.0	223.0	223.0	223.0	223.0	223.0	223.0

A. General Services

The General Services program is responsible for establishing efficient and effective programs, policies, and procedures that provide relevant and timely management, data processing and administrative services in support of KBI operations and the Kansas criminal justice community. All administrative functions in KBI are carried out by the General Services program.

GENERAL SERVICES
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	$ 3,913,867	$ 4,470,694	$ 4,432,554	$ 4,702,711	$ 4,119,657	$ 4,879,788	$ 4,271,390
Contractual Services	2,678,463	2,612,690	2,179,524	2,919,242	2,209,047	2,856,825	2,093,813
Commodities	56,410	81,442	81,442	107,837	84,087	84,337	84,337
Capital Outlay	199,967	160,321	160,321	698,015	127,525	461,870	141,380
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 6,848,707	$ 7,325,147	$ 6,853,841	$ 8,427,805	$ 6,540,316	$ 8,282,820	$ 6,590,920
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	12,123	9,519	9,519	0	0	0	0
TOTAL	$ 6,860,830	$ 7,334,666	$ 6,863,360	$ 8,427,805	$ 6,540,316	$ 8,282,820	$ 6,590,920
Financing:							
State General Fund	$ 2,936,545	$ 3,183,161	$ 2,933,497	$ 4,779,926	$ 2,922,087	$ 4,654,234	$ 2,992,438
All Other Funds	3,924,285	4,151,505	3,929,863	3,647,879	3,618,229	3,628,586	3,598,482
TOTAL	$ 6,860,830	$ 7,334,666	$ 6,863,360	$ 8,427,805	$ 6,540,316	$ 8,282,820	$ 6,590,920
FTE Positions	42.0	42.0	42.0	41.0	41.0	41.0	41.0
Non-FTE Uncl. Perm. Pos.	28.5	28.5	28.5	32.5	27.5	32.5	27.5
TOTAL	70.5	70.5	70.5	73.5	68.5	73.5	68.5

The **agency** requests $8.4 million, including $4.8 million from the State General Fund, for the General Services program for FY 2016. This is an increase of $1.1 million, or 14.9 percent, and a State General Fund increase of $1.6 million, or 50.2 percent, above the agency's FY 2015 revised estimate. Increased expenditures are largely attributable to the agency's enhancement requests. The FY 2016 request includes 41.0 FTE and 32.5 non-FTE positions, which is a decrease of 1.0 FTE position, offset by an increase of 4.0 non-FTE positions. The decrease of 1.0 FTE position is due to one position transferring to the off-budget program. The increase in non-FTE positions is attributable to the agency's enhancement request for KCJIS maintenance and support, and is partially offset by the loss of 1.0 FTE due to fewer positions being paid by the National Criminal History Improvement Program.

Changes from the FY 2015 revised estimate include the following items.

- **Salaries and Wages.** The agency requests $4.7 million, including $2.6 million from the State General Fund, for FY 2016. This is an all funds increase of $232,017, or 5.2 percent, and a State General Fund increase of $532,598, or 26.1 percent, above the FY 2015 revised estimate. The increase is attributable to the agency's enhancement requests for KCJIS maintenance, support, and updates, program consultants in the IBR Unit, and increased employer contributions to KPERS. The increase was partially offset by an adjustment to shrinkage in salaries and wages that more accurately reflect the program's shrinkage history.

- **Contractual Services.** The agency requests $2.9 million, including $1.5 million from the State General Fund, for FY 2016. This is an all funds increase of $306,552, or 11.7 percent, and a State General Fund increase of $470,000, or 44.1 percent, above the FY 2015 revised estimate. The increase is attributable to the agency's enhancement requests for KCJIS maintenance, support, and updates. The increase was partially offset by lower expenditures on maintenance associated with the transfer of Automated Fingerprint Identification System (AFIS) and Oracle maintenance to the off-budget program.

- **Commodities.** The agency requests $107,837, including $88,418 from the State General Fund, for FY 2016. This is an all funds increase of $26,395, or 32.4 percent, and a State General Fund increase of $28,337, or 47.2 percent, above the agency's FY 2015 revised estimate. The increase is attributable to the agency's enhancement requests for KCJIS maintenance, support, and updates, partially offset by reduced expenditures on data processing supplies.

- **Capital Outlay.** The agency requests $698,015, including $581,984 from the State General Fund, for FY 2016. This is an all funds increase of $537,694, or 335.4 percent, and a State General Fund increase of $565,830, or 3,502.7 percent, above the agency's FY 2015 revised estimate. The increase is attributable to the agency's enhancement requests for KCJIS maintenance, support, and updates, and is partially offset by reduced expenditures on data equipment associated with a one time upgrade of phone software that occurred in FY 2015 and was including in the FY 2015 revised estimate.

- **Other Assistance.** The agency's FY 2016 request includes no funding for other assistance. This is a decrease of $9,519, or 100.0 percent, below the FY 2015 revised estimate, and is attributable to the agency no longer making payments as part of the VRIP.

The **Governor** recommends $6.5 million, including $2.9 million from the State General Fund, for FY 2016. This is an all funds decrease of $1.9 million, or 22.4 percent, and a State General Fund decrease of $1.9 million, or 38.9 percent, below the agency's FY 2016 request. The Governor's recommendation includes 41.0 FTE and 27.5 non-FTE positions, which is a decrease of 5.0 non-FTE positions due to the Governor not recommending the agency's enhancement request for KCJIS maintenance and support.

The Governor concurs with the agency request with the following exceptions.

- Does not recommend the agency's enhancement requests for KCJIC maintenance and support, KCJIS security architecture, and program consultants ($1.8 million).

- Reduced expenditures to the KCJIS Line Fund by $6.922, all from special revenue funds, to eliminate the estimated shortfall.

- Reduced expenditures by $42,434, including $20,100, all from the State General Fund, to reduce employer contributions for state employee health insurance.

For FY 2017, the **agency** requests $8.3 million, including $4.7 million from the State General Fund. This is an all funds decrease of $144,985, or 1.7 percent, and a State General Fund decrease of $125,692, or 2.6 percent, below the agency's FY 2016 request. The decrease is attributable to lower expenditures on contractual services, commodities, and capital outlay, offset by higher expenditures on salaries and wages. The FY 2017 request includes 41.0 FTE and 32.5 non-FTE positions, which is no change from the FY 2016 request.

Changes from the FY 2016 request include the following items.

- **Salaries and Wages.** The agency requests $4.9 million, including $2.7 million from the State General Fund, for FY 2017. This is an all funds increase of $177,077, or 3.8 percent, and a State General Fund increase of $93,990, or 3.7 percent, above the FY 2016 request. The increase is attributable to the agency's FY 2017 enhancement requests for KCJIS maintenance, support, and updates that includes increased costs for fringe benefits, compared to the FY 2016 enhancements requests. Other increases include pay to employees associated with the 27th pay period in the fiscal year.

- **Contractual Services.** The agency requests $2.9 million, including $1.6 million from the State General Fund for FY 2017. This is a decrease of $62,417, or 2.1 percent, but a State General Fund increase of $57,913, or 3.8 percent, from the FY 2016 request. The decrease is primarily attributable to lower expenditures on information systems consulting that was included as part of the agency's FY 2016 enhancement request for KCJIS architecture upgrades. Other decreases include lower expenditures on local telephone services and computer maintenance due to the transfer of expenditures to the off-budget program. The overall decrease was offset by increases in professional fees associated with the agency's FY 2017 enhancement request for a KIBRS feasibility study.

- **Commodities.** The agency requests $84,337, including $63,467 from the State General Fund, for FY 2017. This is an all funds decrease of $23,500, or 21.8 percent, and a State General Fund decrease of $24,951, or 28.2 percent, below the agency's FY 2016 request. The agency's FY 2016 enhancement request for KCJIS maintenance and support included expenditures for stationery and office supplies,

which are not included in the FY 2017 enhancement request.

- **Capital Outlay.** The agency requests $461,870, including $329,340 from the State General Fund, for FY 2017. This is an all funds decrease of $236,145, or 33.8 percent, and a State General Fund decrease of $252,644, or 43.4 percent, below the FY 2016 request. The decrease is attributable to lower expenditures on software that were included as part of the agency's FY 2016 enhancement request for KCJIS architecture upgrades that were not included in the FY 2017 enhancement request.

The **Governor** recommends $6.6 million, including $3.0 million from the State General Fund, for FY 2017. This is an all funds decrease of $1.7 million, or 20.4 percent, and a State General Fund decrease of $1.7 million, or 35.7 percent, below the agency's FY 2017 request. The Governor's recommendation includes 41.0 FTE and 27.5 non-FTE positions, which is a decrease of 5.0 non-FTE positions due to the Governor not recommending the agency's enhancement request for KCJIS maintenance and support.

The Governor concurs with the agency request with the following exceptions.

- Does not recommend the agency's enhancement requests for KCJIC maintenance and support, KCJIS security architecture, program consultants, and a KIBRS feasibility study ($1.6 million).

- Recommends reducing expenditures to the KCJIS Line Fund by $6,922, all from special revenue funds, to eliminate the estimated shortfall.

- Recommends a reduction of $43,282, including $20,100, all from the State General Fund, to reduce employer contributions for state employee health insurance.

B. Investigation

The Investigation program is responsible for promoting public safety and governmental integrity, at the request of partner law enforcement agencies and the Attorney General, through the aggressive and efficient investigation of serious criminal violations, the collection of information and evidence, the collection and dissemination of criminal intelligence information, and the completion of background investigations. The program prioritizes the investigation of major crimes of violence, major drug trafficking organizations, crimes involving child victims, crimes involving governmental integrity, and crimes wherein the local jurisdiction has a recognized conflict of interest in investigating the offense.

INVESTIGATION
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	$ 7,828,842	$ 9,477,763	$ 8,667,391	$ 9,588,354	$ 8,953,058	$ 10,194,598	$ 9,267,538
Contractual Services	2,635,602	2,686,942	2,686,942	2,761,386	2,649,711	2,771,378	2,664,320
Commodities	210,314	194,065	194,065	202,950	159,647	206,329	160,447
Capital Outlay	1,253,214	356,155	356,155	598,425	318,425	319,675	319,675
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 11,927,972	$ 12,714,925	$ 11,904,553	$ 13,151,115	$ 12,080,841	$ 13,491,980	$ 12,411,980
Aid to Local Units	1,169,286	1,398,560	1,398,560	1,169,286	1,169,286	1,169,286	1,169,286
Other Assistance	26,658	16,755	16,755	27,554	27,554	10,895	10,895
TOTAL	$ 13,123,916	$ 14,130,240	$ 13,319,868	$ 14,347,955	$ 13,277,681	$ 14,672,161	$ 13,592,161
Financing:							
State General Fund	$ 8,778,552	$ 9,553,018	$ 8,745,641	$ 10,518,499	$ 9,457,831	$ 10,800,730	$ 9,730,528
All Other Funds	4,345,364	4,577,222	4,574,227	3,829,456	3,819,850	3,871,431	3,861,633
TOTAL	$ 13,123,916	$ 14,130,240	$ 13,319,868	$ 14,347,955	$ 13,277,681	$ 14,672,161	$ 13,592,161
FTE Positions	97.0	109.0	109.0	109.0	109.0	109.0	109.0
Non-FTE Uncl. Perm. Pos.	26.0	26.0	26.0	21.0	21.0	21.0	21.0
TOTAL	123.0	135.0	135.0	130.0	130.0	130.0	130.0

The **agency** requests $14.3 million, including $10.5 million from the State General Fund, for the Investigation program for FY 2016. This is an all funds increase of $217,715, or 1.5 percent, and a State General Fund increase of $965,481, or 10.1 percent, above the agency's FY 2015 revised estimate. The increase is attributable to higher expenditures on salaries and wages, contractual services, commodities, capital outlay, and other assistance, offset by lower expenditures on aid to local units. The FY 2016 request includes 109.0 FTE and 21.0 non-FTE positions, which is a decrease of 5.0 non-FTE positions below the FY 2015 revised estimate. The reduction in positions is attributable to reduced funding from the Edward Byrne Memorial Justice Assistance Grant (JAG) program and High Intensity Drug Trafficking Area (HIDTA) grant.

Changes from the agency's FY 2015 revised estimate include the following items.

- **Salaries and Wages.** The agency requests $9.6 million, including $8.5 million from the State General Fund, for FY 2016. This is an all funds increase of $110,591, or 1.2 percent, and a State General Fund increase of $530,524, or 6.7 percent, above the agency's FY 2015 revised estimate. The increase is attributable to the agency's FY 2016 enhancement request to fund a new special agent class.

- **Contractual Services.** The agency requests $2.8 million, including $1.5 million from the State General Fund, for FY 2016. This is an all fund increase of $74,444, or 2.8 percent, and a State General Fund increase of $109,483, or 8.1 percent, above the agency's FY 2015 revised estimate. The increase is attributable to expenditures on cellular phones, in-state transportation, and in-state meals and lodging included as part of the agency's FY 2016 enhancement request to fund a new special agent class. The increase is partially offset by lower expenditures on computer software maintenance, in state-transportation, and other fees. The agency states that the reductions are due to reductions in federal funding anticipated to be received as part of the FY 2016 request.

- **Commodities.** The agency requests $202,950, including $149,377 from the State General Fund, for FY 2016. This is an all funds increase of $8,885, or 4.6 percent, and a State General Fund increase of $46,484, or 45.2 percent, above the agency's FY 2015 revised estimate. The increase is attributable to expenditures on office supplies and materials included as part of the agency's FY 2016 enhancement request to fund a new special agent class. The increase is partially offset by lower expenditures on data processing and professional scientific supplies consumed during the course of an investigation, including tools associated with the safe and proper collection and storage of evidence.

- **Capital Outlay.** The agency requests $598,425, including $389,480 from the State General Fund, for FY 2016. This is an all funds increase of $242,270, or 68.0 percent, and a State General Fund increase of $268,847, or 222.9 percent, above the agency's FY 2015 revised estimate. The increase is attributable to expenditures on scientific supplies and passenger cars included as part of the agency's FY 2016 enhancement request to fund a new special agent class. The increase is partially offset by lower expenditures on professional and scientific equipment.

- **Aid to Local Units.** The agency requests $1.2 million, all from special revenue funds, for FY 2016. This is a decrease of $229,274, or 16.4 percent, below the agency's FY 2015 revised estimate, and is attributable to money transferred to local law enforcement agencies as part of the HIDTA grant program.

- **Other Assistance.** The agency requests $27,554, including $24,799 from the State General Fund, for FY 2016. This is an all funds increase of $10,799, or 64.5 percent, and a State General Fund increase of $10,143, or 69.2 percent, above the agency's FY 2015 revised estimate.

The **Governor** recommends $13.3 million, including $9.5 million from the State General Fund, for FY 2016. This is an all funds decrease of $1.1 million, or 7.5 percent, and a State General Fund decrease of $1.1 million, or 10.1 percent, below the agency's FY 2016 request. The Governor's recommendation includes 109.0 FTE and 21.0 non-FTE positions, which is unchanged from the agency's FY 2016 request.

The Governor concurs with the agency request with the following exceptions.

- Does not recommend the agency's enhancement request for special agents totaling $990,426, all from the State General Fund.

- Reduction of $81,446, including $71,648 from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency** requests $14.7 million, including $10.8 million from the State General Fund, for the Investigation program for FY 2017. This is an all funds increase of $324,206, or 2.3 percent, and a State General Fund increase of $282,231 or 2.7 percent, above the agency's FY 2016 request. The increase is attributable to higher expenditures on salaries and wages, contractual services, and commodities, partially offset by lower expenditures on capital outlay and other assistance. The FY 2017 request includes 109.0 FTE and 21.0 non-FTE positions, which is no change from the FY 2016 request.

Changes from the agency's FY 2016 request include the following items.

- **Salaries and Wages.** The agency requests $10.2 million, including $9.1 million from the State General Fund, for FY 2017. This is an all funds increase of $606,244, or 6.3 percent, and a State General Fund increase of $564,269, or 6.6 percent, above the FY 2016 request. The increase is attributable to the agency's FY 2017 enhancement request for a new class of special agents which includes higher expenditures for pay and fringe benefits. The agency's increased expenditures are also attributable to the the 27th paycheck and higher employer contributions to group health and hospitalization, KPERS, and police and firemen retirement.

- **Contractual Services.** The agency requests $2.8 million, including $1.5 million from the State General Fund, for FY 2017. This is an all funds increase of $9,992, or 0.4 percent, and a State General Fund increase of $8,734, or 0.6 percent, above the FY 2016 request. The increase is attributable to higher expenditures for criminal investigations, and in-state transportation that are included as part of the FY 2017 enhancement request for a new class of special agents. This increase is partially offset by reduced expenditures on in-state meals and lodging.

- **Commodities.** The agency requests $206,329, including $152,516 from the State General Fund, for FY 2017. This is an all funds increase of $3,379, or 1.7 percent, and a State General Fund increase of $3,139, or 2.1 percent, above the FY 2016 request. The increase is attributable to higher expenditures on other supplies and materials and is partially offset by lower expenditures on office supplies included as part

of the FY 2017 enhancement request for a new class of special agents

- **Capital Outlay.** The agency requests $319,675, including $110,730 from the State General Fund, for FY 2017. This is a decrease of $278,750, or 46.6 percent, and a State General Fund decrease of $278,750, or 71.6 percent, below the FY 2016 request. The decrease is due to the agency not including expenditures for scientific equipment and passenger cars in its FY 2017 enhancement request for a new class of special agents, which were included in the FY 2016 request.

- **Other Assistance.** The agency requests $10,895, including $9,638 from the State General Fund, for FY 2017. This is an all funds decrease of $16,659, or 60.5 percent, and a State General Fund decrease of $15,161, or 61.1 percent, below the agency's FY 2016 request, and is attributable to lower expenditures on the VRIP.

The **Governor** recommends $13.6 million, including $9.7 million from the State General Fund, for FY 2017. This is an all funds decrease of $1.0 million, or 7.4 percent, and a State General Fund decrease of $1.1 million, or 9.9 percent, below the agency's FY 2017 request. The Governor's recommendation includes 109.0 FTE and 21.0 non-FTE positions, which is unchanged from the agency's FY 2017 request.

The Governor concurs with the agency request with the following exceptions.

- Does not recommend the agency's enhancement request for special agents totaling $998,554 all from the State General Fund.

- Reduction of $81,446, including $71,648 from the State General Fund, to reduce employer contributions for state employee health insurance.

C. Forensic Laboratory

The Forensic Laboratory program is responsible for providing timely, state-of-the-art forensic services to the Kansas public safety community through science and modern technology. To accomplish this, the forensic laboratory seeks to maintain its accreditation as a forensic laboratory, develop and retain a staff of highly trained and qualified forensic scientists, improve technology levels and facilities, and to be consistent with best practices in forensic science.

FORENSIC LABORATORY
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	$ 4,747,034	$ 5,300,464	$ 5,248,416	$ 6,186,293	$ 6,132,728	$ 6,435,070	$ 6,380,432
Contractual Services	899,698	844,314	844,314	1,686,481	1,686,481	1,684,816	1,684,816
Commodities	880,153	1,215,693	1,215,693	908,486	908,486	915,537	915,537
Capital Outlay	455,386	426,936	426,936	326,888	326,888	244,107	244,107
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 6,982,271	$ 7,787,407	$ 7,735,359	$ 9,108,148	$ 9,054,583	$ 9,279,530	$ 9,224,892
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 6,982,271	$ 7,787,407	$ 7,735,359	$ 9,108,148	$ 9,054,583	$ 9,279,530	$ 9,224,892
Financing:							
State General Fund	$ 4,157,169	$ 4,560,726	$ 4,526,890	$ 6,250,440	$ 6,214,744	$ 6,397,695	$ 6,361,284
All Other Funds	2,825,102	3,226,681	3,208,469	2,857,708	2,839,839	2,881,835	2,863,608
TOTAL	$ 6,982,271	$ 7,787,407	$ 7,735,359	$ 9,108,148	$ 9,054,583	$ 9,279,530	$ 9,224,892
FTE Positions	57.0	57.0	57.0	57.0	57.0	57.0	57.0
Non-FTE Uncl. Perm. Pos.	14.5	14.5	14.5	27.5	27.5	27.5	27.5
TOTAL	71.5	71.5	71.5	84.5	84.5	84.5	84.5

The **agency** requests $9.1 million, including $6.3 million form the State General Fund, for the Forensic Laboratory Program, for FY 2016. This is all funds increase of $1.3 million, or 17.0 percent, and a State General Fund increase of $1.7 million, or 37.0 percent, above the FY 2015 revised estimate. The increase is attributable to higher expenditures on salaries and wages and contractual services, and is offset by lower expenditures on commodities and capital outlay. The FY 2016 request includes 57.0 FTE and 27.5 non-FTE positions, which is an increase of 13.0 non-FTE positions.

Changes from the FY 2015 revised estimate include the following items.

- **Salaries and Wages**. The agency requests $6.2 million, including $4.2 million from the State

General Fund, for FY 2016. This is an all funds increase of $885,829, or 16.7 percent, and a State General Fund increase of $820,396, or 24.0 percent, above the FY 2015 revised estimate. The increase is primarily attributable to higher expenditures on pay for unclassified temporary employees due to the additional laboratory positions, group health hospitalization, and employer contributions to KPERS. The increase is partially offset by an adjustment to salaries and wages shrinkage.

- **Contractual Services.** The agency requests $1.7 million, including $1.3 million from the State General Fund, for FY 2016. This is an all funds increase of $842,167, or 99.7 percent, and a State General Fund increase of $944,581, or 263.9 percent, above the FY 2015 revised estimate. The increase is attributable to higher expenditures on electricity, the clean up of meth labs, and funding for security at the new forensic laboratory at Washburn University. The increase is offset by reduced expenditures for payment to agents who have left the KBI and must return to testify in court , instructors for training, and machinery and equipment repair and service.

- **Commodities**. The agency requests $908,486, including $498,626 from the State General Fund, for FY 2016. This is an all funds decrease of $307,207, or 25.3 percent, and a State General Fund decrease of $83,087, or 14.3 percent, below the FY 2015 revised estimate. The decrease is primarily attributable to lower expenditures on professional scientific supplies and materials, offset by increased expenditures on stationery and office supplies.

- **Capital Outlay.** The agency requests $326,888, including $208,390 from the State General Fund, for FY 2016. This is an all funds decrease of $100,048, or 23.4 percent, and a State General Fund decrease of $7,824, or 3.9 percent, below the FY 2015 revised estimate. The decrease is primarily attributable to lower expenditures on professional and scientific supplies.

The **Governor** recommends $9.1 million, including $6.2 million from the State General Fund, for FY 2016. This is an all funds decrease of $53,565, or 0.6 percent, and a State General Fund decrease of $35,696, or 0.6 percent, below the agency's FY 2016 request. The decrease is attributable to reduced employer contributions for state employee health insurance. The Governor's recommendation includes 57.0 FTE and 27.5 non-FTE positions, which is unchanged from the agency's FY 2016 request.

The **agency** requests $9.3 million, including $6.4 million from the State General Fund, for FY 2017. This is an all funds increase of $171,382, or 1.9 percent, and a State General Fund increase of $147,255, or 2.4 percent, above the FY 2016 request. The increased is attributable to higher expenditures on salaries and wages and commodities, offset by reduced expenditures on contractual services and capital outlay. The FY 2017 request includes 57.0 FTE and 27.5 non-FTE positions, which is no change from the FY 2016 request.

Changes from the FY 2016 request include the following items.

- **Salaries and Wages.** The agency requests $6.4 million, including $4.4 million from the State General Fund, for FY 2017. This is an all funds increase of $248,777, or 4.0 percent, and a State General Fund increase of $144,403, or 3.4 percent, above the FY 2016 request. The increase is attributable to higher pay for classified regular and unclassified temporary employees due to the 27th paycheck and higher employer contributions to KPERS. The increases are offset by a a technical adjustment to salaries and wages shrinkage.

- **Contractual Services.** The agency requests $1.7 million, including $1.3 million from the State General Fund, for FY 2017. This is an all funds decrease of $1,665, or 0.1 percent, and a State General Fund decrease of $5,656, or 0.4 percent, below the FY 2016 request. The decrease is primarily attributable to lower expenditures on machinery and equipment repair and service, and job related training, offset by higher expenditures on meth lab clean up.

- **Commodities**. The agency requests $915,537 including $504,724 from the State General Fund, for FY 2017. This is an all funds increase of $7,051, or 0.8 percent, and a State General Fund increase of $6,098, or 1.2 percent, above the FY 2016 request. The increase is primarily attributable to higher expenditures on professional and scientific supplies.

- **Capital Outlay**. The agency requests $244,107, including $210,800 from the State General Fund, for FY 2017. This is an all funds decrease of $82,781, or 25.3 percent, and a State General Fund increase of $2,410, or 1.2 percent, from the FY 2016 request. The all funds decrease is primarily attributable to lower expenditures on professional and scientific equipment.

The **Governor** recommends $9.2 million, including $6.4 million from the State General Fund, for FY 2017. This is an all funds decrease of $54,638, or 0.6 percent, and a State General Fund decrease of $36,411, or 0.6 percent, below the agency's FY 2017 request. The decrease is attributable to reduced employer contributions for state employee health insurance. The Governor's recommendation includes 57.0 FTE and 27.5 non-FTE positions, which is unchanged from the agency's FY 2017 request.

D. Debt Service

Debt service expenditures are for the debt service interest payments on the forensic science laboratory at Washburn University. Construction on the facility began in May 2014 and is expected to be completed in October of 2015. The Topeka Building Commission authorized the issuance of its Public Building Commission Leasehold Revenue Bonds in the principal amount not exceeding $59.0 million.

DEBT SERVICE - INTEREST
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
Forensic Laboratory	$ 0	$ 0	$ 0	$ 2,229,724	$ 2,229,724	$ 2,216,069	$ 2,216,069
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 2,229,724	$ 2,229,724	$ 2,216,069	$ 2,216,069
All Other Funds	0	0	0	0	0	0	0
TOTAL	$ 0	$ 0	$ 0	$ 2,229,724	$ 2,229,724	$ 2,216,069	$ 2,216,069

The **agency** requests State General Fund debt service interest payments totaling $2.23 million for FY 2016, and $2.22 million for FY 2017.

The **Governor** recommends State General Fund debt service payments totaling $2.23 million for FY 2016, and $2.22 million for FY 2017, which is unchanged from the agency's request.

E. Off Budget

This section is included for information purposes only and the expenditures for this program are not included in other parts of this budget analysis unless specifically denoted. Primary funding for the agency's off budget program comes from the Intergovernmental Service Fund which was established to collect fees in order to recover all or part of the direct and indirect operating expenses for criminal history record checks conducted for other state agencies by statute or request. Additional, the Off-Budget Motor Pool Fund provides some of the program's funding. The Off-Budget Motor Pool Fund's revenue comes from money charged internally for mileage. Currently the charge is $0.41 per mile. This money is used to pay for gas, vehicle repairs, and vehicle replacement costs.

OFF BUDGET
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	$ 1,270,997	$ 1,338,554	$ 1,326,401	$ 1,312,760	$ 1,293,292	$ 1,370,831	$ 1,350,973
Contractual Services	916,909	1,148,089	1,148,089	1,464,161	1,464,161	1,469,106	1,469,106
Commodities	301,304	314,333	314,333	315,588	315,588	317,588	317,588
Capital Outlay	340,377	287,277	287,277	289,030	289,030	290,520	290,520
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,829,587	$ 3,088,253	$ 3,076,100	$ 3,381,539	$ 3,362,071	$ 3,448,045	$ 3,428,187
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 2,829,587	$ 3,088,253	$ 3,076,100	$ 3,381,539	$ 3,362,071	$ 3,448,045	$ 3,428,187
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	2,829,587	3,088,253	3,076,100	3,381,539	3,362,071	3,448,045	3,428,187
TOTAL	$ 2,829,587	$ 3,088,253	$ 3,076,100	$ 3,381,539	$ 3,362,071	$ 3,448,045	$ 3,428,187
FTE Positions	15.0	15.0	15.0	16.0	16.0	16.0	16.0
Non-FTE Uncl. Perm. Pos.	12.0	12.0	12.0	12.0	12.0	12.0	12.0
TOTAL	27.0	27.0	27.0	28.0	28.0	28.0	28.0

CAPITAL IMPROVEMENTS

	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Rehabilitation and Repair	$ 100,000	$ 100,000	$ 309,500	$ 100,000	$ 3,819,504	$ 100,000
Building Improvements	122,000	122,000	0	0	0	0
Debt Service Principal	0	0	2,095,000	2,095,000	2,105,000	2,105,000
TOTAL	$ 222,000	$ 222,000	$ 2,404,500	$ 2,195,000	$ 5,924,504	$ 2,205,000
Financing:						
State General Fund	$ 100,000	$ 100,000	$ 2,404,500	$ 2,195,000	$ 5,924,504	$ 2,205,000
All Other Funds	122,000	122,000	0	0	0	0
TOTAL	$ 222,000	$ 222,000	$ 2,404,500	$ 2,195,000	$ 5,924,504	$ 2,205,000

Current Year Agency Estimate

FY 2015 – Current Year. The agency requests a FY 2015 capital improvements budget of $222,000, including $100,000 from the State General Fund, which is unchanged from the amount approved by the 2014 Legislature. Projects in the FY 2015 revised estimate include:

- general rehabilitation and repair ($100,000),
- roof replacement at the Topeka annex ($50,000),
- boiler replacement at the Great Bend facility ($45,000), and
- replacement of the uninterrupted power supply source at the Great Bend facility ($27,000).

Current Year Governor Recommendation

The **Governor** recommends $222,000, including $100,000 from the State General Fund, in FY 2015, which is unchanged from the agency's request.

Budget Year Agency Request

FY 2016 – Budget Year. The agency requests a FY 2016 capital improvements budget of $2.4 million, all from the State General Fund. This is an increase of $2.2 million above the FY 2015 revised estimate. In addition to agency's base request for the yearly $100,000 that the agency utilizes for maintenance and repair, the FY 2016 request includes $2.1 million in debt service principal payments for the forensic science laboratory at Washburn University. The FY 2016 request also includes the following two enhancement requests.

- **Topeka Headquarters Renovation Planning.** The agency requests $100,000, all from the State General Fund, to plan and assess how the headquarters building can be repurposed for non-laboratory functions for FY 2016.

- **Access Control.** The agency requests $109,500, all from the State General Fund, for FY 2016 for access control upgrades at the Great Bend, Wichita, and Overland Park facilities. Access control upgrades will include new access control doors and additional interior and exterior cameras to provide security, similar to other KBI facilities.

Budget Year Governor Recommendation

The **Governor** recommends a capital improvements budget of $2.2 million, all from the State General Fund, for FY 2016. This is an all funds decrease of $209,500, or 8.7 percent, below the agency's FY 2016 request. The Governor recommends the agency's base request for $100,000 for agency capital improvements projects, and $2.1 million in debt service principal payments for the forensic science laboratory at Washburn University. The Governor does not recommend the agency's two enhancement requests for Topeka headquarters renovation planning and access control upgrades.

Budget Year Agency Request

FY 2017 – Budget Year. The agency requests a FY 2017 capital improvements budget of $5.9 million, all from the State General Fund. This is an increase of $3.5 million, or 146.4 percent, above the FY 2016 request. The agency continues to request $100,000, all from the State General Fund, as a base request for agency capital improvements projects. The FY 2017 request includes $2.1 million in debt service principal payments for the forensic science laboratory at Washburn University, and two enhancements.

- **Topeka Headquarters Renovation.** The agency requests $3.5 million, all from the State General Fund, for the renovation of the KBI headquarters in Topeka for FY 2017. The agency states that the building is approximately 85 years old and the last renovation occurred in 1984. Since 1984, the building has been taxed with more personnel, technological advancements, and an increase in heat producing equipment. Portions of the

current building will also need to be re-purposed for non-laboratory functions when the new laboratory opens at Washburn University. Renovations will include additional space for agents and additional storage space.

- **Topeka Parking Garage.** The agency requests $250,000, all from the State General Fund, for FY 2017 to refurbish the main structure of the parking garage. In June 2014, consultants toured the parking garage and noted that melting ice was causing structural steel in the garage's beams to rust, thereby weakening the structure's steel supports, which is causing additional stress and damage to the garage's concrete.

Budget Year Governor Recommendation

The **Governor** recommends a capital improvements budget of $2.2 million, all from the State General Fund, for FY 2017. This is an all funds decrease of $3.8 million, or 62.8 percent, below the agency's FY 2017 request. The Governor recommends the agency's base request for $100,000 for agency capital improvements projects, and $2.1 million in debt service principal payments for the forensic science laboratory at Washburn University. The Governor does not recommend the agency's two enhancement requests for the Topeka headquarters renovation and repair of the Topeka parking garage.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
General Services					
Number of new adult criminal records created	31,273	23,653	24,126	24,609	25,101
Number of criminal history abstracts prepared and disseminated to:					
Criminal justice agencies	583,826	616,363	634,854	653,900	673,516
Non-criminal justice agencies	110,926	112,772	118,411	124,331	130,548
Number of Kansas users connected to the KCJIS system	9,392	9,385	9,385	9,485	9,585
Investigation					
Number of agent training hours received	6,453	2,699	3,750	3,750	3,750
Number of background investigation polygraphs	35	38	40	42	42
Number of polygraph examination admissions	66	62	61	61	61
Number of theft investigations	12	22	23	28	28
Forensic Laboratory					
Number of laboratory reports issued	15,500	15,576	15,600	16,000	17,000
Number of testimonies provided	185	185	190	190	200
Number of sessions of professional training/education received	50	97	100	115	130

Kansas Commission on Peace Officers' Standards and Training

	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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	759,484	814,725	812,353	805,299	802,353	821,565	818,808
TOTAL	$ 759,484	$ 814,725	$ 812,353	$ 805,299	$ 802,353	$ 821,565	$ 818,808
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	**$ 759,484**	**$ 814,725**	**$ 812,353**	**$ 805,299**	**$ 802,353**	**$ 821,565**	**$ 818,808**
Percentage Change:							
Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(1.9)	7.3	7.0	(1.2)	(1.2)	2.0	2.1
FTE Positions	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Non-FTE Perm.Uncl.Pos.	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	7.0	7.0	7.0	7.0	7.0	7.0	7.0

The Kansas Commission on Peace Officers' Standards and Training (KS CPOST) was created by the 2006 Legislature. Initial funding and operation as a separate state agency occurred in 2008. The mission of KS CPOST is to provide the citizens of Kansas with qualified, trained, ethical, competent, and professional peace officers. The agency's mission is to adopt and enforce professional standards for certification of peace officers. The Commission maintains a central registry of the demographics of Kansas law enforcement officers, their qualifications, and employment history. This registry is available for all agencies that appoint or elect law enforcement officers for use as a reference when reviewing employment applications. In addition, the Commission conducts criminal and administrative investigations related to law enforcement officers' qualifications. As a result of these investigations, the Commission may suspend, revoke, or deny the certification of a law enforcement officer.

MAJOR ISSUES FROM PRIOR YEARS

The **2006 Legislature** created the Kansas Commission on Peace Officers' Standards and Training, with funding provided through docket fees. Initial funding and full staffing was first included in the FY 2008 budget.

During the **2009 Legislature**, the Governor recommended a special one-time transfer of $500,000 from the Kansas Commission on Peace Officers' Standards and Training Fee Fund to the State General Fund in FY 2009. The Legislature accepted the Governor's recommendation but reduced the transfer by 21.5 percent for a total transfer of $392,500.

The **2009 Legislature** deleted $77,067, all from the KS CPOST fund, to apply a 10.0 percent reduction based on the Governor's FY 2009 recommendation to the FY 2010 budget.

The **2009 Legislature** added $17,000, all from the KS CPOST fund, for a new vehicle in FY 2010.

The **2010 Legislature** transferred $200,000, all from the KS CPOST fund, to the State General Fund in FY 2011.

The **2011 Legislature** appropriated the Local Law Enforcement Training Reimbursement Fund in FY 2012. The fund was added as the result of 2011 HB 2001 which transferred the oversight of the fund from the Kansas Law Enforcement Training Center to the agency.

The **2012 Legislature** recommended that KS CPOST remain a separate state agency with a budget of $840,000, all from special revenue funds, and 7.0 FTE positions. For FY 2013, the Governor had recommended that the duties and functions of CPOST be transferred to the office of the Kansas Attorney General.

The **2013 Legislature** deleted $55,832, all from special revenue funds, to reflect reduced funding for salaries and wages in FY 2014 and also deleted $58,061, all from special revenue funds, to reflect reduced funding for salaries and wages in FY 2015.

The **2014 Legislature** transferred $53,000, all from the Local Law Enforcement Reimbursement Fee Fund, to the KS CPOST fund, in FY 2014 and FY 2015. The Legislature also added $5,336, all from special revenue funds, in FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency's** revised estimate totals $814,725, all from special revenue funds. It is a net increase of $10 above the amount approved by the 2014 Legislature and is attributable to an increase in contractual services. The agency's revised estimate includes 5.0 FTE positions and 2.0 non-FTE unclassified permanent positions. This is a decrease of 1.0 FTE position and an increase of 1.0 non-FTE position.

FY 2015 Governor Recommendation

The **Governor** recommends $812,353, all from special revenue funds, in FY 2015. This is an all funds decrease of $2,372, or 0.3 percent, below the agency's FY 2015 revised estimate. The decrease is attributable to reduced employer contributions to KPERS. The Governor recommends 5.0 FTE and 2.0 non-FTE positions, which is unchanged from the agency's FY 2015 revised estimate.

FY 2016 Agency Request

The **agency** requests $805,299, all from special revenue funds, for FY 2016. This is a decrease of $9,426, or 1.2 percent, below the agency's FY 2015 revised request. The decrease is attributable to less capital outlay expenditures, and less aid to local units of government. The agency's FY 2016 request includes 5.0 FTE positions and 2.0 non-FTE unclassified permanent positions, which is no change from the agency's FY 2015 revised estimate.

FY 2016 Governor Recommendation

The **Governor** recommends $802,353, all from special revenue funds, for FY 2016. This is an all funds decrease of $2,946, or 0.4 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor's recommendation to reduce employer contributions for state employee health insurance. The Governor recommends 5.0 FTE and 2.0 non-FTE positions, which is unchanged from the agency's FY 2016 request.

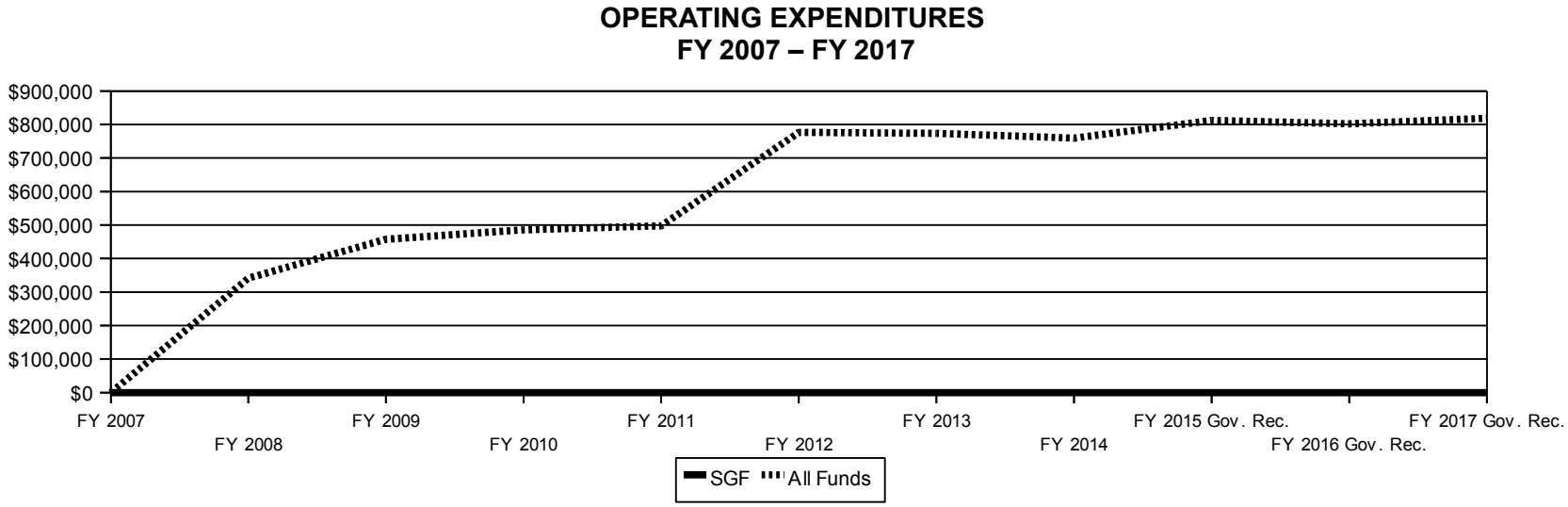
FY 2017 Agency Request

The **agency** requests $821,565, all from special revenue funds, for FY 2017. This is an increase of $16,266, or 2.0 percent, above the agency's FY 2016 request. The increase is attributable to increased expenditures on salaries and wages due to expenses associated with the 27th payroll period in FY 2017. The agency's FY 2017 request includes 5.0 FTE positions and 2.0 non-FTE unclassified permanent positions, which is no change from the agency's FY 2016 request.

FY 2017 Governor Recommendation

The **Governor** recommends $818,808, all from special revenue funds, for FY 2017. This is an all funds decrease of $2,757, or 0.3 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor's recommendation to reduce employer contributions for state employee health insurance. The Governor recommends 5.0 FTE and 2.0 non-FTE positions, which is unchanged from the agency's FY 2017 request.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 0	0.0 %	$ 0	0.0 %	0.0
2008	0	0.0	341,563	0.0	0.0
2009	0	0.0	457,623	34.0	3.0
2010	0	0.0	485,748	6.1	7.0
2011	0	0.0	497,823	2.5	7.0
2012	0	0.0	776,871	56.1	7.0
2013	0	0.0	773,881	(0.4)	6.0
2014	0	0.0	759,484	(1.9)	5.0
2015 Gov. Rec.	0	0	812,353	7.0	5.0
2016 Gov. Rec.	0	--	802,353	(1.2)	5.0
2017 Gov. Rec.	0	--	818,808	2.1	5.0
Eleven-Year Change	$ 0	-- %	$ 818,808	-- %	5.0

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 759,484	$ 814,725	$ 805,299	$ (9,426)	(1.2) %	$ 812,353	$ 802,353	$ (10,000)	-- %
By Major Object of Expenditure:									
Salaries and Wages	$ 430,497	$ 449,891	$ 455,343	$ 5,452	1.2 %	$ 447,519	$ 452,397	$ 4,878	1.1 %
Contractual Services	93,917	117,665	118,896	1,231	1.0	117,665	118,896	1,231	1.0
Commodities	5,896	6,642	6,727	85	1.3	6,642	6,727	85	1.3
Capital Outlay	2,401	13,527	5,269	(8,258)	(61.0)	13,527	5,269	(8,258)	(61.0)
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 532,711	$ 587,725	$ 586,235	$ (1,490)	(0.3) %	$ 585,353	$ 583,289	$ (2,064)	(0.4)%
Aid to Local Units	226,773	227,000	219,064	(7,936)	(3.5)	227,000	219,064	(7,936)	(3.5)
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	$ 759,484	$ 814,725	$ 805,299	$ (9,426)	(1.2) %	$ 812,353	$ 802,353	$ (10,000)	(1.2)%
Financing:									
State General Fund	$ 0	$ 0	$ 0	$ 0	-- %	$ 0	$ 0	$ 0	-- %
KS CPOST Fund	532,711	587,725	586,235	(1,490)	(0.3)	585,353	583,289	(2,064)	(0.4)
Local Law Enforcement Training Reimbursement Fund	226,773	227,000	219,064	(7,936)	(3.5)	227,000	219,064	(7,936)	(3.5)
TOTAL	$ 759,484	$ 814,725	$ 805,299	$ (9,426)	(1.2) %	$ 812,353	$ 802,353	$ (10,000)	(1.2)%

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	$ 805,299	$ 821,565	$ 16,266	2.0 %	$ 802,353	$ 818,808	$ 16,455	-- %
By Major Object of Expenditure:								
Salaries and Wages	$ 455,343	$ 471,609	$ 16,266	3.6 %	$ 452,397	$ 468,852	$ 16,455	3.6 %
Contractual Services	118,896	118,896	0	0.0	118,896	118,896	0	0.0
Commodities	6,727	6,727	0	0.0	6,727	6,727	0	0.0
Capital Outlay	5,269	5,269	0	0.0	5,269	5,269	0	0.0
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 586,235	$ 602,501	$ 16,266	2.8 %	$ 583,289	$ 599,744	$ 16,455	2.8 %
Aid to Local Units	219,064	219,064	0	0.0	219,064	219,064	0	0.0
Other Assistance	0	0	0	--	0	0	0	--
TOTAL	$ 805,299	$ 821,565	$ 16,266	2.0 %	$ 802,353	$ 818,808	$ 16,455	2.1 %
Financing:								
State General Fund	$ 0	$ 0	$ 0	-- %	$ 0	$ 0	$ 0	-- %
KS CPOST Fund	586,235	602,501	16,266	2.8	583,289	599,744	16,455	2.8
Local Law Enforcement Training Reimbursement Fund	219,064	219,064	0	0.0	219,064	219,064	0	0.0
TOTAL	$ 805,299	$ 821,565	$ 16,266	2.0 %	$ 802,353	$ 818,808	$ 16,455	2.1 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The 2014 Legislature approved an all funds budget of $814,715 for the Kansas Commission on Peace Officers' Standards and Training in FY 2015.

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	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	814,715	814,725	10	812,353	(2,362)
TOTAL	$ 814,715	$ 814,725	$ 10	$ 812,353	$ (2,362)
FTE Positions	6.0	5.0	(1.0)	5.0	(1.0)

The **agency's** revised estimate in FY 2015 is $814,725, all from special revenue funds. It is a net increase of $10 above the amount approved by the 2014 Legislature and is attributable to an increase in contractual services. The agency's revised estimate includes 5.0 FTE positions and 2.0 non-FTE unclassified permanent positions.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency's revised estimate includes $449,891, all from the KS CPOST Fund, for 5.0 FTE and 2.0 non-FTE positions, in FY 2015. This is a decrease of 1.0 FTE position and an increase of 1.0 non-FTE position.

- **Contractual Services.** The agency's revised estimate includes $117,665, all from the KS CPOST Fund. This is a net increase of $10

above the amount approved by the 2014 Legislature and is attributable to inflationary costs.

- **Commodities**. The agency's revised estimate includes $6,642, all from the KS CPOST Fund, in FY 2015, which is no change from the FY 2015 approved amount.

- **Capital Outlay.** The agency's revised estimate includes $13,527, all from the KS CPOST Fund, in FY 2015, which is no change from the FY 2015 approved amount.

- **Aid to Local Units.** The agency's revised estimate includes $227,000, all from the Local Law Enforcement Training Reimbursement Fund, in FY 2015, which is no change from the FY 2015 approved amount. Expenditures in this category are reimbursements to municipalities that operate and train officers in their own satellite law enforcement academies.

The **Governor** recommends $812,353, all from special revenue funds, in FY 2015. This is an all funds decrease of $2,372, or 0.3 percent, below the agency's FY 2015 revised estimate. The decrease is attributable to reduced employer contributions to KPERS. The Governor recommends 5.0 FTE and 2.0 non-FTE positions, which is unchanged from the agency's FY 2015 revised estimate.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 805,299	$ 802,353	$ (2,946)
FTE Positions	5.0	5.0	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 0	$ 0	
All Other Funds	(9,426)	(10,000)	
TOTAL	$ (9,426)	$ (10,000)	
Percent Change:			
State General Fund	0.0 %	0.0 %	
All Other Funds	(1.2)	(1.2)	
TOTAL	(1.2) %	(1.2) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests $805,299, all from special revenue funds, for FY 2016. This is a decrease of $9,426, or 1.2 percent, below the agency's FY 2015 revised estimate. The decrease is attributable to less capital outlay expenditures, and less aid to local units of government. The agency's FY 2016 request includes 5.0 FTE positions and 2.0 non-FTE unclassified permanent positions, which is no change from the agency's FY 2015 revised estimate.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency's FY 2016 request includes $455,343, all from the KS CPOST Fund. This is a net increase of $5,452, or 1.2 percent, above the agency's FY 2015 revised estimate. Major changes include increased expenditures on unclassified temporary

employee pay, group health hospitalization, and KPERS contributions that were primarily offset by decreased expenditures on unclassified regular employee pay. The changes in expenditures related to employee pay resulted from the inadvertent entry of two investigator positions into the incorrect object category.

- **Contractual Services**. The agency's FY 2016 request includes $118,896, all from the KS CPOST Fund. This is a net increase of $1,231, or 1.0 percent, above the agency's FY 2015 revised estimate. Major changes include increased expenditures on commercial communication services that were primarily offset by decreases in other fees, including firearms, liability insurance for vehicles, car registrations, and administrative fees.

- **Commodities.** The agency's FY 2016 request includes $6,727, all from the KS CPOST Fund. This is a net increase of $85, or 1.3 percent, above the agency's FY 2015 revised estimate. The increase is attributable to higher expenditures on gasoline due to additional interviews.

- **Capital Outlay.** The agency's FY 2016 request includes $5,269, all from the KS CPOST Fund. This is a net decrease of $8,258, or 61.0 percent, below the agency's FY 2015 revised estimate. The decrease is attributable primarily to reduced expenditures on office furniture. In FY 2015, the agency plans to purchase and install a space saver filing system for its record storage, resulting in higher expenditures on furniture in FY 2015 than for FY 2016.

- **Aid to Local Units**. The agency's FY 2016 request includes $219,064, all from the Local Law Enforcement Training Reimbursement Fund. This is a decrease of $7,936, or 3.5 percent, below the agency's FY 2015 revised estimate. The agency's FY 2015 request ($227,000) was based on actual revenues received from municipal courts in FY 2014. The agency's FY 2016 request ($219,064) is based on the fund's projected cash forward for FY 2016. Expenditures in this category are reimbursements to municipalities that operate and train officers in their own satellite law enforcement academies.

The **Governor** recommends $802,353, all from special revenue funds, for FY 2016. This is an all funds decrease of $2,946, or 0.4 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor's recommendation to reduce employer contributions for state employee health insurance. The Governor recommends 5.0 FTE and 2.0 non-FTE positions, which is unchanged from the agency's FY 2016 request.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 821,565	$ 818,808	$ (2,757)
FTE Positions	5.0	5.0	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 0	$ 0	
All Other Funds	16,266	16,455	
TOTAL	$ 16,266	$ 16,455	
Percent Change:			
State General Fund	0.0 %	0.0 %	
All Other Funds	2.0	2.1	
TOTAL	2.0 %	2.1 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests $821,565, all from special revenue funds, for FY 2017. This is an increase of $16,266, or 2.0 percent, above the agency's FY 2016 request. The increase is attributable to higher expenditures on salaries and wages due to the 27th paycheck. The agency's FY 2017 request includes 5.0 FTE positions and 2.0 non-FTE unclassified permanent positions, which is no change from the agency's FY 2016 request.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency's FY 2017 request includes $471,609, all from the KS CPOST Fund. This is an increase of $16,266, or 3.6 percent, above the agency's FY 2016 request. Major changes include increased expenditures on unclassified regular and

temporary employee pay due to the 27th paycheck and KPERS contributions. Expenditures were primarily offset by decreased expenditures on group health hospitalization.

- **Contractual Services.** The agency requests $118,896, all from the KS CPOST Fund, for FY 2017, which is no change from the FY 2016 request.

- **Commodities.** The agency requests $6,727, all from the KS CPOST Fund, for FY 2017, which is no change from the FY 2016 request.

- **Capital Outlay**. The agency requests $5,269, all from the KS CPOST Fund, for FY 2017, which is no change from the FY 2016 request.

- **Aid to Locals**. The agency's FY 2017 request includes $219,064, all from the Local Law Enforcement Training Reimbursement Fund, which is no change from the FY 2016 request. Expenditures in this category are reimbursements to municipalities that operate and train officers in their own satellite law enforcement academies.

The **Governor** recommends $818,808, all from special revenue funds, for FY 2017. This is an all funds decrease of $2,757, or 0.3 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor's recommendation to reduce employer contributions for state employee health insurance. The Governor recommends 5.0 FTE and 2.0 non-FTE positions, which is unchanged from the agency's FY 2017 request.

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 $1,480, all from special revenue funds, and affects 5 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, there are no longevity bonus payments.**

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 $2,946, all from special revenue funds, for FY 2016. This is a reduction of $2,757, all from special revenue funds, 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
KS CPOST Fund	73.0 %	72.7 %	73.0 %	73.2 %
Local Law Enforcement Training Reimbursement Fund	27.0	27.3	27.0	26.8
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

Kansas Commission on Peace Officers' Standards and Training Fund (KS CPOST Fund)

The Kansas Commission on Peace Officers' Standards and Training Fund is primarily funded through docket fees. KSA 12-4117 provides that a sum of $20 is assessed on each case filed in municipal court, other than a non-moving traffic violation, where there is a finding of guilty or a plea of no contest, forfeiture of bond or a diversion. Of the $20, $2.50 is deposited into the KS CPOST Fund. In addition, KSA 74-5619 allows the agency to receive and deposit into the fund any public or private grants, gifts, or donations.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 406,771	$ 422,377	$ 422,377	$ 381,875	$ 382,875	$ 342,863	$ 346,809
Revenue	547,606	547,223	545,851	547,223	547,223	547,223	547,223
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 954,377	$ 969,600	$ 968,228	$ 929,098	$ 930,098	$ 890,086	$ 894,032
Less: Expenditures	532,000	587,725	585,353	586,235	583,289	602,501	599,744
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 422,377	$ 381,875	$ 382,875	$ 342,863	$ 346,809	$ 287,585	$ 294,288
Ending Balance as Percent of Expenditures	79.4%	65.0%	65.4%	58.5%	59.5%	47.7%	49.1%
	June	June	June	June	June	June	June
Month Highest Ending Balance	$ 427,124	$ 439,272	$ 439,355	$ 398,190	$ 398,519	$ 357,618	$ 358,177
	January	August	August	August	August	August	August
Month Lowest Ending Balance	$ 405,151	$ 359,020	$ 359,103	$ 325,444	$ 325,773	$ 292,284	$ 292,846

Local Law Enforcement Training Fund

The Local Law Enforcement Training Fund is used to reimburse municipalities that have officers participating in local law enforcement training programs. KSA 12-4117 provides that a sum of $20 is assessed on each case filed in municipal court, other than a non-moving traffic violation, where there is a finding of guilty or a plea of no contest, forfeiture of bond or a diversion. Of the $20, $1.00 is deposited into the Local Law Enforcement Training Fund.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 226,773	$ 227,000	$ 227,000	$ 219,064	$ 219,064	$ 219,064	$ 219,064
Revenue	227,000	219,064	219,064	219,064	219,064	219,064	219,064
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 453,773	$ 446,064	$ 446,064	$ 438,128	$ 438,128	$ 438,128	$ 438,128
Less: Expenditures	226,773	227,000	227,000	219,064	219,064	219,064	219,064
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 227,000	$ 219,064	$ 219,064	$ 219,064	$ 219,064	$ 219,064	$ 219,064
Ending Balance as Percent of Expenditures	100.1%	96.5%	96.5%	100.0%	100.0%	100.0%	100.0%
	September	October	October	October	October	October	October
Month Highest Ending Balance	$ 281,291	$ 275,337	$ 275,337	$ 275,337	$ 275,337	$ 275,337	$ 275,337
	October	November	November	November	November	November	November
Month Lowest Ending Balance	$ 72,524	$ 56,274	$ 56,274	$ 56,274	$ 56,274	$ 56,274	$ 56,274

EXPENDITURES BY OBJECT–GOVERNOR'S FY 2016 RECOMMENDATION

Object	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Salaries and Wages	$ 452,397	56.4 %	$ 0	-- %
Contractual Services	118,896	14.8	0	--
Capital Outlay	6,727	0.8	0	--
Commodities	5,269	0.7	0	--
Aid to Local Units	219,064	27.3	0	--
TOTAL	$ 802,353	100.0 %	$ 0	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	5.0	5.0	5.0	5.0	5.0	5.0	5.0

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of complaints received	120	85	90	95	100
Cases assigned to investigations	100	90	100	105	110

EMERGENCY MEDICAL SERVICES BOARD

	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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	2,229,209	2,151,763	2,143,637	2,177,735	2,169,080	2,213,143	2,204,314
TOTAL	$ 2,229,209	$ 2,151,763	$ 2,143,637	$ 2,177,735	$ 2,169,080	$ 2,213,143	$ 2,204,314
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	**$ 2,229,209**	**$ 2,151,763**	**$ 2,143,637**	**$ 2,177,735**	**$ 2,169,080**	**$ 2,213,143**	**$ 2,204,314**
Percentage Change:							
Operating Expenditures							
State General Fund	0.0 %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	1.6	(3.5)	(3.8)	1.2	1.2	1.6	1.6
FTE Positions	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Non-FTE Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	14.0	14.0	14.0	14.0	14.0	14.0	14.0

AGENCY OVERVIEW

The primary goal of the Emergency Medical Services Board (KBEMS) is to ensure that quality out-of-hospital care is available throughout the state. Duties include issuing permits and inspecting ambulance services operating in the state, examining and certifying ambulance attendants, training and certifying emergency medical services (EMS) instructors, and approving EMS training programs and continuing education courses.

Attendants certified and trained by the agency include emergency medical responders, advanced emergency medical technicians, paramedics, and emergency medical technicians. In addition, the Board certifies instructor-coordinators.

The agency also operates the Education Incentive Grant program, which provides funding for education to individuals and ambulance services to help address the shortage of EMS attendants in rural Kansas. Another priority is the Kansas Emergency Medical Services Information System (KEMSIS), a project with the goal of greater EMS data collection and information analysis to assist the agency, the Governor, and the Legislature in assessing and supporting the training and funding needs of EMS in Kansas.

The agency is one program that is divided into four services: Administrative, Operations (investigations/inspections), Technician (education/examination/certification), and Information Technology. Staffing includes 13 regular classified FTE positions, 1 regular unclassified position, and one temporary classified position.

The Board is primarily funded by a 1.25 percent levy imposed on fire insurance premiums. The 2004 Legislature established permanent funding for the Board of Emergency Medical Services with the passage of 2004 SB 312, which allows the Board 0.25 percent of fire insurance premiums.

The Board is comprised of 15 members, nine of whom are appointed by the Governor: one member of the Kansas Medical Society actively involved in EMS; two county commissioners, both from counties making a levy for EMS, but one from a county with a population less than 15,000; one instructor-coordinator; one hospital administrator actively involved in EMS; one member of a firefighting unit providing EMS; and three attendants actively involved in EMS who represent at least two classifications of attendants, one of whom is from a volunteer emergency medical service.

The other four members of the Board are: one member of the Kansas Senate appointed by the President of the Senate, one member of the Kansas Senate appointed by the Minority Leader of the Senate, one member of the Kansas House of Representatives appointed by the Speaker of the House, and one member of the Kansas House of Representatives appointed by the Minority Leader of the House.

MAJOR ISSUES FROM PRIOR YEARS

The **2006 Legislature** passed legislation directing the agency, within the limits of appropriations, to develop and maintain a statewide data collection system to collect and analyze EMS information that will assist the Board in improving the quality of EMS in Kansas. For this purpose, the Legislature added $200,000 in funding from the EMS Operating Fund in FY 2007. The 2006 Legislature also allocated an additional $200,000 from the EMS Operating Fund in FY 2007 to continue the Education Incentive Grant program.

The **2007 Legislature** added $100,000 from the EMS Operating Fund in FY 2008 to increase the Education Incentive Grant program. The Legislature also passed SB 8, which created the EMS Revolving Fund, the purpose of which is to improve and enhance emergency services in Kansas. The bill also contained several seat belt laws, and 2.5 percent of remittances from those violations were directed to the EMS Revolving Fund. The fund was given no-limit expenditure authority.

In addition, SB 8 authorized the issuance of non-transferable EMS license plates. The plates have been available since January 1, 2008, to any resident owner or lessee of one or more passenger vehicles, trucks of a gross weight of 20,000 pounds or less, or motorcycles, who provides proof that he or she is an emergency medical services attendant.

The 2007 Legislature also added $20,000 from the EMS Operating Fund for exam proctors and required KBEMS to report to the House Appropriations Committee and Senate Ways and Means Committee on or before February 1, 2008, regarding the use of the EMS Revolving Fund.

The **2008 Legislature** added language requiring a report from all six EMS regions regarding the most recent EMS examination in each region in FY 2008. Additional legislation passed in 2008 affecting EMS include the following items.

- SB 438 prohibited an employer from terminating any employee because the employee serves as a volunteer firefighter, volunteer certified EMS attendant, volunteer reserve law enforcement officer, or volunteer part-time law enforcement officer. The protection does not apply to full-time firefighters or law enforcement officers who volunteer as EMS attendants, firefighters or law enforcement officers.

- SB 514 allows the EMS Board to grant a temporary variance from identified regulations when a literal application or enforcement of the regulations would result in serious hardship and the relief granted would not result in an unreasonable risk to the public interest, safety, or welfare.

- SB 512 provided clarification on certificates, temporary certificates, and sanctions.
    - The agency may not grant an EMS attendant certificate unless they have successfully completed coursework or passed the required exam.
    - The Board may grant a temporary attendant's certificate if the applicant is certified or licensed in another jurisdiction

and can complete the coursework within one year; or if the applicant is waiting on exam results.

- Any applicant who has been granted a temporary certificate must be under the direct supervision of a physician, a physician's assistant, a professional nurse, or an attendant holding a certificate higher or equivalent to the applicant.
- Finally, the bill requires the Board to adopt, through rules and regulations, a graduated list of sanctions for violations of the Emergency Medical Services Act which specifies the number and severity of violations for the imposition of each level of sanction.

The **2009 Legislature** transferred $41,665 from the EMS Operating Fund to the State General Fund in FY 2009 and $54,160 in FY 2010.

The **2010 Legislature** adjusted the distribution of the administrative fee related to the 1.25 percent levy on fire insurance premiums in order to proportionately distribute the fee across the three agencies the levy supports. Previously, this fee was charged solely to the State Fire Marshal. The 2010 Legislature assessed the $200,000 fee as follows for FY 2011: $128,000 from the State Fire Marshal, $40,000 from the Emergency Medical Services Board, and $32,000 from the University of Kansas Fire and Rescue Training Institute.

Additionally, the 2010 Legislature passed House Sub. for SB 262, which made changes to the levels of attendants certified by the Board and expanded certain levels' scope of practice. This included the following transitions.

- First responders transitioned to emergency medical responders.
- Emergency medical technician-intermediates, emergency medical technician-defibrillators, and emergency medical technician-intermediate/defibrillators all transitioned to advanced emergency medical technicians.
- Emergency medical technicians remained the same.
- Mobile intensive care technicians transitioned to paramedics.

Also in 2010, the Legislature passed SB 262, which created a Medical Advisory Council consisting of six members. One member is a non-physician Board member, one is both a Board member and a physician, and the other four are physicians who are not Board members but are active in EMS. The purpose of this council is to advise and assist the Board in matters of medical standards and practices, as determined by the Board.

The **2011 Legislature** added 1.0 FTE position, for a total of 14.0 FTE positions for FY 2012. This maintains a Deputy Director position that was eliminated in the Governor's recommendation.

The **2013 Legislature** deleted $19,644, all from special revenue funds, to reflect reduced funding for salaries and wages for FY 2014. It also deleted $25,989, all from special revenue funds, to reflect reduced funding for salaries and wages for FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency estimates** FY 2015 operating expenditures of $2,151,763, all from special revenue funds. The revised agency estimate is an increase of $10,000, or 0.5 percent, above the amount approved by the 2014 Legislature. The increase is attributable to a new National Highway Traffic Safety Administration (NHTSA) Evidence-Based Guideline Project Fund grant of $10,000 with no matching requirement. The agency requests 14.0 FTE positions, the same amount approved by the 2014 Legislature.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 operating expenditures of $2,143,637, all from special revenue funds, which is $1,874, or 0.1 percent, above the amount approved by the 2014 Legislature. The increase is attributable to the Governor's recommendation that the agency accept the Federal grant, offset partially by the Governor's recommended KPERS employer contribution rate reduction as a result of the Governor's Allotment Plan.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $2,177,735, all from special revenue funds. The request is an increase of $25,972, or 1.2 percent, above the FY 2015 revised estimate. The increase is attributable to increased contractual service and capital outlay expenditures, specifically increased building rent, higher service fees, and the replacement of a server. The agency requests 14.0 FTE positions, the same amount requested for FY 2015.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $2,169,080, all from special revenue funds. The Governor concurs with the agency request except for the recommendation of a reduction of $8,655, or 0.4 percent, to reduce employer contributions for state employee health insurance.

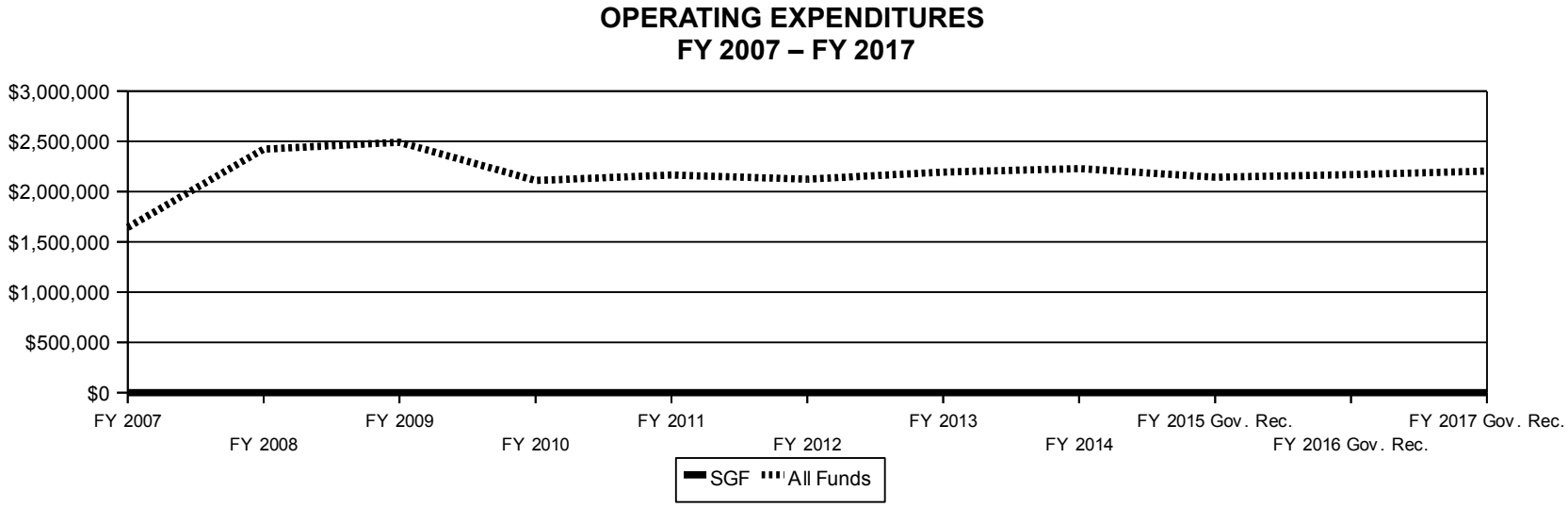
FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $2,213,143, all from special revenue funds, an increase of $35,408, or 1.6 percent, above the FY 2016 requested amount. The increase is primarily attributable to increased salaries and wages due to an additional pay period in FY 2017. The agency requests 14.0 FTE positions, the same amount requested for FY 2016.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $2,204,314, all from special revenue funds. The Governor concurs with the agency request except for the recommendation of a reduction of $8,829, or 0.4 percent, to reduce employer contributions for state employee health insurance.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 0	-- %	$ 1,644,289	16.4 %	13.0
2008	0	--	2,422,563	47.3	14.0
2009	0	--	2,491,547	2.8	14.0
2010	0	--	2,110,600	(15.3)	14.0
2011	0	--	2,165,172	2.6	14.0
2012	0	--	2,123,938	(1.9)	14.0
2013	0	--	2,194,293	3.3	14.0
2014	0	--	2,229,209	1.6	14.0
2015 Gov. Rec.	0	--	2,143,637	(3.8)	14.0
2016 Gov. Rec.	0	--	2,169,080	1.2	14.0
2017 Gov. Rec.	0	--	2,204,314	1.6	14.0
Eleven-Year Change	$ 0	-- %	$ 560,025	34.1 %	1.0

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 2,229,209	$ 2,151,763	$ 2,177,735	$ 25,972	1.2 %	$ 2,143,637	$ 2,169,080	$ 25,443	1.2 %
By Major Object of Expenditure:									
Salaries and Wages	$ 705,069	$ 846,056	$ 850,943	$ 4,887	0.6 %	$ 837,930	$ 842,288	$ 4,358	0.5 %
Contractual Services	445,393	322,368	338,735	16,367	5.1	322,368	338,735	16,367	5.1
Commodities	20,654	21,654	22,384	730	3.4	21,654	22,384	730	3.4
Capital Outlay	16,883	9,974	15,673	5,699	57.1	9,974	15,673	5,699	57.1
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 1,187,999	$ 1,200,052	$ 1,227,735	$ 27,683	2.3 %	$ 1,191,926	$ 1,219,080	$ 27,154	2.3 %
Aid to Local Units	767,349	801,711	800,000	(1,711)	(0.2)	801,711	800,000	(1,711)	(0.2)
Other Assistance	273,861	150,000	150,000	0	0.0	150,000	150,000	0	0.0
TOTAL	$ 2,229,209	$ 2,151,763	$ 2,177,735	$ 25,972	1.2 %	$ 2,143,637	$ 2,169,080	$ 25,443	1.2 %
Financing:									
State General Fund	$ 0	$ 0	$ 0	$ 0	-- %	$ 0	$ 0	$ 0	-- %
All Other Funds	2,229,209	2,151,763	2,177,735	25,972	1.2	2,143,637	2,169,080	25,443	1.2
TOTAL	$ 2,229,209	$ 2,151,763	$ 2,177,735	$ 25,972	1.2 %	$ 2,143,637	$ 2,169,080	$ 25,443	1.2 %

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	$ 2,177,735	$ 2,213,143	$ 35,408	1.6 %	$ 2,169,080	$ 2,204,314	$ 35,234	1.6 %
By Major Object of Expenditure:								
Salaries and Wages	$ 850,943	$ 888,465	$ 37,522	4.4 %	$ 842,288	$ 879,636	$ 37,348	4.4 %
Contractual Services	338,735	344,807	6,072	1.8	338,735	344,807	6,072	1.8
Commodities	22,384	22,844	460	2.1	22,384	22,844	460	2.1
Capital Outlay	15,673	7,027	(8,646)	(55.2)	15,673	7,027	(8,646)	(55.2)
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 1,227,735	$ 1,263,143	$ 35,408	2.9 %	$ 1,219,080	$ 1,254,314	$ 35,234	2.9 %
Aid to Local Units	800,000	800,000	0	0.0	800,000	800,000	0	0.0
Other Assistance	150,000	150,000	0	0.0	150,000	150,000	0	0.0
TOTAL	$ 2,177,735	$ 2,213,143	$ 35,408	1.6 %	$ 2,169,080	$ 2,204,314	$ 35,234	1.6 %
Financing:								
State General Fund	$ 0	$ 0	$ 0	-- %	$ 0	$ 0	$ 0	-- %
All Other Funds	2,177,735	2,213,143	35,408	1.6	2,169,080	2,204,314	35,234	1.6
TOTAL	$ 2,177,735	$ 2,213,143	$ 35,408	1.6 %	$ 2,169,080	$ 2,204,314	$ 35,234	1.6 %

A. FY 2015 – Current Year

Adjustments to Approved Budget

The Legislature approved a budget of $2,141,763 for the Emergency Medical Services Board in FY 2015. No adjustments have subsequently been made to that amount.

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	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	2,141,763	2,151,763	10,000	2,143,637	1,874
TOTAL	$ 2,141,763	$ 2,151,763	$ 10,000	$ 2,143,637	$ 1,874
FTE Positions	14.0	14.0	0.0	14.0	0.0

The **agency** estimates FY 2015 operating expenditures of $2,151,763, all from special revenue funds. The revised agency estimate is an increase of $10,000, or 0.5 percent, above the amount approved by the 2014 Legislature due to a new National Highway Traffic Safety Administration (NHTSA) Evidence-based Guideline Project Fund grant. The grant will be used to provide state-specific advice for adapting and implementing the General Toolkit for prehospital care statewide. The agency requests 14.0 FTE positions, the same amount approved by the 2014 Legislature.

- **Salaries and Wages.** The agency estimates $846,056, all from special revenue funds, for salaries and wages in FY 2015. The revised estimate is the same as the approved amount.

- **Contractual Services.** The agency estimates $322,368, all from special revenue funds, for contractual services in FY 2015. The revised estimate is the same as the approved amount.

- **Commodities.** The agency estimates $21,654, all from special revenue funds, for commodities in FY 2015. The revised estimate is the same as the approved amount.

- **Capital Outlay.** The agency estimates $9,974, all from special revenue funds, for capital outlay expenditures in FY 2015. The revised estimate is the same as the approved amount.

- **Aid to Locals.** The agency estimates $801,711, all from special revenue funds, for aid to locals. The revised estimate is the same as the approved amount. The major expenditure in this area supports the Education Incentive Grant program, which allows for recruitment and retention of EMS workers throughout the state, and the KBEMS Revolving and Assistance (KRAF) Grant program, which awards equipment and materials on request to ambulance services around the state based on identifiable needs.

- **Other Assistance.** The agency estimates $150,000, all from special revenue funds, for other assistance, which is the same as the approved amount. The major expenditure in this area is the allocation of funds to support the six EMS Regions that provide support, information, and communication to the approximately 11,000 certified EMS attendants throughout the state.

The **Governor** recommends FY 2015 operating expenditures of $2,143,637, all from special revenue funds, which is $1,874, or 0.1 percent, above the amount approved by the 2014 Legislature. The increase is attributable to the Governor's recommendation that the agency accept the Federal grant, offset partially by the Governor's recommended KPERS employer contribution rate reduction as a result of the Governor's Allotment Plan.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 2,177,735	$ 2,169,080	$ (8,655)
FTE Positions	14.0	14.0	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 0	$ 0	
All Other Funds	25,972	25,443	
TOTAL	$ 25,972	$ 25,443	
Percent Change:			
State General Fund	0.0 %	0.0 %	
All Other Funds	1.2	1.2	
TOTAL	1.2 %	1.2 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures of $2,177,735 for FY 2016, all from special revenue funds. The request is an increase of $25,972, or 1.2 percent, above the FY 2015 revised estimate. The increase is attributable primarily to increased contractual service and capital outlay expenditures, specifically increased building rent, higher service fees, and the replacement of a server. The agency requests 14.0 FTE positions, the same amount requested in the FY 2015 estimate.

- **Salaries and Wages.** The agency requests $850,943 for salaries and wages for FY 2016, all from special revenue funds, which is an increase of $4,887, or 0.6 percent, above the FY 2015 revised estimate. The increase is primarily attributable to increased employer contributions to the KPERS retirement fund.

- **Contractual Services.** The agency requests $338,735 for contractual services for FY 2016, all from special revenue funds. The request is an increase of $16,367, or 5.1 percent, above the FY 2015 revised estimate. The increase reflects raised rent and service fees, specifically increased building rent and higher computer service fees.

- **Commodities.** The agency requests $22,384 for commodities for FY 2016, all from special revenue funds. The request is an increase of $730, or 3.4 percent, above the FY 2015 revised estimate and reflects an inflationary increase.

- **Capital Outlay.** The agency requests $15,673 for capital outlay expenditures for FY 2016, all from special revenue funds, which is an increase of $5,699, or 57.1 percent, above the FY 2015 revised estimate. The increase is due to replacement of some laptops, printers, and a server.

- **Aid to Locals.** The agency requests $800,000, all from special revenue funds, for aid to locals for FY 2016. The request is a decrease of $1,711, or 0.2 percent, below the FY 2015 revised estimate.

- **Other Assistance.** The agency estimates $150,000, all from special revenue funds, for other assistance for FY 2016, which is the same as the FY 2015 revised estimate.

The **Governor** recommends FY 2016 operating expenditures of $2,169,080, all from special revenue funds, a decrease of $8,655, or 0.4 percent, below the agency's request. The Governor concurs with the agency request except for the recommendation of a reduction of $8,655 to reduce employer contributions for state employee health insurance.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 2,213,143	$ 2,204,314	$ (8,829)
FTE Positions	14.0	14.0	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 0	$ 0	
All Other Funds	35,408	35,234	
TOTAL	$ 35,408	$ 35,234	
Percent Change:			
State General Fund	0.0 %	0.0 %	
All Other Funds	1.6	1.6	
TOTAL	1.6 %	1.6 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures of $2,213,143, all from special revenue funds, for FY 2017. The request is an increase of $35,408, or 1.6 percent, above the FY 2016 requested amount and is primarily attributable to the additional pay period in FY 2017. The agency requests 14.0 FTE positions, the same amount requested for FY 2016.

- **Salaries and Wages.** The agency requests $888,465 for salaries and wages for FY 2017, all from special revenue funds, which is an increase of $37,522, or 4.4 percent, above the FY 2016 request. The increase is primarily attributable to the additional pay period that occurs in FY 2017.

- **Contractual Services.** The agency requests $344,807 for contractual services for FY 2017, all from special revenue funds. The request is an increase of $6,072, or 1.8 percent, above the FY 2016 request due to another increase in rent and increased fee rates for existing services.

- **Commodities.** The agency requests $22,844 for commodities for FY 2017, all from special revenue funds. The request is an increase of $460, or 2.1 percent, above the FY 2016 request and reflects an inflationary increase.

- **Capital Outlay.** The agency requests $7,027 for capital outlay expenditures for FY 2017, all from special revenue funds, which is a decrease of $8,646, or 55.2 percent, below the FY 2016 request. The decrease is due to the planned replacement of certain laptops only, as opposed to the planned replacement of certain laptops, printers, and a server previously included in the FY 2016 request.

- **Aid to Locals.** The agency requests $800,000, all from special revenue funds, for aid to locals for FY 2017, which is the same as the FY 2016 request.

- **Other Assistance.** The agency estimates $150,000, all from special revenue funds, for other assistance for FY 2017, which is the same as the FY 2016 request.

The **Governor** recommends FY 2017 operating expenditures of $2,204,314, all from special revenue funds, a decrease of $8,829, or 0.4 percent, below the agency's FY 2017 request. The Governor concurs with the agency request except for the recommendation of a reduction of $8,655 to reduce employer contributions for state employee health insurance.

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 $3,020, all from special revenue funds, and affects 10 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 $4,280, all from special revenue funds, and FY 2017 longevity payments total $4,360, all from special revenue funds.**

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 $8,655, all from special revenue funds, for FY 2016. This is a reduction of $8,829, all from special revenue funds, 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
EMS Operating Fund	61.6 %	61.6 %	62.3 %	62.3 %
Education Incentive Grant Payment Fund	13.8	13.8	13.6	13.6
EMS Revolving Fund	24.6	24.6	24.2	24.2
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

EMS Operating Fee Fund Analysis

The Kansas Board of Emergency Medical Services is primarily financed through the EMS Operating Fund. Revenue for the fund includes regulatory fees and a levy of 0.25 percent gross cash receipts on fire insurance premiums. Fees collected by the agency are for ambulance licenses, ambulance services' licenses, examinations and certifications, certification renewals, and replacement cards or certificates.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 728,101	$ 1,060,644	$ 1,060,644	$ 1,323,615	$ 1,331,741	$ 1,596,088	$ 1,612,869
Revenue	1,933,371	1,867,773	1,867,775	1,914,958	1,914,958	1,963,557	1,963,557
Transfers in	0	0	3,077	0	2,000	0	2,000
Total Funds Available	$ 2,661,472	$ 2,928,417	$ 2,931,496	$ 3,238,573	$ 3,248,699	$ 3,559,645	$ 3,578,426
Less: Expenditures	1,300,828	1,304,802	1,296,676	1,342,485	1,333,830	1,377,893	1,369,064
Transfers Out	300,000	300,000	303,079	300,000	302,000	300,000	302,000
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 1,060,644	$ 1,323,615	$ 1,331,741	$ 1,596,088	$ 1,612,869	$ 1,881,752	$ 1,907,362
Ending Balance as Percent of Expenditures	81.5%	101.4%	102.7%	118.9%	120.9%	136.6%	139.3%
	January	January	January	January	January	January	January
Month Highest Ending Balance	$ 1,086,048	$ 1,580,360	$ 1,580,360	$ 1,972,186	$ 1,984,294	$ 2,378,171	$ 2,403,175
	October	October	October	October	October	October	October
Month Lowest Ending Balance	$ 341,410	$ 498,503	$ 498,503	$ 622,099	$ 625,918	$ 750,161	$ 758,048

It should be noted that while most receipts for the agency are deposited in the Operating Fund, the Board has two other regular accounts: the Education Incentive Grant Payment Fund and the EMS Revolving Fund.

The Board receives fees in the amounts noted in the following table for certifications or permits for first responders, mobile intensive care technicians, emergency medical technicians, instructor-coordinators, and ambulance service.

Fees Charged by EMS Board

First responder fees		
Examination/certification application fee	$	15
Certification renewal application fee for biennial basis renewal received before expiration		20
Certification renewal application fee received within 31 calendar days after expiration		40
Certification renewal application fee received on or after the 32nd calendar day after expiration		80
Mobile intensive care technician fees		
Examination/certification application fee	$	65
Certification renewal application fee received before expiration		50
Certification renewal application fee received within 31 calendar days after expiration		100
Certification renewal application fee received on or after the 32nd calendar day after expiration		200
EMT, EMT-I, EMT-D, and EMT-I/D fees		
Examination/certification application fee	$	50
Certification renewal application fee received before expiration		30
Certification renewal application fee received within 31 calendar days after expiration		60
Certification renewal application fee received on or after the 32nd calendar days after expiration		120
Certification renewal application fee for EMT-I/D dual certification received before expiration		30
Certification renewal application fee for EMT-I/D dual certification received within 31 calendar days after expiration		60
Certification renewal application fee for EMT-I/D dual certification received on or after the 32nd calendar day after expiration		120
Instructor-coordinator and training officer fees		
Examination/certification application fee	$	65
Certification renewal application fee received before expiration		30
Certification renewal application fee received within 31 calendar days after expiration		60
Certification renewal application fee received on or after the 32nd calendar day after expiration		120
Type I, II, II-A, and V ambulance service fees		
Service permit application fee	$	100
Service permit renewal fee received on or before expiration		100
Service permit renewal fee received after expiration		200
Vehicle license application fee		40

Note: Fee schedule and references to applicable authorizing statutes may be found in KAR 109-7-1

EXPENDITURES BY CATEGORY-- GOVERNOR'S FY 2016 RECOMMENDATION

Program	Gov Rec All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Salaries and Wages	$ 842,288	38.8 %	$ 0	-- %
Contractual Services	338,735	15.6	0	--
Commodities	22,384	1.0	0	--
Capital Outlay	15,673	0.7	0	--
Aid to Local Units	800,000	36.9	0	--
Other Assistance	150,000	6.9	0	--
TOTAL	$ 2,169,080	100.0 %	$ 0	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	14.0	14.0	14.0	14.0	14.0	14.0	14.0

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of ambulance service inspections completed	180	207	175	175	175
Number of times technical assistance is provided at an on-site inspection	300	284	275	275	275
Number of ambulance attendants recertified	4,700	3,876	4,500	4,700	4,600
Number of Instructor/Coordinators recertified	140	84	150	110	150
Number of initial education courses approved	200	174	200	200	200
Number of investigations received	50	60	55	55	55
Number of continuing education audits	500	0	600	600	600

STATE FIRE MARSHAL

	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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	4,359,397	5,033,179	5,009,158	5,478,012	5,435,394	5,563,205	5,519,623
TOTAL	$ 4,359,397	$ 5,033,179	$ 5,009,158	$ 5,478,012	$ 5,435,394	$ 5,563,205	$ 5,519,623
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	**$ 4,359,397**	**$ 5,033,179**	**$ 5,009,158**	**$ 5,478,012**	**$ 5,435,394**	**$ 5,563,205**	**$ 5,519,623**
Percentage Change:							
Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	18.9	15.5	14.9	8.8	8.5	1.6	1.5
FTE Positions	54.0	54.0	48.0	54.0	48.0	54.0	48.0
Non-FTE Perm.Uncl.Pos.	8.5	17.0	17.0	17.0	17.0	17.0	17.0
TOTAL	62.5	71.0	65.0	71.0	65.0	71.0	65.0

The Office of the Kansas State Fire Marshal was originally established in 1913, abolished in 1933, and re-established in 1939. The mission of the Office of the State Fire Marshal is to protect the lives and property of the citizens of Kansas from the hazards of fire or explosion. The office promotes prevention, educational, and investigative activities to mitigate incidents, promote life safety, and deter crimes. Four agency programs assist with the agency's mission: Administration, Investigation, Fire Prevention, and Hazardous Materials. The agency receives no State General Fund appropriation and is primarily funded through a levy on fire insurance premiums collected in the state.

MAJOR ISSUES FROM PRIOR YEARS

The Fire Marshal funds a majority of operations from a percent levy imposed on fire insurance premiums. The **2002 and 2003 Legislatures** amended KSA 75-1508 to redistribute the 1.25 percent levy to provide 1.0 percent to the Fire Marshal and 0.25 percent to the Emergency Medical Services (EMS) Board in calendar years 2002 and 2003. The **2004 Legislature** further amended the statute to distribute 0.8 percent to the Fire Marshal, 0.25 percent to the EMS and 0.20 percent to the Fire Services Training Institute at the University of Kansas beginning in calendar year 2004.

The **2005 Legislature** enacted legislation to allow certain employees of the State Fire Marshal's office to join the Kansas Police and Fire (KP&F) retirement system. The expenditure limitation of the Fire Marshal Fee Fund was increased by $32,450 to accommodate the anticipated increase in employer contributions to the Kansas Public Employees Retirement System.

The **2006 Legislature** authorized the creation of a statewide bomb response unit. Funding of $633,890 in FY 2006 and $116,110 in FY 2007 was added from federal grant funds to purchase three pickup trucks, a bomb unit response vehicle, and salaries for three unclassified non-FTE positions.

The **2007 Legislature** established an informal dispute resolution process for deficiencies under the agency's jurisdiction cited in a medical care facility, adult care home, assisted living facility, or special hospital by an officer of the State Fire Marshal during an inspection for compliance with federal law pursuant to oversight by the Centers for Medicaid and Medicare Services. The Legislature increased the expenditure limitation of the Fire Marshal Fee Fund by $142,773 and added 2.0 FTE positions to implement the process.

The **2007 Legislature** established the Kansas Fireworks Act to be administered by the State Fire Marshal. The Act requires any person who intends to sell, offer for sale, possess with intent to sell, any consumer fireworks, display fireworks or articles pyrotechnic or discharge, use, or display fireworks or articles pyrotechnic be required to obtain the appropriate license from the State Fire Marshal.

The **2008 Legislature** passed SB 178, and added $63,188 from the Fire Marshal Fee Fund for staffing within existing FTE limitations. SB 178 created standards for "flame retardant" cigarettes under the Fire Safety Standard and Firefighter Protection Act. The State Fire Marshal had to propose

equivalent test methods for cigarettes that are not sent to the American Society for Testing and Materials to be tested. Manufacturers were required to pay the State Fire Marshal a fee of $250 to defray costs of processing, testing enforcement, administration, and oversight activities. Cigarettes must be re-certified every three years, or when a change to the cigarettes is made by a manufacturer.

The **2008 Legislature** also passed Senate Sub. for HB 2634 and added $78,119 from the Fire Marshal Fee Fund for staffing within existing FTE limitations. Senate Sub. for HB 2634 created two new laws regarding non-fuel flammable or combustible liquid above ground storage tanks. The State Fire conducted an on-site inspection of any facility in existence on the effective date of the bill to determine compliance with standards. If the facility was not in compliance, any necessary changes were required to be made as soon as practical, but no later than July 1, 2012. No revenues were available until FY 2013, and are now contingent upon non-compliant sites.

The **2009 Legislature** deleted $101,757, or 3.0 percent, from the Fire Marshal Fee Fund in FY 2009 and transferred the savings to the State General Fund. The Legislature also deleted $132,423 in budget reductions from the State Fire Marshal's Fee Fund in FY 2010 and transferred the savings to the State General Fund.

The **2010 Legislature** added language to 2010 House Sub. for SB 572 adjusting the statutory distribution (KSA 75-1508) of the 1.25 percent levy on fire insurance premiums in order to distribute the State General Fund administrative services fee across the three agencies the levy supports rather than being solely charged to the State Fire Marshal in FY 2011. The language distributed the $200,000 fee across the three agencies by the proportion of the levy each agency receives.

The **2011 Legislature** deleted $80,748, all from the Fire Marshal Fee Fund, to reduce budgeted purchases for paper-based supplies from $150,748 to $70,000 in FY 2012. The Legislature also reduced the agency's FTE limitation from 53.0 to 48.0 FTE positions in FY 2012.

The **2012 Legislature** passed SB 387 which changed the State Fire Marshal's qualifications. The qualifications no longer require the State Fire Marshal to have knowledge of building construction, but require the individual to have no less than five-years' experience in fire prevention and inspection, safety inspection, or investigation, or any combination of experience.

The **2013 Legislature** added $582,652 and 7.0 FTE positions in FY 2014 and $565,618 and 7.0 FTE positions for FY 2015, all from the Boiler Inspection Fee Fund, for the Boiler Inspection Program which was transferred from the Kansas Department of Labor to the State Fire Marshal under 2013 SB 135. The Legislature also appropriated the Explosives Regulatory and Training Fund which will be funded through fees collected by the State Fire Marshal from those who sell or manufacture bottle rockets at wholesale in FY 2014 and FY 2015.

The **2014 Legislature** added $15,000, all from special revenue funds, to increase federal fund expenditures from the Hazardous Materials Emergency Preparedness grant in FY 2014. The Legislature also deleted 1.0 vacant FTE position in FY 2014 and FY 2015. In 2014 HB 2506, the Legislature transferred $2.5 million from the unencumbered balance of the Fire Marshal Fee Fund to the State General Fund for 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency estimates** $5.0 million, all from special revenue funds, and 54.0 FTE positions, in FY 2015, which is unchanged from the amount approved by the 2014 Legislature.

FY 2015 Governor Recommendation

The **Governor** recommends $5.0 million, all from special revenue funds, in FY 2015. This is a decrease of $24,021, or 0.5 percent, below the agency's FY 2015 revised estimate, and is attributable to reduced employer contributions to KPERS. The Governor's recommendation includes 48.0 FTE and 17.0 non-FTE positions, which is a decrease of 6.0 FTE positions due to the Governor removing 6.0 vacant classified FTE positions that the agency is holding open.

FY 2016 Agency Request

The **agency** requests $5.5 million, all from special revenue funds, for FY 2016. This is an in increase of $444,833, or 8.8 percent, above the agency's FY 2015 revised estimate. The increase is attributable to higher expenditures on salaries and wages, contractual services, and capital outlay, offset partially by reduced expenditures on commodities and other assistance. The agency's FY 2016 request includes 54.0 FTE positions, which is an increase of 0.5 FTE positions from the FY 2015 revised estimate.

FY 2016 Governor Recommendation

The **Governor** recommends $5.4 million, all from special revenue funds, for FY 2016. This is a decrease of $42,618, or 0.8 percent, below the agency's FY 2016 request, and is attributable to a reduction in employer contributions for state employee health insurance. A transfer of $1.0 million from the Fire Marshal Fee Fund to the State General Fund also is included in the recommendation. The recommendation includes increases in the amounts withheld from the Fire Marshal Fee Fund and Boiler Inspection Fee Fund from the lesser of 10 percent or $100,000 to the lesser of 20 percent or $200,000 and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at $100,000 and $29,444 for each respective fund. The Governor's recommendation includes 48.0 FTE and 17.0 non-FTE positions, which is a decrease of 6.0 FTE positions due to the Governor recommending a reduction of 6.0 vacant classified FTE positions that the agency is holding open.

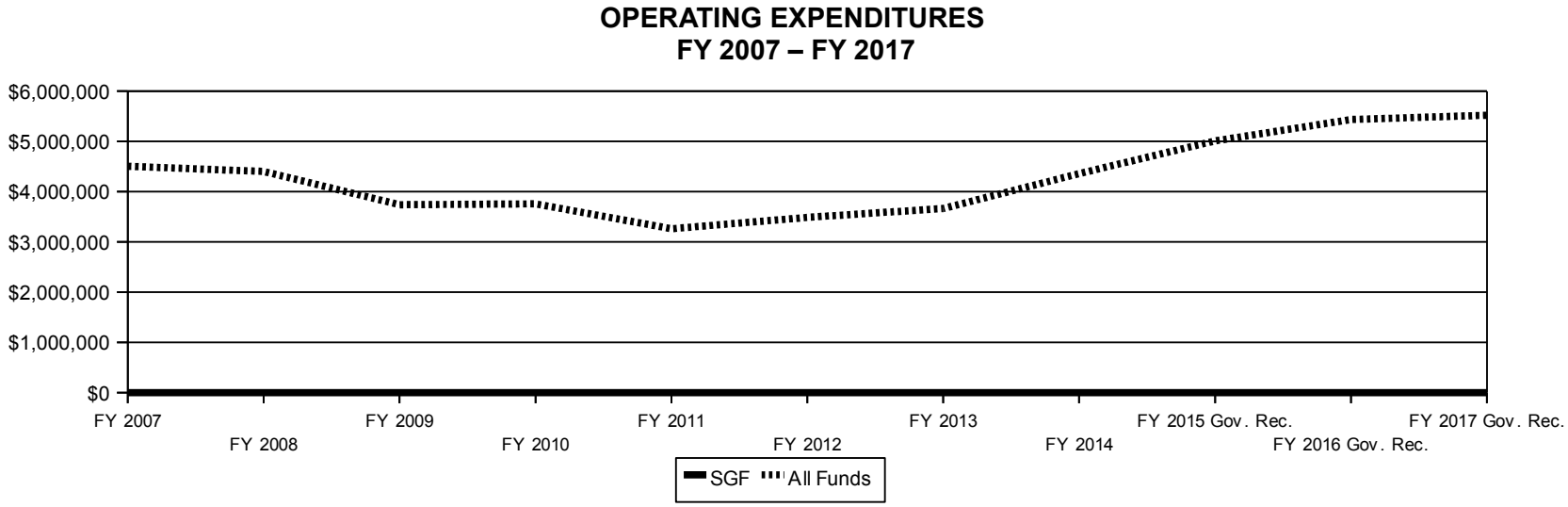
FY 2017 Agency Request

The **agency** requests $5.6 million, all from special revenue funds, for FY 2017. This is a net increase of $85,193, or 1.6 percent, above the agency's FY 2016 request. The increase is attributable to higher expenditures in salaries and wages, contractual services, and commodities, offset partially by reduced capital outlay and other assistance expenditures. The agency's FY 2017 request includes 54.0 FTE positions, an increase of 0.2 FTE positions from the FY 2016 request.

FY 2017 Governor Recommendation

The **Governor** recommends $5.5 million, all from special revenue funds, for FY 2017. This is a decrease of $43,582, or 0.8 percent, below the agency's FY 2017 request, and is attributable to a reduction in employer contributions for state employee health insurance. A transfer of $1.0 million from the Fire Marshal Fee Fund to the State General Fund also is included in the recommendation. The recommendation includes increases in the amounts withheld from the Fire Marshal Fee Fund and Boiler Inspection Fee Fund from the lesser of 10 percent or $100,000 to the lesser of 20 percent or $200,000 and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at $100,000 and $29,444 for each respective fund. The Governor's recommendation includes 48.0 FTE and 17.0 non-FTE positions, which is a decrease of 6.0 FTE positions due to the Governor recommending a reduction of 6.0 vacant classified FTE positions that the agency is holding open.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 0	-- %	$ 4,504,869	22.9 %	51.0
2008	0	--	4,400,924	(2.3)	53.0
2009	0	--	3,739,213	(15.0)	53.0
2010	0	--	3,756,142	0.5	53.0
2011	0	--	3,262,262	(13.1)	48.5
2012	0	--	3,486,988	6.9	48.0
2013	0	--	3,664,916	5.1	48.0
2014	0	--	4,359,397	18.9	50.3
2015 Gov. Rec.	0	--	5,009,158	14.9	48.0
2016 Gov. Rec.	0	--	5,435,394	8.5	48.0
2017 Gov. Rec.	0	--	5,519,623	1.5	48.0
Eleven-Year Change	$ 0	-- %	$ 1,014,754	22.5 %	(3.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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
Administration	$ 4,359,397	$ 5,033,179	$ 5,478,012	$ 444,833	8.8 %	$ 5,009,158	$ 5,435,394	$ 426,236	-- %
By Major Object of Expenditure:									
Salaries and Wages	$ 2,971,357	$ 3,414,326	$ 3,649,898	$ 235,572	6.9 %	$ 3,390,305	$ 3,607,280	$ 216,975	6.4 %
Contractual Services	823,519	1,032,197	1,108,135	75,938	7.4	1,032,197	1,108,135	75,938	7.4
Commodities	241,454	344,838	283,950	(60,888)	(17.7)	344,838	283,950	(60,888)	(17.7)
Capital Outlay	284,284	204,318	422,316	217,998	106.7	204,318	422,316	217,998	106.7
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 4,320,614	$ 4,995,679	$ 5,464,299	$ 468,620	9.4 %	$ 4,971,658	$ 5,421,681	$ 450,023	9.1 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	38,783	37,500	13,713	(23,787)	(63.4)	37,500	13,713	(23,787)	(63.4)
TOTAL	$ 4,359,397	$ 5,033,179	$ 5,478,012	$ 444,833	8.8 %	$ 5,009,158	$ 5,435,394	$ 426,236	8.5 %
Financing:									
State General Fund	$ 0	$ 0	$ 0	$ 0	-- %	$ 0	$ 0	$ 0	-- %
Fire Marshal Fee Fund	3,171,229	3,459,366	4,365,646	906,280	26.2	3,440,834	4,330,955	890,121	25.9
Hazardous Materials Program Fund	322,992	347,137	0	(347,137)	(100.0)	346,104	0	(346,104)	(100.0)
Liquified Petroleum Gas Fee Fund	142,767	151,378	61,459	(89,919)	(59.4)	150,427	60,760	(89,667)	(59.6)
All Other Funds	722,409	1,075,298	1,050,907	(24,391)	(2.3)	1,071,793	1,043,679	(28,114)	(2.6)
TOTAL	$ 4,359,397	$ 5,033,179	$ 5,478,012	$ 444,833	8.8 %	$ 5,009,158	$ 5,435,394	$ 426,236	8.5 %

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
Administration	$ 5,478,012	$ 5,563,205	$ 85,193	1.6 %	$ 5,435,394	$ 5,519,623	$ 84,229	-- %
By Major Object of Expenditure:								
Salaries and Wages	$ 3,649,898	$ 3,813,990	$ 164,092	4.5 %	$ 3,607,280	$ 3,770,408	$ 163,128	4.5 %
Contractual Services	1,108,135	1,125,737	17,602	1.6	1,108,135	1,125,737	17,602	1.6
Commodities	283,950	312,085	28,135	9.9	283,950	312,085	28,135	9.9
Capital Outlay	422,316	307,313	(115,003)	(27.2)	422,316	307,313	(115,003)	(27.2)
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 5,464,299	$ 5,559,125	$ 94,826	1.7 %	$ 5,421,681	$ 5,515,543	$ 93,862	1.7 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	13,713	4,080	(9,633)	(70.2)	13,713	4,080	(9,633)	(70.2)
TOTAL	$ 5,478,012	$ 5,563,205	$ 85,193	1.6 %	$ 5,435,394	$ 5,519,623	$ 84,229	1.5 %
Financing:								
State General Fund	$ 0	$ 0	$ 0	-- %	$ 0	$ 0	$ 0	-- %
Fire Marshal Fee Fund	4,365,646	4,412,663	47,017	1.1	4,330,955	4,377,187	46,232	1.1
Hazardous Materials Program Fund	0	0	0	--	0	0	0	--
Liquified Petroleum Gas Fee Fund	61,459	64,171	2,712	4.4	60,760	63,457	2,697	4.4
All Other Funds	1,050,907	1,086,371	35,464	3.4	1,043,679	1,078,979	35,300	3.4
TOTAL	$ 5,478,012	$ 5,563,205	$ 85,193	1.6 %	$ 5,435,394	$ 5,519,623	$ 84,229	1.5 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

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	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	5,033,179	5,033,179	0	5,009,158	(24,021)
TOTAL	$ 5,033,179	$ 5,033,179	$ 0	$ 5,009,158	$ (24,021)
FTE Positions	54.0	54.0	0.0	48.0	(6.0)

The **agency's** FY 2015 revised estimate is $5.0 million, all from special revenue funds, which is unchanged from the amount approved by the 2014 Legislature.

The revised estimate includes 54.0 FTE positions and 17.0 non-FTE unclassified permanent positions, an increase of 8.5 non-FTE unclassified permanent positions. The increase in non-FTE positions is attributable to the agency hiring 3.5 new positions and filling 5.0 positions tied to vacant FTE positions. The 3.5 new positions include two for Information Technology support because the Office of Information Technology Services (OITS) no longer provides certain services to smaller agencies, an accounting specialist in the Boiler Inspection subprogram, and an administrative assistant (0.5 FTE) in the Investigation subprogram.

Categories of expenditures are detailed below.

- **Salaries and Wages.** The agency's FY 2015 revised estimate includes $3.4 million, all from special revenue funds, for 50.4 FTE and 17.0 non-FTE positions. This is no change from the FY 2015 approved amount.

- **Contractual Services.** The agency's FY 2015 revised estimate includes $1.0 million, all from special revenue funds, which is no change from the FY 2015 approved amount.

- **Commodities.** The agency's FY 2015 revised estimate includes $344,838, all from special revenue funds, which is no change from the FY 2015 approved amount.

- **Capital Outlay.** The agency's FY 2015 revised estimate includes $204,318, all from special revenue funds, which is no change from the FY 2015 approved amount.

- **Other Assistance**. The agency's FY 2015 revised estimate includes $37,500 all from special revenue funds, which is no change from the FY 2015 approved amount.

The **Governor** recommends $5.0 million, all from special revenue funds, in FY 2015. This is a decrease of $24,021, or 0.5 percent, below the agency's FY 2015 revised estimate, and is attributable to reduced employer contributions to KPERS. The Governor's recommendation includes 48.0 FTE and 17.0 non-FTE positions, which is a decrease of 6.0 FTE positions due to the Governor removing 6.0 vacant classified FTE positions that the agency is holding open.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 5,478,012	$ 5,435,394	$ (42,618)
FTE Positions	54.0	48.0	(6.0)
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 0	$ 0	
All Other Funds	444,833	426,236	
TOTAL	$ 444,833	$ 426,236	
Percent Change:			
State General Fund	0.0 %	0.0 %	
All Other Funds	8.8	8.5	
TOTAL	8.8 %	8.5 %	
Change in FTE Positions	0.5	0.5	

The **agency** requests $5.5 million, all from special revenue funds, for FY 2016. This is an increase of $444,833, or 8.8 percent, above the agency's FY 2015 revised estimate. The increase is attributable to higher expenditures in salaries and wages, contractual services, and capital outlay, offset by reduced expenditures on commodities and other assistance. The agency's FY 2016 request includes 54.0 FTE and 17.0 non-FTE unclassified permanent positions, an increase of 0.5 on-budget FTE positions from the FY 2015 revised estimate. The increase in positions is due to 0.5 off-budget positions returning to the on-budget program. Expenditure adjustments from the agency's FY 2015 revised estimate are as follows.

- **Salaries and Wages.** The agency requests $3.6 million, all from special revenue funds, an increase of $235,572, or 6.9 percent, above the

agency's FY 2015 revised estimate. The increase is largely attributable to higher expenditures on pay for unclassified temporary employees ($432,452), workers compensation ($34,181), and group health hospitalization ($28,324) associated with the addition of 3.5 new non-FTE positions. The reductions were offset by lower expenditures on pay for classified regular employees ($323,988) and unclassified regular employees ($11,749), and are attributable to the agency's filling of unclassified positions, leaving the corresponding classified positions vacant and unfunded.

- **Contractual Services**. The agency requests $1.1 million, all from special revenue funds, an increase of $75,938, or 7.4 percent, above the agency's FY 2015 revised estimate. The increase is largely attributable to higher expenditures on attorneys and lawyers ($8,692), and credit card fees and charges ($4,250), partially offset by reduced expenditures on physicians and medical associates ($1,250). The agency's attorney services are provided through an agreement with the Attorney General's Office and the fee for services increased. Increased expenditures on credit cards stemmed from the fees the agency pays to accept online credit card payments for boiler inspections.

- **Commodities.** The agency requests $283,950, all from special revenue funds, a decrease of $60,888, or 17.7 percent, below the agency's FY 2015 revised estimate. The decrease is attributable to reduced expenditures on gasoline ($30,537), and professional scientific supplies ($18,765) and equipment, materials, and parts ($16,700) used in the agency's Hazardous Material Response subprogram.

- **Capital Outlay.** The agency requests $422,316, all from special revenue funds, an increase of $217,998, or 106.7 percent, above the agency's FY 2015 revised estimate. The increase is attributable to higher expenditures on professional and scientific equipment ($191,000) used in the Hazardous Material Response subprogram and expenditures on trucks ($25,419), partially offset by reduced expenditures on passenger cars ($17,728). The agency plans to purchase two trucks for use in the Investigation subprogram.

- **Other Assistance.** The agency requests $13,713, all from special revenue funds, a decrease of $23,787, or 63.4 percent, below the agency's FY 2015 revised estimate. The agency's expenditures on other assistance is for individuals participating in the Voluntary Retirement Incentive Program which decreased from four to two individuals for FY 2016.

The **Governor** recommends $5.4 million, all from special revenue funds, for FY 2016. This is a decrease of $42,618, or 0.8 percent, below the agency's FY 2016 request. The Governor recommends the following items.

- A reduction of $42,618, all from special revenue funds, to reduce employer contributions for state employee health insurance.

- A transfer of $1.0 million from the Fire Marshal Fee Fund to the State General Fund.

- An increase in the amount withheld from the Fire Marshal Fee Fund from the lesser of 10 percent or $100,000 to the lesser of 20 percent or $200,000 and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at $100,000 for FY 2016.

- An increase the amount withheld from the Boiler Inspection Fee Fund from the lesser of 10 percent or $100,000 to the lesser of 20 percent or $200,000 and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at $29,444 for FY 2016.

The Governor's recommendation includes 48.0 FTE and 17.0 non-FTE positions, which is a decrease of 6.0 FTE positions due to the Governor removing 6.0 vacant classified FTE positions that the agency is holding open.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 5,563,205	$ 5,519,623	$ (43,582)
FTE Positions	54.0	48.0	(6.0)
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 0	$ 0	
All Other Funds	85,193	84,229	
TOTAL	$ 85,193	$ 84,229	
Percent Change:			
State General Fund	0.0 %	0.0 %	
All Other Funds	1.6	1.5	
TOTAL	1.6 %	1.5 %	
Change in FTE Positions	0.2	0.2	

The **agency** requests $5.6 million, all from special revenue funds, for FY 2017. This is a net increase of $85,193, or 1.6 percent, above the agency's FY 2016 request. The increase is attributable to higher expenditures in salaries and wages, contractual services, and commodities, offset by reduced capital outlay and other assistance expenditures. The agency's FY 2017 request includes 54.0 FTE positions and 17.0 non-FTE unclassified permanent positions, which is an increase of 0.2 on-budget FTE positions from the FY 2016 request. The increase in positions is due to 0.2 off-budget positions returning to the on-budget program Expenditure adjustments from the agency's FY 2016 request include the following items.

- **Salaries and Wages.** The agency requests $3.8 million, all from special revenue funds, an increase of $164,092, or 4.5 percent, above the

agency's FY 2016 request. The increase is largely attributable to higher pay for classified regular employees ($59,013), employer contributions to KPERS ($34,456), and pay for unclassified temporary employees ($28,416). The increased pay to employees is attributable to the 27th paycheck. The agency's FY 2017 request includes 54.0 FTE positions and 17.0 non-FTE unclassified permanent positions, which is an increase of 0.2 FTE positions from the FY 2016 request and is attributable to 0.2 positions in the off-budget program returning to the on-budget program.

- **Contractual Services**. The agency requests $1.1 million, all from special revenue funds, an increase of $17,602, or 1.6 percent, above the agency's FY 2016 request. The increase is largely attributable to expenditures on in-state meals and lodging ($7,500) and passenger car service ($3,300) due to the agency being fully staffed. There was also an increase in other fees ($5,060) due to contractual fees associated with the hiring of instructors in the Hazardous Material Response program. Increases were partially offset by reduced expenditures on other professional fees ($4,950) and job related training ($2,170) related to the agency's reduced expenditures on CPR classes and participation in online training.

- **Commodities**. The agency requests $312,085, all from special revenue funds, an increase of $28,135, or 9.9 percent, above the agency's FY 2016 request. The increase is largely attributable to higher expenditures on professional scientific equipment ($15,390), gasoline ($7,500), and vehicle parts and supplies ($2,980).

- **Capital Outlay**. The agency requests $307,313, all from special revenue funds, a decrease of $115,003, or 27.2 percent, below the agency's FY 2016 request. The decrease is largely attributable to reduced expenditures on professional and scientific equipment ($65,000) and passenger cars ($55,189), offset by increased expenditures on trucks ($28,091). The agency anticipates purchasing three trucks for the Investigation subprogram.

- **Other Assistance.** The agency requests $4,080, all from special revenue funds, a decrease of $9,633, or 70.2 percent, below the agency's FY 2016 request. The agency's expenditures on other assistance is for staff participating in the Voluntary Retirement Incentive Program, and the decrease is attributable to partial year participation of the agency's remaining participants.

The **Governor** recommends $5.5 million, all from special revenue funds, for FY 2017. This is a decrease of $43,582, or 0.8 percent, below the agency's FY 2017 request. The Governor recommends the following items.

- A reduction of $43,582, all from special revenue funds, to reduce employer contributions for state employee health insurance.

- A transfer of $1.0 million from the Fire Marshal Fee Fund to the State General Fund.

- An increase in the amount withheld from the Fire Marshal Fee Fund from the lesser of 10 percent or $100,000 to the lesser of 20 percent or $200,000 and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at $100,000 for FY 2017.

- An increase the amount withheld from the Boiler Inspection Fee Fund from the lesser of 10 percent or $100,000 to the lesser of 20 percent or $200,000 and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at $29,444 for FY 2017.

The Governor's recommendation includes 48.0 FTE and 17.0 non-FTE positions, which is a decrease of 6.0 FTE positions due to the Governor removing 6.0 vacant classified FTE positions that the agency is holding open.

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 $14,580, all from special revenue funds, and affects 47 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 $12,810, all from special revenue funds, and FY 2017 longevity payments total $14,490, all from special revenue funds.**

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 $42,618, all from special revenue funds, for FY 2016. This is a reduction of $43,582, all from special revenue funds, 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	0.0 %	0.0 %	0.0 %	0.0 %
Fire Marshal Fee Fund	79.7	79.7	79.3	79.3
Hazardous Materials Program Fund	0.0	0.0	0.0	0.0
Liquified Petroleum Gas Fee Fund	1.1	0.0	1.2	0.0
All Other Funds	19.2	20.3	19.5	20.6
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

Fire Marshal Fee Fund

The Fire Marshal Fee Fund is the primary source of funding for the agency. KSA 75-1508 requires each fire insurance company doing business in Kansas to pay the Commissioner of Insurance. Pursuant to statute, the levy shall not exceed 0.8 percent of a sum equal to the gross cash receipts of such company on all fire business transacted by the company in the preceding calendar year. KSA 75-1508 also requires a levy of 0.25 percent to support the operations of the Emergency Medical Services Board, and a 0.20 percent levy be used to support the Fire Services Training Institute at the University of Kansas. (Previously, the Fire Services Training Institute was supported with a transfer of $750,000 from the Fire Marshal Fee Fund which was discontinued beginning in FY 2005.)

The timing of receipts, expenditures, and transfers from the Fire Marshal Fee Fund have caused cash flow issues with the agency in previous fiscal years. Since nearly all of the receipts into the fee fund occur in December and June, the fund is nearly depleted by the end of the previous months, while expenses are spread relatively evenly over the entire fiscal year. In May 2004, a transfer of $250,000 was made from the Hazardous Materials Emergency Fund to the Fire Marshal Fee Fund to allow the agency to meet its payroll and other outstanding payments. The agency has included a transfer of $50,000 from the Fire Marshal Fee Fund to the Hazardous Materials Emergency Fund in all budget submissions since FY 2008, to begin paying back the May 2004 transfer. The agency paid $50,000 in FY 2011, FY 2012, FY 2013, FY 2014, and FY 2015, thereby repaying the balance of the loan.

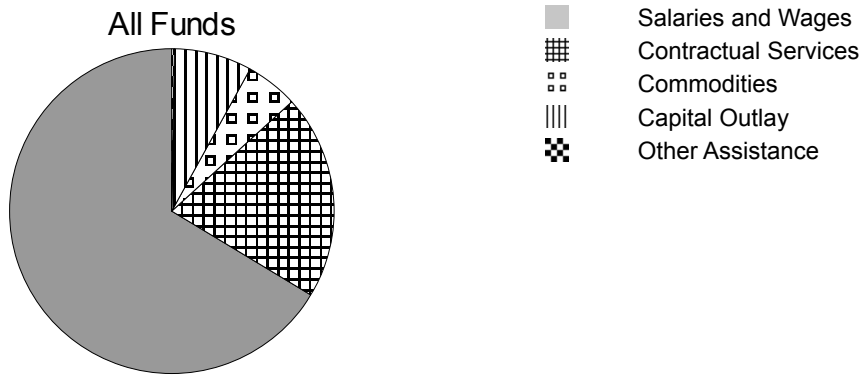
The agency has also taken a loan from the State General Fund. During the 2008 Session, language was added to Senate Sub. for HB 2946 to allow a loan from the State General Fund to the Fire Marshal Fee Fund if there were any cash flow issues, and was continued in 2009 Senate Sub. for HB 2354.

KSA 75-1514 requires that 10.0 percent of the receipts received by the Fire Marshal be remitted to the State General Fund. In previous years, a maximum transfer was set at $200,000. The 2013 Legislature lowered the maximum transfer in 2013 SB 171 to $100,000 in FY 2014 and FY 2015. After the transfer of $100,000 is met, 64.0 percent of each deposit will be credited to the Fire Marshal Fee Fund, 20.0 percent will be credited to support the operations of the Emergency Medical Services Board, and 16.0 percent will be credited to the Fire Services Training Institute at the University of Kansas. This transfer is intended to reimburse State General Fund for administrative services provided to this agency.

Additional transfers to the State General Fund from the Fire Marshal Fee Fund periodically have been directed in the budgeting and appropriations process. The 2014 Legislature, in 2014 HB 2506, authorized a $2.5 million transfer from the unencumbered balance of the Fire Marshal Fee Fund to the State General Fund in FY 2015.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 5,527,803	$ 6,964,317	$ 6,964,317	$ 5,712,255	$ 5,734,118	$ 6,542,275	$ 5,498,829
Revenue	5,214,382	5,315,704	5,315,704	5,220,666	5,220,666	5,376,182	5,376,182
Transfers in	51,998	52,507	53,540	0	0	0	0
Total Funds Available	$ 10,794,183	$ 12,332,528	$ 12,333,561	$ 10,932,921	$ 10,954,784	$ 11,918,457	$ 10,875,011
Less: Expenditures	3,415,134	3,706,959	3,686,129	4,365,646	4,330,955	4,412,663	4,377,187
Transfers Out	414,732	2,913,314	2,913,314	25,000	1,125,000	25,000	1,125,000
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 6,964,317	$ 5,712,255	$ 5,734,118	$ 6,542,275	$ 5,498,829	$ 7,480,794	$ 5,372,824
Ending Balance as Percent of Expenditures	203.9%	154.1%	155.6%	149.9%	127.0%	169.5%	122.7%
	June	June	June	June	December	June	December
Month Highest Ending Balance	$ 7,272,137	$ 5,886,059	$ 5,987,889	$ 6,696,081	$ 5,761,414	$ 6,570,279	$ 5,581,764
	November	November	November	November	November	November	November
Month Lowest Ending Balance	$ 4,303,515	$ 3,447,253	$ 3,447,253	$ 4,062,374	$ 3,577,244	$ 3,808,489	$ 3,323,689

EXPENDITURES BY OBJECT–GOVERNOR'S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Salaries and Wages	$ 3,607,280	66.4 %	$ 0	-- %
Contractual Services	1,108,135	20.4	0	--
Commodities	283,950	5.2	0	--
Capital Outlay	422,316	7.8	0	--
Other Assistance	13,713	0.3	0	--
TOTAL	$ 5,435,394	100.0 %	$ 0	100.0 %

FTE POSITIONS 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	54.0	54.0	48.0	54.0	48.0	54.0	48.0

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of polygraph examinations	10	3	20	20	40
Number of requests for investigations	380	382	390	390	400
Number of investigation with arrests/convictions	65	44	60	60	70

Kansas Highway Patrol

	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	$ 0	$ 0	$ 0	$ 58,640,009	$ 0	$ 60,014,050	$ 0
Other Funds	80,842,665	79,665,998	78,428,718	26,215,718	78,608,097	26,566,839	80,289,813
TOTAL	$ 80,842,665	$ 79,665,998	$ 78,428,718	$ 84,855,727	$ 78,608,097	$ 86,580,889	$ 80,289,813
Capital Improvements:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	1,119,660	4,705,226	5,336,526	633,522	633,522	652,355	652,355
TOTAL	$ 1,119,660	$ 4,705,226	$ 5,336,526	$ 633,522	$ 633,522	$ 652,355	$ 652,355
GRAND TOTAL	**$ 81,962,325**	**$ 84,371,224**	**$ 83,765,244**	**$ 85,489,249**	**$ 79,241,619**	**$ 87,233,244**	**$ 80,942,168**
Percentage Change:							
Operating Expenditures							
State General Fund	-- %	-- %	-- %	100.0 %	-- %	2.3 %	-- %
All Funds	(1.4)	(1.5)	(3.0)	6.5	0.2	2.0	2.1
FTE Positions	841.0	841.0	834.0	841.0	834.0	841.0	834.0
Non-FTE Perm.Uncl.Pos.	46.0	46.0	46.0	46.0	46.0	46.0	46.0
TOTAL	887.0	887.0	880.0	887.0	880.0	887.0	880.0

The mission of the Kansas Highway Patrol (KHP) is to provide protection of life and property through the enforcement of traffic, criminal, and other laws of the State of Kansas and supporting homeland security initiatives. Other services provided by the Highway Patrol include training to law enforcement officers for the detection and apprehension of drunk drivers, motorist assistance, title inspection for cars being titled for the first time in Kansas, and the Motor Carrier Assistance program. The agency operates the Kansas Highway Patrol Training Center in Salina to provide training for new recruits and continuing education for KHP sworn officers. The agency also works to reduce the number of oversized, overweight, or unsafe commercial vehicles through the Motor Carrier Inspection program.

MAJOR ISSUES FROM PRIOR YEARS

The **2003 Legislature** approved the issuance of bonds to acquire the building that houses the Vehicle Identification Number program in Olathe. The total cost of the acquisition was $621,768. Annual debt service payments are approximately $62,000.

The **2005 Legislature** transferred $1.9 million and 2.0 FTE positions from the Department of Administration to the KHP in FY 2006. By contract, the Capitol Area Security Patrol (CASP) provided security for buildings operated by the Department of Administration, with CASP expenditures included in the Department of Administration's budget. Since FY 2006, all CASP expenditures are directly budgeted through the KHP.

The 2006 Legislature

- Deleted the transfer of $34.6 million from the State Highway Fund to the State General Fund in FY 2007. This transfer was equal to the amount of State General Fund appropriated to the KHP.

- Changed all statutory references of the "Capitol Area Security Patrol" to "Capitol Police."

The 2007 Legislature

- Added $2.0 million, all from the State General Fund, in FY 2008 for a federal homeland security interoperability grant contingent upon the receipt of the grant.

- Reinstated $30.0 million of the transfer from the State Highway Fund to the State General Fund to support KHP operations in FY 2007. The 2007 Legislature also approved a $5.0 million reduction in the FY 2008 transfer, providing a transfer of $30.3 million for KHP operations.

The 2008 Legislature

- Added $191,854, all from special revenue funds, for additional trooper pay increases in FY 2008. This funding was the difference between the funding approved by the 2007 Legislature for the FY 2008 pay increases, and the amount needed to fulfill the 4.0 percent pay increase under the Trooper Memorandum of Agreement.

- Added $275,000, all from the Kansas Highway Patrol Operations Fund, for additional trooper fuel costs in FY 2008.

- Adjusted the expenditure limitation on the KHP Operations Fund in FY 2008 and FY 2009, by reducing the expenditure limitation by $550,000 in FY 2008 and increasing the expenditure limitation in FY 2009 by the same amount. This moved part of the expenditure authority for the purchase of digital in-car cameras from FY 2008 to FY 2009. This left $275,000 of the original $825,000 in FY 2008 to be utilized for trooper fuel costs as mentioned in the preceding bullet.

- Added $188,700, all from the KHP Motor Vehicle Fund, to replace eight non-law enforcement vehicles in FY 2009.

The 2009 Legislature

- The Governor recommended special one-time transfers totaling $450,000 from the General Fees Fund ($300,000) and the Highway Patrol Training Center Fund ($150,000) to the State General Fund in FY 2009. The Legislature accepted the Governor's recommendation but reduced the transfers by 21.5 percent for a total transfer of $353,250.

- The Governor recommended and the Legislature approved the addition of $1,007,680, all from special revenue funds, as part of the agency's supplemental request for additional fuel expenditures related to fuel price increases in FY 2009.

- The Governor recommended and the Legislature approved partial reductions from the agency's reduced resources budget totaling $1,473,559, including $1,039,953 from the State General Fund, which included reductions in out-of-state travel, information technology replacement of equipment and software, and the elimination of one trooper trainee class in FY 2010.

- Added $189,204, including $130,153 from the State General Fund, in FY 2010 for undermarket pay adjustments for positions that had recommended pay adjustments in the Hay group study on Kansas state employee compensation. The study was completed in FY 2008.

- Reduced the agency's budget by 1.25 percent, as part of an across the board reduction to the Governor's FY 2009 recommended State General Fund operating expenditures, excluding debt service payments and caseload estimates in FY 2009 ($493,739) and FY 2010 ($493,739).

- Deleted $1,826,911, including $938,041 from the State General Fund, from the FY 2010 Governor's recommended budget in order to reach a target of 5.0 percent below the FY 2009 Governor's recommendation for expenditures in FY 2010.

- During Omnibus, reduced the agency's budget by 2.75 percent, as part of an across the board reduction to the Governor's FY 2010 recommended State General Fund operating expenditures, excluding debt service payments and caseload estimates in FY 2010 ($951,599).

The 2011 Legislature

- Enacted 2011 Senate Sub. for HB 2014 which authorized and directed the agency to pay from the Kansas Highway Patrol Operations Fund amounts for medical expenses of a prisoner in custody totaling $125,416, to the Kansas University Physicians Inc., and the University of Kansas Hospital Authority.

- Approved the transfer of $1.6 million from the agency's Motor Vehicle Fund to the State General Fund in FY 2012 as part of the agency's reduced resources budget.

- Approved reducing the agency's FTE limitation by 8.0 vacant FTE positions, from 859.0 to 851.0 FTE positions in FY 2012.

The 2012 Legislature

- Added $215,326, all from special revenue funds, to restore funding that was deleted by the Governor's recommended savings from the Voluntary Retirement Incentive Program in FY 2013.

- Transferred $627,766 from the State General Fund to the Operations Fund, in FY 2013, and raised the expenditure limit on the Operations Fund by that amount to provide for a pay out for accumulated holiday and overtime hours. Language stating that the money may only be spent on the pay out for accumulated holiday and overtime hours or the funding will lapse was also added.

The 2013 Legislature

- Approved up to a 5.0 percent pay increase for all State Troopers, excluding the Colonel and Lieutenant Colonel. The increase was funded within existing special revenue funds in FY 2014.

- Appropriated $1,204,068 from a transfer from the State Highway Fund to the Kansas Highway Patrol Operations Fund to continue funding for the 5.0 percent pay increase in FY 2015.

- Added language authorizing the use of federal forfeiture funds for capital improvement at Troop F Headquarters in FY 2014 and FY 2015.

The 2014 Legislature

- Added $204,598 in FY 2014 and $208,183 in FY 2015, all from special revenue funds, to provide a 5.0 percent pay increase to individuals in the following classifications in FY 2015: Law Enforcement Officer I, II, and III, and Public Service Executive II. This increase is not an increased transfer from the Highway Fund; it is self-funded within the existing budget.

- Transferred $1.0 million, all from the Vehicle Identification Number Fee Fund, to the State General Fund in FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency's** FY 2015 revised estimate for total agency expenditures is $84.4 million, all from special revenue funds, an increase of $3.7 million, or 4.6 percent, above the FY 2015 approved amount. The revised estimate includes 841.0 FTE positions, which is no change from the approved amount. The FY 2015 revised estimate also includes $4.7 million, all from special revenue funds, for capital improvements projects. The primary increase from the approved is the construction of Troop F Headquarters for $3.2 million, all from federal forfeiture funds, and two supplemental requests totaling $852,720, all from special revenue funds, in FY 2015. **Absent supplemental requests and Troop F construction**, the FY 2015 revised estimate is a decrease of $410,257, or 0.5 percent, below the approved amount.

FY 2015 Governor Recommendation

The **Governor** recommends a total budget of $83.8 million, all from special revenue funds, in FY 2015. This is an all funds decrease of $605,980, or 0.7 percent, below the agency's FY 2015 revised estimate. The difference from the agency's FY 2015 revised estimate, which was submitted before the December Allotment, is due to the following recommended adjustments: 1) a reduction of $1,237,280, all from special revenue funds, as part of the Governor's allotment plan, which includes: a 4.0 percent operating reduction ($1,103,044) and a reduction to employers KPERS contributions ($134,236). The special revenue fund component, which is comprised of employers KPERS contributions, is included as part of the recommendation, 2) a reduction of 7.0 vacant classified FTE positions, which would reduce the agency's requested 841.0 FTE positions to 834.0 FTE positions, and 3) the recommendation includes additional capital improvements expenditures totaling $631,300, all from special revenue funds, for the replacement of the east and west retaining walls at the Training Academy in Salina.

FY 2016 Agency Request

The **agency** requests a FY 2016 operating budget of $84.9 million, including $58.6 million from the State General Fund. This is an all funds increase of $5.2 million, or 6.5 percent, and a State General Fund increase of $58.6 million, or 100.0 percent, above the FY 2015 revised estimate. The request includes 841.0 FTE positions, which is no change from the FY 2015 revised estimate. The agency's request includes a change of the agency's primary funding source from the Highway Patrol Operations Fund (supported by a State Highway Fund transfer) to the State General Fund for FY 2016. This requested change will attribute for the inclusion of moneys from the State General Fund in a number of the expenditure categories explained in the budget analysis.

The increase from the FY 2015 revised estimate is primarily attributable to increases in salaries and wages, which accounts for $4.6 million of this increase. Other increases include an increase in estimated aid to local units of $307,217, as well as increases to other operating expenditures which totals $333,218. The agency notes that it relies heavily upon provided budget indices for calculation of other operating expenditures. The total increase is partially offset by a decreases in other assistance totaling $18,081 and the estimated debt service payments schedule of approximately $16,538, for FY 2016.

The **agency** requests FY 2016 capital improvement expenditures totaling $633,522, all from special revenue funds, for FY 2016. This amount includes $325,000 for debt service and $308,522 for projects.

FY 2016 Governor Recommendation

The **Governor** recommends an operating budget totaling $78.6 million, all from special revenue funds, for FY 2016. This is an all funds decrease of $6.2 million, or 7.4 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's request to change funding from a transfer from the State Highway Fund to the State General Fund. The additional difference from the agency's FY 2016 request, which was submitted before the December Allotment, is due to the following recommended adjustments: 1) a reduction of $2,772,500, all from special revenue funds, as part of the Governor's allotment plan, which includes: a 4.0 percent operating reduction ($2,206,089), a reduction to employer contributions for state employee health insurance ($566,411); 2) a reduction of $3,475,130, due to the Governor not recommending the agency's enhancement request for pay increases; and 3) a reduction of 7.0 vacant classified FTE positions, which would reduce the agency's requested 841.0 FTE to 834.0 FTE positions.

The **Governor** concurs with the agency's request for capital improvement expenditures which total $633,522, all from special revenue funds, for FY 2016.

FY 2017 Agency Request

The **agency** requests a FY 2017 budget of $86.6 million, including $60.0 million from the State General Fund, which is an all funds increase of $1.7 million, or 2.0 percent, and a State General Fund increase of $1.4 million, or 2.3 percent, above the FY 2016 request. The request includes 841.0 FTE positions, which is no change from the FY 2016 request. The agency's request continues the requested change of the agency's primary funding source from the Highway Patrol Operations Fund (supported by a State Highway Fund transfer) to the State General Fund for FY 2017. This all fund increase is primarily attributable to increases in salaries and wages, which accounts for $1.6 million of the increase. Other increases include an increase to estimated aid to local units of $275,948, or 8.9 percent, above the FY 2016 request. These increases are partially offset by decreases to other operating expenditures totaling $90,264, or 0.5 percent, and a decrease in other assistance totaling $54,373, or 75.8 percent, below the FY 2016 request. The agency notes that it relies heavily upon provided inflation factors for calculation of other operating expenditures, and that decreases primarily reflect one-time expenditures made in previous fiscal years.

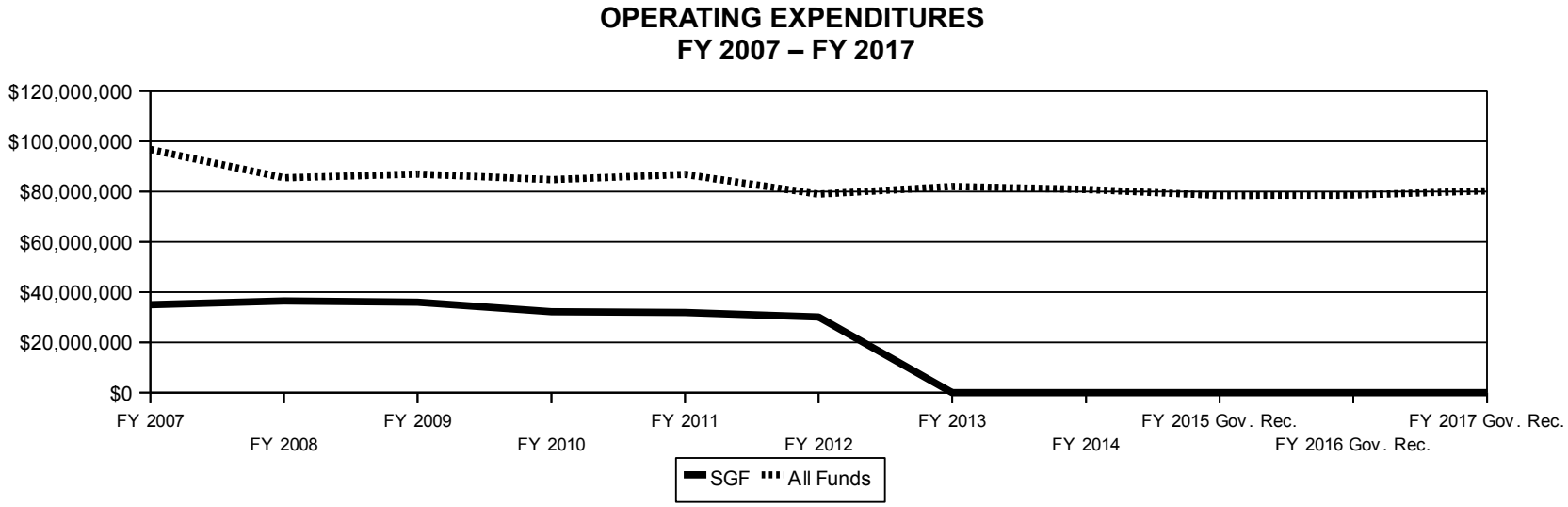
The **agency** requests FY 2017 capital improvement expenditures totaling $652,355, all from special revenue funds, for FY 2017. This amount includes $340,000 for debt service and $312,355 for projects.

FY 2017 Governor Recommendation

The **Governor** recommends an operating budget totaling $80.3 million, all from special revenue funds, for FY 2017. This is an all funds decrease of $6.3 million, or 7.3 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's request to change funding from a transfer from the State Highway Fund to the State General Fund. The additional difference from the agency's FY 2017 request, which was submitted before the December Allotment, is due to the following recommended adjustments: 1) a reduction of $2,261,791, all from special revenue funds, as part of the Governor's allotment plan, which accounts for a 4.0 percent operating reduction; 2) a reduction to employer contributions for state employee health insurance ($576,013); 3) a reduction of $3,453,272, due to the Governor not recommending the agency's enhancement request for pay increases; and 4) a reduction of 7.0 vacant classified FTE positions, which would reduce the agency's requested 841.0 FTE to 834.0 FTE positions.

The **Governor** concurs with the agency's request for FY 2017 capital improvement expenditures totaling $652,355, all from special revenue funds, for FY 2017.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 34,954,504	0.5 %	$ 96,727,220	12.9 %	856.0
2008	36,469,265	4.3	85,453,094	(11.7)	857.0
2009	35,981,152	(1.3)	86,959,482	1.8	859.0
2010	32,128,443	(10.7)	84,744,451	(2.5)	859.0
2011	31,888,897	(0.7)	86,804,263	2.4	851.0
2012	30,117,709	(5.6)	78,966,265	(9.0)	851.0
2013	0	(100.0)	81,993,441	3.8	841.0
2014	0	--	80,842,665	(1.4)	841.0
2015 Gov. Rec.	0	--	78,428,718	(3.0)	834.0
2016 Gov. Rec.	0	--	78,608,097	0.2	834.0
2017 Gov. Rec.	0	--	80,289,813	2.1	834.0
Eleven-Year Change	$ (34,954,504)	(100.0)%	$ (16,437,407)	(17.0)%	(22.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	% Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	%Change from FY 15
By Program:									
Administration	$ 3,752,279	$ 3,402,912	$ 3,847,821	$ 444,909	13.1 %	$ 3,384,793	$ 3,821,777	$ 436,984	12.9 %
Operations Support	53,873,825	54,645,037	57,838,449	3,193,412	5.8	53,480,826	51,757,961	(1,722,865)	(3.2)
Information Tech	2,236,612	2,443,692	3,040,987	597,295	24.4	2,430,121	3,028,069	597,948	24.6
Vehicle ID Number	2,159,768	2,435,249	2,451,951	16,702	0.7	2,425,552	2,425,036	(516)	(0.0)
Motorist Assistance	1,418,204	1,337,956	1,345,414	7,458	0.6	1,329,758	1,330,791	1,033	0.1
Capitol Police	3,806,532	3,762,097	4,203,581	441,484	11.7	3,752,616	4,169,673	417,057	11.1
Homeland Security	5,100,695	3,163,105	3,485,997	322,892	10.2	3,162,556	3,483,709	321,153	10.2
Motor Carrier Inspection	4,399,274	4,335,331	4,396,022	60,691	1.4	4,322,624	4,350,265	27,641	0.6
Turnpike Patrol	4,015,277	4,078,800	4,200,224	121,424	3.0	4,078,053	4,195,535	117,482	2.9
Debt Service	80,199	61,819	45,281	(16,538)	(26.8)	61,819	45,281	(16,538)	(26.8)
TOTAL	$ 80,842,665	$ 79,665,998	$ 84,855,727	$ 5,189,729	6.5 %	$ 78,428,718	$ 78,608,097	$ 179,379	0.2 %
By Major Object of Expenditure:									
Salaries and Wages	$ 55,917,951	$ 58,684,774	$ 63,252,149	$ 4,567,375	7.8 %	$ 57,447,494	$ 57,004,519	$ (442,975)	(0.8)%
Contractual Services	5,896,127	5,473,081	5,763,669	290,588	5.3	5,473,081	5,763,669	290,588	5.3
Commodities	5,626,959	5,279,927	5,318,733	38,806	0.7	5,279,927	5,318,733	38,806	0.7
Capital Outlay	8,234,023	7,289,887	7,310,249	20,362	0.3	7,289,887	7,310,249	20,362	0.3
Debt Service	80,199	61,819	45,281	(16,538)	(26.8)	61,819	45,281	(16,538)	(26.8)
Subtotal - Operations	$ 75,755,259	$ 76,789,488	$ 81,690,081	$ 4,900,593	6.4 %	$ 75,552,208	$ 75,442,451	$ (109,757)	(0.1)%
Aid to Local Units	4,836,968	2,786,693	3,093,910	307,217	11.0	2,786,693	3,093,910	307,217	11.0
Other Assistance	250,438	89,817	71,736	(18,081)	(20.1)	89,817	71,736	(18,081)	(20.1)
TOTAL	$ 80,842,665	$ 79,665,998	$ 84,855,727	$ 5,189,729	6.5 %	$ 78,428,718	$ 78,608,097	$ 179,379	0.2 %
Financing:									
State General Fund	$ 0	$ 0	$ 58,640,009	$ 58,640,009	100.0 %	$ 0	$ 0	$ 0	-- %
KHP Operations	53,762,730	55,214,039	45,281	(55,168,758)	(99.9)	54,006,152	52,562,127	(1,444,025)	(2.7)
HWY Patrol Motor Vehicle Fund	4,397,161	5,132,591	5,506,620	374,029	7.3	5,132,591	5,506,620	374,029	7.3
Patrol of KS Turnpike Fund	4,015,510	4,078,800	4,533,680	454,880	11.2	4,078,053	4,195,535	117,482	2.9
Federal Funds	12,254,555	9,104,565	9,525,246	420,681	4.6	9,091,359	9,459,525	368,166	4.0
All Other Funds	6,412,709	6,136,003	6,604,891	468,888	7.6	6,120,563	6,884,290	763,727	12.5
TOTAL	$ 80,842,665	$ 79,665,998	$ 84,855,727	$ 5,189,729	6.5 %	$ 78,428,718	$ 78,608,097	$ 179,379	0.2 %

Summary of Operating Budget FY 2016 - FY 2017

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	% Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	% Change from FY 16
By Program:								
Administration	$ 3,847,821	$ 3,973,111	$ 125,290	3.3 %	$ 3,821,777	$ 3,946,546	$ 124,769	3.3 %
Operations Support	57,838,449	58,901,994	1,063,545	1.8	51,757,961	52,780,536	1,022,575	2.0
Information Technology	3,040,987	2,838,527	(202,460)	(6.7)	3,028,069	2,825,351	(202,718)	(6.7)
Vehicle ID Number	2,451,951	2,531,746	79,795	3.3	2,425,036	2,505,162	80,126	3.3
Motorist Assistance	1,345,414	1,371,440	26,026	1.9	1,330,791	1,356,524	25,733	1.9
Capitol Police	4,203,581	4,324,380	120,799	2.9	4,169,673	4,289,793	120,120	2.9
Homeland Security	3,485,997	3,773,379	287,382	8.2	3,483,709	3,771,045	287,336	8.2
Motor Carrier Inspection	4,396,022	4,529,796	133,774	3.0	4,350,265	4,483,123	132,858	3.1
Turnpike Patrol	4,200,224	4,308,691	108,467	2.6	4,195,535	4,303,908	108,373	2.6
Debt Service	45,281	27,825	(17,456)	(38.6)	45,281	27,825	(17,456)	(38.6)
TOTAL	$ 84,855,727	$ 86,580,889	$ 1,725,162	2.0 %	$ 78,608,097	$ 80,289,813	$ 1,681,716	2.1 %
By Major Object of Expenditure:								
Salaries and Wages	$ 63,252,149	$ 64,846,000	$ 1,593,851	2.5 %	$ 57,004,519	$ 58,554,924	$ 1,550,405	2.7 %
Contractual Services	5,763,669	5,781,960	18,291	0.3	5,763,669	5,781,960	18,291	0.3
Commodities	5,318,733	5,397,594	78,861	1.5	5,318,733	5,397,594	78,861	1.5
Capital Outlay	7,310,249	7,140,289	(169,960)	(2.3)	7,310,249	7,140,289	(169,960)	(2.3)
Debt Service	45,281	27,825	(17,456)	(38.6)	45,281	27,825	(17,456)	(38.6)
Subtotal - Operations	$ 81,690,081	$ 83,193,668	$ 1,503,587	1.8 %	$ 75,442,451	$ 76,902,592	$ 1,460,141	1.9 %
Aid to Local Units	3,093,910	3,369,858	275,948	8.9	3,093,910	3,369,858	275,948	8.9
Other Assistance	71,736	17,363	(54,373)	(75.8)	71,736	17,363	(54,373)	(75.8)
TOTAL	$ 84,855,727	$ 86,580,889	$ 1,725,162	2.0 %	$ 78,608,097	$ 80,289,813	$ 1,681,716	2.1 %
Financing:								
State General Fund	$ 58,640,009	$ 60,014,050	$ 1,374,041	2.3 %	$ 0	$ 0	$ 0	-- %
KHP Operations	45,281	27,825	(17,456)	(38.6)	52,562,127	53,867,934	1,305,807	2.5
HWY Patrol Motor Vehicle Fund	5,506,620	5,616,753	110,133	2.0	5,506,620	5,616,753	110,133	2.0
Patrol of KS Turnpike Fund	4,533,680	4,640,050	106,370	2.3	4,195,535	4,303,908	108,373	2.6
Federal Funds	9,525,246	9,885,645	360,399	3.8	9,459,525	9,819,055	359,530	3.8
All Other Funds	6,604,891	6,396,566	(208,325)	(3.2)	6,884,290	6,682,163	(202,127)	(2.9)
TOTAL	$ 84,855,727	$ 86,580,889	$ 1,725,162	2.0 %	$ 78,608,097	$ 80,289,813	$ 1,681,716	2.1 %

A. FY 2015 – Current Year

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	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	80,678,961	84,371,224	3,692,263	83,765,244	3,086,283
TOTAL	$ 80,678,961	$ 84,371,224	$ 3,692,263	$ 83,765,244	$ 3,086,283
FTE Positions	841.0	841.0	0.0	834.0	(7.0)

The **agency's** FY 2015 revised estimate for total agency expenditures is $84.4 million, all from special revenue funds, an increase of $3.7 million, or 4.6 percent, above the FY 2015 approved amount. The revised estimate includes 841.0 FTE positions, which is no change from the approved amount. The FY 2015 revised estimate also includes $4.7 million, all from special revenue funds, for capital improvements projects. The primary increase from the approved is due to the construction of Troop F Headquarters for $3.2 million, all from Federal Forfeiture funds, and two supplemental requests totaling $852,720, all from special revenue funds, in FY 2015. **Absent supplemental requests and Troop F construction**, the FY 2015 revised estimate is a decrease of $410,257, or 0.5 percent, below the approved amount.

The agency was named as the recipient of a Governor's Justice Assistance Grant for $94,745 in FY 2015.

The **Governor** recommends a total budget of $83.8 million, all from special revenue funds, in FY 2015. This is an all funds decrease of $605,980, or 0.7 percent, below the agency's FY 2015 revised estimate. The difference from the agency's FY 2015 revised estimate, which was submitted before the December Allotment, is due to the following recommended adjustments:

- A reduction of $1,237,280, all from special revenue funds, as part of the Governor's allotment plan, which includes: a 4.0 percent operating reduction ($1,103,044) and a reduction to employers KPERS contributions ($134,236). The special revenue fund component, which is comprised of employers KPERS contributions, is included as part of the recommendation.

- A reduction of 7.0 vacant classified FTE positions. This would reduce the agency's requested 841.0 FTE to 834.0 FTE positions.

- The recommendation includes additional capital improvements expenditures totaling $631,300, all from special revenue funds, for the replacement of the east and west retaining walls at the Training Academy in Salina.

Supplemental Detail

FY 2015 SUPPLEMENTALS

	Agency Estimate			Governor's Recommendation		
Supplementals	SGF	All Funds	FTE	SGF	All Funds	FTE
Capital Improvements Requests:						
Water Line Replacement	$ 0	$ 292,740	0.0	$ 0	$ 292,740	0.0
East and West Retaining Walls	0	0	0.0	0	631,300	0.0
Troop F Unanticipated Expenditure Authority	0	559,980	0.0	0	559,980	0.0
TOTAL	**$ 0**	**$ 852,720**	**0.0**	**$ 0**	**$ 1,484,020**	**0.0**

The **agency** requests two capital improvements supplementals totaling $852,720, all from special revenue funds, in FY 2015. These requests include:

Water Line Replacement - The agency requests $292,740, all from special revenue funds, for labor, materials, and equipment to re-pipe the supply and return water mains on all three levels of the dormitory at the Training Academy in Salina, in FY 2015. The agency states that the cast iron pipes (water lines) were part of the building's original construction back in 1962, and that they are currently rusted and flaking. Water supplied through these lines is approximately 500 gallons per minute and 30 pounds per square inch, that has the potential to cause costly water damage if they were to burst.

The **Governor** recommends the supplemental request.

Troop F Unanticipated Expenditure Authority - The agency is requesting a supplemental for $559,980, all from Federal Forfeiture funds, for unanticipated expenditures related to the construction of Troop F headquarters in FY 2015. This request is comprised of two estimates, as follows.

- ($324,980) Emig & Associates, from whom architectural services were contracted, has advised the agency to prepare for unanticipated expenditures that may arise during the construction of the site. The supplemental would provide 10.0 percent of the awarded contracted

price of construction for contingency expenditures.

- ($235,000) The agency's original construction estimates assumed that paving for the site would be accomplished by KDOT for a minimal cost to the agency. However, should this not be the case, the agency is requesting additional expenditure authority to procure paving services, based on an estimate received from contractor, Walz, Harman, Huffman, in FY 2015.

The **Governor** recommends the supplemental request.

The **Governor** recommends the agency's FY 2015 supplemental requests with the addition of $631,300, all from special revenue funds, for the replacement of the east and west retaining walls at the Training Academy in Salina.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 84,855,727	$ 78,608,097	$ (6,247,630)
FTE Positions	841.0	834.0	(7.0)
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 58,640,009	$ 0	
All Other Funds	(53,450,280)	179,379	
TOTAL	$ 5,189,729	$ 179,379	
Percent Change:			
State General Fund	100.0 %	0.0 %	
All Other Funds	(67.1)	0.2	
TOTAL	6.5 %	0.2 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests a FY 2016 operating budget of $84.9 million, including $58.6 million from the State General Fund. This is an all funds increase of $5.2 million, or 6.5 percent, and a State General Fund increase of $58.6 million, or 100.0 percent, above the FY 2015 revised estimate. The request includes 841.0 FTE positions, which is no change from the FY 2015 revised estimate. The agency's request includes a change of the agency's primary funding source from the Highway Patrol Operations Fund (supported by a State Highway Fund transfer) to the State General Fund for FY 2016. This requested change will attribute for the inclusion of State General Funding in a number of the expenditure categories explained in the budget analysis.

The increase from the FY 2015 revised estimate is primarily attributable to increases in salaries and wages, which accounts

for $4.6 million of this increase. Other increases include an increase in estimated aid to local units of $307,217, as well as increases to other operating expenditures of which totals $333,218. The agency notes that it relies heavily upon provided budget indices for calculation of other operating expenditures. The total increase is partially offset by a decreases in other assistance totaling $18,081 and the estimated debt service payments schedule of approximately $16,538, for FY 2016.

Salaries and Wages. The FY 2016 request includes $63.3 million, including $48.8 million from the State General Fund, which is an all funds increase of $4.6 million, including a State General Fund increase of $48.8 million above the FY 2015 revised estimate. This increase reflects higher expenditures on classified regular pay ($2.7 million), police and firemen retirement funding ($938,117), retirement expenditures ($308,648), group health and hospitalization ($194,151), and classified overtime ($125,211). This increase reflects the agency's enhancement request for $3.5 million, including $2.9 million from the State General Fund, for a 10.0 percent pay increase for all Law Enforcement Officer, Public Service Executive II, and Trooper classifications for FY 2016.

Contractual Services. The FY 2016 request includes $5.8 million, including $3.9 million from the State General Fund. This is an all funds increase of $290,588, or 5.3 percent, and a State General Fund increase of $3.9 million, or 100.0 percent, above the FY 2015 revised estimate. The larger increases within the request include: $200,000 for one-time expenditures for an engine overhaul of the Bell Helicopter, cloud computing services totaling $37,507, and consulting services totaling $12,000 above the FY 2015 revised estimate.

Commodities. The FY 2016 request includes $5.3 million, including $4.3 million from the State General Fund, for FY 2016. This is an all funds increase of $38,806, or 0.7 percent, and a State General Fund increase of $4.3 million, or 100.0 percent, above the FY 2015 revised estimate. The agency notes that it is particularly affected by changes in gasoline expenditures ($62,430), and that the supplies expenditures relate to budgeting for a 2-year supply of ammunition above the amount included in the FY 2015 revised estimate ($10,537).

Capital Outlay. The FY 2016 request includes $7.3 million, including $1.7 million from the State General Fund, for FY 2016. This is an all funds increase of $20,362, or 0.3 percent, and a State General Fund increase of $1.6 million, or 100.0 percent above the FY 2015 revised estimate. This increase is primarily related to the purchase of law enforcement vehicles and equipment for them, such as mobile data units and radar devices.

Aid to Locals. The FY 2016 request includes $3.1 million, all from special revenue funds, an increase of $307,217, or 11.0 percent, above the FY 2015 revised estimate. This increase is due to the increase in homeland security grant expenditures.

Other Assistance. The FY 2016 request includes $71,736, all from the State General Fund. This is an all funds decrease of $18,081, or 20.1 percent, and a State General Fund increase of $71,736, or 100.0 percent, from the FY 2015 revised estimate. This decrease is due to decreased payments for the Voluntary Retirement Incentive Program.

The **Governor** recommends an operating budget totaling $78.6 million, all from special revenue funds, for FY 2016. This is an all funds decrease of $6.2 million, or 7.4 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's request to change funding from a transfer from the State Highway Fund to the State General Fund. The additional difference from the agency's FY 2016 request, which was submitted before the December Allotment, is due to the following recommended adjustments.

- A reduction of $2,772,500, all from special revenue funds, as part of the Governor's allotment plan, which includes: a 4.0 percent operating reduction ($2,206,089) and a reduction to employer contributions for state employee health insurance ($566,411).

- A reduction of $3,475,130, due to the Governor not recommending the agency's enhancement request for pay increases.

- A reduction of 7.0 vacant classified FTE positions. This would reduce the agency's requested 841.0 FTE to 834.0 FTE positions.

Enhancements Detail

FY 2016 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
10 % Pay Increase for LEO/Trooper/PSE II Classifications	$ 2,942,789	$ 3,475,130	0.0	$ 0	$ 0	0.0
TOTAL	**$ 2,942,789**	**$ 3,475,130**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** is requesting one enhancement for $3.5 million, including $2.9 million from the State General Fund, for a 10.0 percent pay increase for all Law Enforcement Officer, Public Service Executive II, and Trooper classifications for FY 2016. The agency states that it has continued to experience difficultly in the recruitment and retention of qualified applicants, and notes that the agency needs to remain competitive with the State's other large law enforcement agencies who are also looking at the same pool of applicants. The agency notes that employee morale has been a continued subject of discussion from the 2014 Session, and a survey was commissioned during the summer of 2014, in which employee pay was noted as an area of particular concern.

The **Governor** does not recommend the agency's enhancement request.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 86,580,889	$ 80,289,813	$ (6,291,076)
FTE Positions	841.0	834.0	(7.0)
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 1,374,041	$ 0	
All Other Funds	351,121	1,681,716	
TOTAL	$ 1,725,162	$ 1,681,716	
Percent Change:			
State General Fund	2.3 %	0.0 %	
All Other Funds	1.3	2.1	
TOTAL	2.0 %	2.1 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests a FY 2017 budget of $86.6 million, including $60.0 million from the State General Fund, which is an all funds increase of $1.7 million, or 2.0 percent, and a State General Fund increase of $1.4 million, or 2.3 percent, above the FY 2016 request. The request includes 841.0 FTE positions, which is no change from the FY 2016 request. The agency's request continues the requested change of the agency's primary funding source from the Highway Patrol Operations Fund (supported by a State Highway Fund transfer) to the State General Fund for FY 2017. This increase is primarily attributable to increases in salaries and wages, which accounts for $1.6 million of the increase. Other increases include an increase to estimated aid to local units of $275,948, or 8.9 percent, above the FY 2016 request. These increases are partially offset by decreases to other operating expenditures totaling $90,264, or 0.5 percent, and a decrease in other assistance totaling

$54,373, or 75.8 percent, below the FY 2016 request. The agency notes that it relies heavily upon provided budget indices for calculation of other operating expenditures, and that decreases primarily reflect one-time expenditures made in previous fiscal years.

Salaries and Wages. The FY 2017 request includes $64.8 million, including $50.3 million from the State General Fund, which is an all funds increase of $1.6 million, or 2.5 percent, and a State General Fund increase of $1.5 million, or 3.2 percent, above the FY 2016 request. This increase largely reflects an increase for the the 27th paycheck for FY 2017.

Contractual Services. The FY 2017 request includes $5.8 million, including $3.9 million from the State General Fund. This is an all funds increase of $18,291, or 0.3 percent, and a State General Fund increase of $83,641, or 2.2 percent, above the FY 2016 request. The agency states that increases largely reflect budget indices.

Commodities. The request includes $5.4 million, including $4.3 million from the State General Fund, for FY 2017. This is an all funds increase of $78,861, or 1.5 percent, and a State General Fund increase of $73,010, or 1.7 percent, above the FY 2016 request. The increase relates to budgeting expenditures to reflect budget indices. The agency notes that it is particularly affected by changes in gasoline expenditures ($43,771), and that the supplies expenditures relate to budgeting for a 2-year supply of ammunition above the amount included in previous fiscal years ($11,257).

Capital Outlay. The request includes $7.1 million, including $1.4 million from the State General Fund, for FY 2017. This is an all funds decrease of $169,960, or 2.3 percent, and a State General Fund decrease of $271,466, or 16.3 percent, below the FY 2016 request. This decrease is related to significant one-time expenditures for computer equipment within the Information Technology program for FY 2016, partially offset by increases for the purchase of law enforcement vehicles.

Aid to Locals. The request includes $3.4 million, all from special revenue funds, an increase of $275,948, or 8.9 percent, above the FY 2016 request. This increase is due to an increase in homeland security grant expenditures.

Other Assistance. The request includes $17,363, all from the State General Fund, a decrease of $54,373, or 75.8 percent, below the FY 2016 request. The decrease is due to decreased payments for the Voluntary Retirement Incentive Program.

The **Governor** recommends an operating budget totaling $80.3 million, all from special revenue funds, for FY 2017. This is an all funds decrease of $6.3 million, or 7.3 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's request to change funding from a transfer from the State Highway Fund to the State General Fund. The additional difference from the agency's FY 2017 request, which was submitted before the December Allotment, is due to the following recommended adjustments.

- A reduction of $2,261,791, all from special revenue funds, as part of the Governor's allotment plan, which includes a 4.0 percent operating reduction ($2,261,791).

- A reduction to employer contributions for state employee health insurance ($576,013).

A reduction of $3,453,272, due to the Governor not recommending the agency's enhancement request for pay increases.

- A reduction of 7.0 vacant classified FTE positions.

Enhancements Detail

FY 2017 ENHANCEMENTS						
	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
10 % Pay Increase for LEO/Trooper/PSE II Classifications	$ 2,924,278	$ 3,453,272	0.0	$ 0	$ 0	0.0
TOTAL	**$ 2,924,278**	**$ 3,453,272**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** is requesting one enhancement for $3.5 million, including $2.9 million from the State General Fund, for a 10.0 percent pay increase for all Law Enforcement Officer, Public Service Executive II, and Trooper classifications for FY 2017. The agency states that it has continued to experience difficultly in the recruitment and retention of qualified applicants. In addition, the agency notes that it needs to remain competitive with the State's other large law enforcement agencies who are also looking at the same pool of applicants. The agency notes that employee morale has been a continued subject of discussion from the 2014 Session, and a survey was commissioned during the summer of 2014, in which employee pay was noted as an area of particular concern.

The **Governor** does not recommend the enhancement request.

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 $231,778, and affects 745 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 $382,641, and FY 2017 longevity payments total $408,320.**

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 $566,411, for FY 2016. This is a reduction of $576,013, 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.

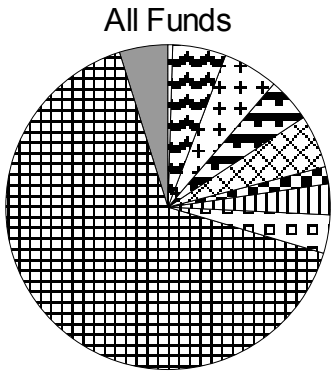
The Governor further proposes offering $1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution 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	69.1 %	0.0 %	69.3 %	0.0 %
KHP Operations	0.1	66.9	0.0	67.1
HWY Patrol Motor Vehicle Fund	6.5	7.0	6.5	7.0
Patrol of KS Turnpike Fund	5.3	5.3	5.4	5.4
Federal Funds	11.2	12.0	11.4	12.2
All Other Funds	7.8	8.8	7.4	8.3
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

EXPENDITURES BY PROGRAM–GOVERNOR'S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total
Administration	$ 3,821,777	4.8 %
Operations Support	51,757,961	65.6
Information Technology	3,028,069	3.8
Vehicle Identification Number	2,425,036	3.1
Motorist Assistance	1,330,791	1.7
Capitol Police	4,169,673	5.3
Homeland Security	3,483,709	4.4
Motor Carrier Inspection	4,350,265	5.5
Turnpike Patrol	4,195,535	5.3
Debt Service	370,281	0.5
TOTAL	$ 78,933,097	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	39.5	39.5	39.5	39.5	39.5	39.5	39.5
Operations Support	572.0	572.0	565.0	572.0	565.0	572.0	565.0
Information Technology	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Vehicle ID Number	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Motorist Assistance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capitol Police	52.0	52.0	52.0	52.0	52.0	52.0	52.0
Homeland Security	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Motor Carrier Inspection	67.0	67.0	67.0	67.0	67.0	67.0	67.0
Turnpike Patrol	52.5	52.5	52.5	52.5	52.5	52.5	52.5
Off-Budget	1.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	841.0	841.0	834.0	841.0	834.0	841.0	834.0

A. Administration

This is a generic classified program code established as part of the Statewide Management Accounting and Reporting Tool (SMART) system to represent universal administrative costs for common functions existing in most agencies. For the agency, this includes the office of the Superintendent, Fiscal, Human Resources, Legal, and Public and Governmental Affairs. There are other administrative functions not included in this program, but rather in Highway Patrol Operations, as its function is specific to the agency's mission.

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	$ 2,504,941	$ 2,319,572	$ 2,301,453	$ 2,752,725	$ 2,726,681	$ 2,870,164	$ 2,843,599
Contractual Services	877,417	825,875	825,875	834,077	834,077	842,476	842,476
Commodities	209,039	202,686	202,686	205,771	205,771	209,251	209,251
Capital Outlay	18,658	47,351	47,351	48,392	48,392	49,506	49,506
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 3,610,055	$ 3,395,484	$ 3,377,365	$ 3,840,965	$ 3,814,921	$ 3,971,397	$ 3,944,832
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	142,224	7,428	7,428	6,856	6,856	1,714	1,714
TOTAL	$ 3,752,279	$ 3,402,912	$ 3,384,793	$ 3,847,821	$ 3,821,777	$ 3,973,111	$ 3,946,546
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 3,708,198	$ 0	$ 3,826,780	$ 0
All Other Funds	3,752,279	3,402,912	3,384,793	139,623	3,821,777	146,331	3,946,546
TOTAL	$ 3,752,279	$ 3,402,912	$ 3,384,793	$ 3,847,821	$ 3,821,777	$ 3,973,111	$ 3,946,546
FTE Positions	39.5	39.5	39.5	39.5	39.5	39.5	39.5
Non-FTE Uncl. Perm. Pos.	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	41.5	41.5	41.5	41.5	41.5	41.5	41.5

The **agency** requests FY 2016 expenditures totaling $3.8 million, including $3.7 million from the State General Fund, for the Administration program. This is an all funds increase of $444,909, or 13.1 percent, and a State General Fund increase of $3.7 million, or 100.0 percent, above the FY 2015 revised estimate. The Administration program reflects the agency's request to move primary funding for the agency from the KHP Operations Fund to the State General Fund for FY 2016.

- **Salaries and Wages.** The agency requests expenditures of $2.8 million, including $2.6 million from the State General Fund, to fund 39.5 FTE positions and 2.0 non-FTE positions for FY 2016. The request is an all funds increase of $433,153, or 18.7 percent, and a State General Fund increase of $2,613,102, or 100.0 percent, above the FY 2015 revised estimate. Increases

from the FY 2015 revised estimate include: classified pay ($305,202), police and firemen retirement expenditures ($36,604), public retirement ($43,393), group health and hospitalization ($33,270), and medicare benefits ($16,444).

- **Contractual Services.** The agency requests expenditures of $834,077, all from the State General Fund, for FY 2016. This request is an increase of $8,202, or 1.0 percent, above the FY 2015 revised estimate. The agency states that this request is based upon projection of provided budget indices rates.

- **Commodities.** The agency requests expenditures of $205,771, all from the State General Fund, for FY 2016. The request is an increase of $3,085, or 1.5 percent, above the FY 2015 revised estimate. The agency states that this request is based upon projection of provided budget indices rates.

- **Capital Outlay.** The agency requests expenditures of $48,392, all from the State General Fund, for FY 2016. The request is an increase of $1,041, or 2.2 percent, above the FY 2015 revised estimate. The agency states that this request is based upon projection of provided budget indices rates.

- **Other Assistance.** The agency requests expenditures of $6,856, all from the State General Fund, for FY 2016. The request is a decrease of $572, or 7.7 percent, below the FY 2015 revised estimate. The agency states that this amount is based upon the schedule provided by the Department of Administration to calculate agency Voluntary Retirement Incentive Program expenditures.

The **Governor** recommends FY 2016 expenditures totaling $3.8 million, all from special revenue funds, which is an all funds decrease of $26,044, or 0.7 percent, below the agency's FY 2016 request. The difference is due to the recommended reduction of $26,044, all from special revenue funds, to reduce employer contributions for state employee health insurance.

The **agency's** request for FY 2017 expenditures totals $4.0 million, including $3.8 million from the State General Fund, for the Administration program. The request is an all funds increase of $125,290, or 3.3 percent, and a State General Fund increase of $118,582, or 3.2 percent, above the FY 2016 request. The Administration program reflects the agency's request to move primary funding for the agency from the KHP Operations Fund to the State General Fund for FY 2017. Changes from the agency's FY 2016 request include the following items.

- **Salaries and Wages.** The agency requests expenditures of $2.9 million, including $2.7 million from the State General Fund, to fund 39.5 FTE positions and 2.0 non-FTE positions for FY 2017. The request is an all funds increase of $117,439, or 4.3 percent, and a State General Fund increase of $110,731, or 4.2 percent, above the FY 2016 request. Increases from the FY 2016 request include: classified pay ($60,436), public retirement ($27,881), group health and hospitalization ($6,129), and medicare benefits ($2,094).

- **Contractual Services.** The agency requests expenditures of $842,476, all from the State General Fund, for FY 2017. This request is an increase of $8,399, or 1.0 percent, above the FY 2016 request. The agency states that this request is based upon projection of provided budget indices rates.

- **Commodities.** The agency requests expenditures of $209,251, all from the State General Fund, for FY 2017. The request is an increase of $3,480, or 1.7 percent, above the FY 2016 request. The agency states that this request is based upon projection of provided budget indices rates.

- **Capital Outlay.** The agency requests expenditures of $49,506, all from the State General Fund, for FY 2017. The request is an increase of $1,114, or 2.3 percent, above the FY 2016 request. The agency states that this request is based upon projection of provided budget indices rates.

- **Other Assistance.** The agency requests expenditures of $1,714, all from the State General Fund, for FY 2017. The request is a decrease of $5,142, or 75.0 percent, below the FY 2016 request. The agency states that this amount is based upon the schedule provided by the Department of Administration to calculate agency Voluntary Retirement Incentive Program expenditures.

The **Governor** recommends FY 2017 expenditures totaling $3.9 million, all from special revenue funds, which is an all funds decrease of $26,565, or 0.7 percent, below the agency's FY 2017 request. The difference is due to the recommended reduction of $26,565, all from special revenue funds, to reduce employer contributions for state employee health insurance.

B. Operations Support

The Highway Patrol Operations Support program performs the agency's main statutory assignment, enforcement of the state's traffic, criminal, and other laws. The program is divided into a number of subprograms.

Breath Alcohol Unit. The Breath Alcohol Unit was created in 1989 with a grant from the National Highway Traffic Safety Administration (NHTSA). The program was created to enhance the detection and apprehension by law enforcement officers of individuals driving under the influence. This includes educational programs for law enforcement officers such as DUI Detection/Standardized Field Sobriety Testing, the Drug Recognition Expert program, and the Traffic Occupant Protection Strategies (TOPS) Seat Belt program. The program also provides funding for operating checkpoints.

Kansas Highway Patrol Training Academy. Located in Salina, the Kansas Highway Patrol Training Academy provides law enforcement education and training to KHP personnel. Training includes initial education for KHP recruits, and the statutorily required 40 hours of continuing education for each Highway Patrol sworn officer. The Training Academy is also available to help meet the training needs of other agencies.

Fleet Operations program. The Fleet Operations program was established to capture all costs associated with the agency's vehicle fleet. Expenses include operation of the agency garage in Topeka, personnel, and vehicle maintenance. As part of the FY 2008 budget, gasoline expenditures (which used to be 100.0 percent coded into this subprogram) are now identified as expended in the program in which it was used.

Aircraft Operations program. The Aircraft Operations program was created to manage the agency's aircraft fleet, including the states non-enforcement aircraft. This includes maintenance, fuel, parts, and aircraft acquisitions. In FY 2007, the agency constructed a hanger at Billard Airport in Topeka, with aircraft support also conducted in Salina and Hays. Since FY 2006, a transfer of $400,000 has been made from the Highway Patrol Motor Vehicle Fund (MVF) to the Aircraft-On-Budget Fund to subsidize the costs.

Civil Assessment program. Created in FY 2006 as a joint effort with the Kansas Corporation Commission to reduce the number of injury and fatality accidents involving commercial motor vehicles. Beginning in 2006, the Corporation Commission began assessing civil penalties for motor carriers for out-of-service violations with issuance of misdemeanor citations by KHP Troopers. A biennial transfer of civil assessment penalties is provided to the KHP from the Corporation Commission.

Motor Carrier Safety Assistance Program. The duty of the Motor Carrier Safety Assistance Program (MCSAP) is to regulate the commercial traffic traveling on the highways of Kansas. The MCSAP enforces the uniform traffic code and the statutes regulating motor carriers and property, as well as the rules and regulations adopted by the Kansas Corporation Commission (KCC). The program is financed 80.0 percent federal and 20.0 percent state with the federal portion on a strict reimbursement basis, and the state portion financed by motor carrier fees transferred from the KCC.

OPERATIONS SUPPORT
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	$ 38,605,305	$ 40,782,391	$ 39,618,180	$ 43,784,837	$ 37,704,349	$ 44,704,133	$ 38,582,675
Contractual Services	3,446,854	3,061,673	3,061,673	3,243,592	3,243,592	3,229,227	3,229,227
Commodities	4,456,701	4,415,293	4,415,293	4,460,850	4,460,850	4,527,051	4,527,051
Capital Outlay	7,301,439	6,330,829	6,330,829	6,301,176	6,301,176	6,429,584	6,429,584
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 53,810,299	$ 54,590,186	$ 53,425,975	$ 57,790,455	$ 51,709,967	$ 58,889,995	$ 52,768,537
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	63,526	54,851	54,851	47,994	47,994	11,999	11,999
TOTAL	$ 53,873,825	$ 54,645,037	$ 53,480,826	$ 57,838,449	$ 51,757,961	$ 58,901,994	$ 52,780,536
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 42,793,890	$ 0	$ 43,983,836	$ 0
All Other Funds	53,873,825	54,645,037	53,480,826	15,044,559	51,757,961	14,918,158	52,780,536
TOTAL	$ 53,873,825	$ 54,645,037	$ 53,480,826	$ 57,838,449	$ 51,757,961	$ 58,901,994	$ 52,780,536
FTE Positions	572.0	572.0	565.0	572.0	565.0	572.0	565.0
Non-FTE Uncl. Perm. Pos.	14.0	14.0	14.0	14.0	14.0	14.0	14.0
TOTAL	586.0	586.0	579.0	586.0	579.0	586.0	579.0

The **agency** requests expenditures of $57.8 million, including $42.8 million from the State General Fund, for the Operations Support program for FY 2016. This is an all funds increase of $3.2 million, or 5.8 percent, and a State General Fund increase of $47.8 million, or 100.0 percent, above the FY 2015 revised estimate. Changes in multiple categories of expenditure reflect the agency's request to move primary funding for the agency from the Operations Fund to the State General Fund for FY 2016. Changes from the agency's FY 2015 revised estimate include the following items.

- **Salaries and Wages.** The agency requests expenditures of $43.8 million, including $36.6 million from the State General Fund, to fund 572.0 FTE positions and 14.0 non-FTE positions for FY 2016. The request is an all funds increase

of $3.0 million, or 7.4 percent, and a State General Fund increase of $36.6 million, or 100.0 percent, above the FY 2015 revised estimate. This increase reflects the agency's enhancement request for a 10.0 percent pay increase for all Law Enforcement Officer, Public Service Executive II, and Trooper classifications for FY 2016 ($3.5 million all funds, $2.9 million State General Fund).

- **Contractual Services.** The agency requests expenditures of $3.2 million, including 1.8 million from the State General Fund, for FY 2016. This request is an increase of $181,919, or 5.9 percent, and a State General Fund increase of $1.8 million, or 100.0 percent, above the FY 2015 revised estimate. The agency states that the FY 2016 budget includes a $200,000 one-time expenditure for the scheduled engine overhaul of the Bell Helicopter.

- **Commodities.** The agency requests expenditures of $4.5 million, including $3.7 million from the State General Fund, for FY 2016. The request is an increase of $45,557, or 1.0 percent, and a State General Fund increase of $3.7 million, or 100.0 percent, above the FY 2015 revised estimate. A majority of this increase is reflected in higher anticipated gasoline expenditures from the FY 2015 revised estimate ($56,357). In addition the agency states that it has increased its commodities budget by approximately $175,000 to provide for a 2-year supply of ammunition.

- **Capital Outlay.** The agency requests expenditures of $6.3 million, including $748,812 from the State General Fund, for FY 2016. The request is an all funds decrease of $29,653, or 0.5 percent, and a State General Fund increase of $748,812, or 100.0 percent, from the FY 2015 revised estimate. The agency states that the majority of expenditures in this category relate to law enforcement vehicles, and that it has budgeted for the purchase of 200 vehicles for standard road patrol. This request includes 140 Dodge Chargers and 60 SUVs for FY 2016.

- **Other Assistance.** The agency requests expenditures of $47,994, all from the State General Fund, for FY 2016. The request is a decrease of $6,857, or 12.5 percent, below the FY 2015 revised estimate. The agency states that this amount is based upon the schedule provided by the Department of Administration to calculate agency Voluntary Retirement Incentive Program expenditures.

The **Governor** recommends FY 2016 expenditures totaling $51.8 million, all from special revenue funds, which is an all funds decrease of $6.1 million, or 10.5 percent, below the agency's FY 2016 request. The difference is due to the following recommended reductions from the agency's request: 1) $399,269, all from special revenue funds, to reduce employer contributions for state employee health insurance, 2) $2,206,089 for a 4.0 percent reduction to operations, and 3) $3,475,130 due to the Governor not recommending the agency's enhancement request for pay increases.

The **agency's** request for FY 2017 expenditures totals $58.9 million, including $44.0 million from the State General Fund, for the Operations Support program. The request is an all funds increase of $1.1 million, or 1.8 percent, and a State General Fund increase of $1.2 million, or 2.8 percent, above the FY

2016 request. Changes from the agency's FY 2016 request include the following items.

- **Salaries and Wages.** The agency requests expenditures of $44.7 million, including $37.7 million from the State General Fund, to fund 572.0 FTE positions and 14.0 non-FTE positions for FY 2017. The request is an all funds increase of $919,296, or 2.1 percent, and a State General Fund increase of $1.1 million, or 3.0 percent, above the FY 2016 request. This change is attributable to the agency's enhancement request for a 10.0 percent pay increase for all Law Enforcement Officer, Public Service Executive II, and Trooper classifications for FY 2017 ($3.5 million all funds, $2.9 million State General Fund).

- **Contractual Services.** The agency requests expenditures of $3.2 million, including $1.8 million from the State General Fund, for FY 2017. This request is an all funds decrease of $14,365, or 0.4 percent, below the FY 2016 request. The agency states that the FY 2017 budget includes a $136,000 one-time expenditure for the scheduled engine overhaul of the King Air.

- **Commodities.** The agency requests expenditures of $4.5 million, including $3.7 million from the State General Fund, for FY 2017. The request is an all funds increase of $66,201, or 1.5 percent, and a State General Fund increase of $62,302, or 1.7 percent, above the FY 2016 request. Part of this increase is reflected in higher anticipated gasoline expenditures from the FY 2016 request ($35,925). In addition, the agency states that it has increased its commodities budget to provide for a 2-year supply of ammunition.

- **Capital Outlay.** The agency requests expenditures of $6.4 million, including $766,968 from the State General Fund, for FY 2017. The request is an all funds increase of $128,408, or 2.0 percent, and a State General Fund increase of $18,156, or 2.4 percent, above the FY 2016 request. The agency states that the majority of expenditures in this category relate to law enforcement vehicles, and that it has budgeted for the purchase of 200 vehicles for standard road patrol. This request includes 140 Dodge Chargers and 60 SUVs for FY 2017.

- **Other Assistance.** The agency requests expenditures of $11,999, all from the State General Fund, for FY 2017. The request is a decrease of $35,995, or 75.0 percent, below the FY 2016 request. The agency states that this amount is based upon the schedule provided by the Department of Administration to calculate agency Voluntary Retirement Incentive Program expenditures.

The **Governor** recommends FY 2017 expenditures totaling $52.8 million, all from special revenue funds, which is an all funds decrease of $6.1 million, or 10.4 percent, below the agency's FY 2017 request. The difference is due to the following recommended reductions from the agency's request: 1) $406,395, to reduce employer contributions for state employee health insurance, 2) $2,261,791, for a 4.0 percent reduction to operations, and 3) $3,453,272 due to the Governor not recommending the agency's enhancement request for pay increases.

C. *Information Technology*

This program includes all aspects of information technology within the agency, including dispatch systems, in-car systems, communication devices, reporting and citation systems, and internal support systems, including desktop, fleet, inventory, and remote access. The agency states that a number of technology expenditures are not necessarily reflected in this subprogram, as some are charged in the program in which they occur, such as the KHP Operations and Motor Carrier Safety Assistance programs. KHP operates a statewide dispatching site in Salina.

INFORMATION TECHNOLOGY
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	$ 1,273,388	$ 1,370,708	$ 1,357,137	$ 1,669,016	$ 1,656,098	$ 1,746,575	$ 1,733,399
Contractual Services	519,234	624,900	624,900	673,100	673,100	684,522	684,522
Commodities	259,232	18,963	18,963	19,366	19,366	19,796	19,796
Capital Outlay	182,200	426,563	426,563	679,505	679,505	387,634	387,634
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,234,054	$ 2,441,134	$ 2,427,563	$ 3,040,987	$ 3,028,069	$ 2,838,527	$ 2,825,351
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	2,558	2,558	2,558	0	0	0	0
TOTAL	$ 2,236,612	$ 2,443,692	$ 2,430,121	$ 3,040,987	$ 3,028,069	$ 2,838,527	$ 2,825,351
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 2,970,410	$ 0	$ 2,764,759	$ 0
All Other Funds	2,236,612	2,443,692	2,430,121	70,577	3,028,069	73,768	2,825,351
TOTAL	$ 2,236,612	$ 2,443,692	$ 2,430,121	$ 3,040,987	$ 3,028,069	$ 2,838,527	$ 2,825,351
FTE Positions	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Non-FTE Uncl. Perm. Pos.	4.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	24.0	24.0	24.0	24.0	24.0	24.0	24.0

The **agency** requests expenditures of $3.0 million, including $2.97 million from the State General Fund, for the Information Technology program for FY 2016. This is an all funds increase of $597,295, or 24.4 percent, and a State General Fund increase of $3.0 million, or 100.0 percent, above the FY 2015 revised estimate. The funding change reflects the agency's request to move primary funding for the agency to the State General Fund for FY 2016. Changes from the agency's FY 2015 revised estimate include the following items.

- **Salaries and Wages.** The agency requests expenditures of $1.7 million, including $1.6 million from the State General Fund, to fund 20.0 FTE positions and 4.0 non-FTE positions for FY 2016. The request is an all funds increase of $298,308 million, or 21.8 percent, and a State General Fund increase of $1.6 million, or 100.0 percent, above the FY 2015 revised estimate. The agency states that this primarily reflects a reduction in shrinkage, as the FY 2016 budget now includes three previously unfunded positions including an Applications Developer I, a Database Administrator II, and a Public Service Executive I for FY 2016.

- **Contractual Services.** The agency requests expenditures of $673,100, all from the State General Fund, for FY 2016. This request is an increase of $48,200, or 7.7 percent, above the FY 2015 revised estimate. The agency notes that the base budget was increased in FY 2014 to reflect expenditures for a cloud based email platform. The agency states that the FY 2016 budget request is based upon projection of provided budget indices rates.

- **Commodities.** The agency requests expenditures of $19,366, all from the State General Fund, for FY 2016. The request is an increase of $403, or 2.1 percent, above the FY 2015 revised estimate. The agency states that this request is based upon projection of provided budget indices rates.

- **Capital Outlay.** The agency requests expenditures of $679,505, all from the State General Fund, for FY 2016. The request is an all funds increase of $252,942, or 59.3 percent, above the FY 2015 revised estimate. The agency states there are one-time expenditure decreases from FY 2015 of $135,000, and an increase of $312,500 for the purchase of computer equipment for FY 2016.

The **Governor** recommends FY 2016 expenditures totaling $3.0 million, all from special revenue funds, which is an all funds decrease of $12,918, or 0.4 percent, below the agency's FY 2016 request. The difference is due to the recommended reduction of $12,918, all from special revenue funds, to reduce employer contributions for state employee health insurance.

The **agency's** request for FY 2017 expenditures totals $2.84 million, including $2.76 million from the State General Fund, for the Information Technology program. The request is an all funds decrease of $202,460, or 6.7 percent, and a State General Fund decrease of $205,651, or 6.9 percent, below the FY 2016 request. Changes from the agency's FY 2016 request include the following items.

- **Salaries and Wages.** The agency requests expenditures of $1.75 million, including $1.67 million from the State General Fund, to fund 20.0

FTE positions and 4.0 non-FTE positions for FY 2017. The request is an all funds increase of $77,559, or 4.6 percent, and a State General Fund increase of $74,368, or 4.7 percent, above the FY 2016 request. The agency states that this primarily reflects a reduction in shrinkage, increases for fringe benefits, and the 27th paycheck for FY 2017.

- **Contractual Services.** The agency requests expenditures of $684,522, all from the State General Fund, for FY 2017. This request is an increase of $11,422, or 1.7 percent, above the FY 2016 request. The agency states that this request is based upon projection of provided budget indices rates.

- **Commodities.** The agency requests expenditures of $19,796, all from the State General Fund, for FY 2017. The request an increase of $430, or 2.2 percent, above the FY 2016 request. The agency states that this request is based upon projection of provided budget indices rates.

- **Capital Outlay.** The agency requests expenditures of $387,634, all from the State General Fund, for FY 2017. The request is a decrease of $291,871, or 43.0 percent, below the FY 2016 request. The agency states that there are off-setting decreases to reflect one-time purchases for FY 2016, but notes that the FY 2017 budget includes $222,700 for the purchase of storage/servers at the off-site data center and to replace the Salina dispatch phone system VOIP (voice over internet protocol).

The **Governor** recommends FY 2017 expenditures totaling $2.8 million, all from special revenue funds, which is an all funds decrease of $13,176, or 0.5 percent, below the agency's FY 2017 request. The difference is due to the recommended reduction of $13,176, all from special revenue funds, to reduce employer contributions for state employee health insurance.

D. Vehicle Identification Number

The Vehicle Identification Number (VIN) program is responsible for the inspection of the VIN number of every car being titled in Kansas for the first time. The inspection verifies that the VIN on the vehicle title matches the VIN on the car and that neither number has been altered. The inspection may be conducted by staff of the Kansas Highway Patrol or by another law enforcement agency designated by the KHP. The 2011 Legislature amended K.S.A. 8-116a to allow the Patrol to charge $15 per inspection, an increase of $5 over the previous inspection fee of $10, which is deposited into the VIN Fund. This fee then increased to $20 per inspection on July 1, 2012. If a designated law enforcement agency conducts the inspection, the local agency retains $18.00 of the fee and remits the remaining $2.00 to the Highway Patrol (KHP). This fee finances the expenses of this program. The agency notes that increases in the inspection fee has allowed the program to be self-supporting since FY 2013.

VEHICLE IDENTIFICATION NUMBER
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	$ 1,773,377	$ 1,931,221	$ 1,921,524	$ 2,073,851	$ 2,046,936	$ 2,146,539	$ 2,119,955
Contractual Services	286,378	291,414	291,414	296,778	296,778	302,500	302,500
Commodities	82,106	84,767	84,767	76,212	76,212	77,479	77,479
Capital Outlay	0	120,325	120,325	5,110	5,110	5,228	5,228
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,141,861	$ 2,427,727	$ 2,418,030	$ 2,451,951	$ 2,425,036	$ 2,531,746	$ 2,505,162
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	17,907	7,522	7,522	0	0	0	0
TOTAL	$ 2,159,768	$ 2,435,249	$ 2,425,552	$ 2,451,951	$ 2,425,036	$ 2,531,746	$ 2,505,162
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	2,159,768	2,435,249	2,425,552	2,451,951	2,425,036	2,531,746	2,505,162
TOTAL	$ 2,159,768	$ 2,435,249	$ 2,425,552	$ 2,451,951	$ 2,425,036	$ 2,531,746	$ 2,505,162
FTE Positions	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Non-FTE Uncl. Perm. Pos.	5.0	5.0	5.0	5.0	5.0	5.0	5.0
TOTAL	38.0	38.0	38.0	38.0	38.0	38.0	38.0

The **agency** requests FY 2016 expenditures of $2.5 million, all from special revenue funds, for the Vehicle Identification Number program. This is an increase of $16,702, or 0.7 percent, above the FY 2015 revised estimate. The request includes 33.0 FTE and 5.0 non-FTE positions, which is the same as the FY 2015 revised estimate. The agency states that this increases in this program primarily reflect automatic re-classifications to reflect duration of service, training achievements, and level of performance maintained. Notable capital outlay expenditures in the FY 2015 revised estimate reflect one-time shop equipment expenditures for a vehicle lift, air compressor, and a generator for the new Troop F Vehicle Identification Number shop.

The **Governor** recommends FY 2016 expenditures totaling $2.4 million, all from special revenue funds, which is an all funds decrease of $26,915, or 1.1 percent, below the agency's FY 2016 request. The difference is due to the recommended

reduction of $26,915, all from special revenue funds, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $2.5 million, all from special revenue funds, for the Vehicle Identification Number program. This is an increase of $79,795, or 3.3 percent, above the FY 2019 request. The request includes 33.0 FTE positions, and 5.0 non-FTE positions, which is the same as the FY 2016 request. The agency states that this increases in this program primarily reflect automatic re-classifications to reflect duration of service, training achievements, and level of performance maintained.

The **Governor** recommends FY 2017 expenditures totaling $2.5 million, all from special revenue funds, which is an all funds decrease of $26,584, or 1.1 percent, below the agency's FY 2017 request. The difference is due to the recommended reduction of $26,584, all from special revenue funds, to reduce employer contributions for state employee health insurance.

E. Motorist Assistance

The Motorist Assistance program was established with the Kansas Department of Transportation for special project employees to patrol major, urban interstate highways to assist stranded motorists. The program's goal is to decrease the amount of time disabled motorists spend on the side of the highway, increasing safety and reducing traffic fatalities. The program allows the troopers to concentrate on law enforcement duties rather than assisting these individuals. The cost of this program is shared with the Kansas Department of Transportation with funding provided through federal funds (80.0 percent) and a state match through the Highway Safety Fund (20.0 percent).

MOTORIST ASSISTANCE
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	$ 856,747	$ 940,455	$ 932,257	$ 945,872	$ 931,249	$ 979,526	$ 964,610
Contractual Services	50,285	78,529	78,529	78,871	78,871	79,359	79,359
Commodities	269,164	209,247	209,247	208,363	208,363	211,328	211,328
Capital Outlay	242,008	109,725	109,725	112,308	112,308	101,227	101,227
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,418,204	$ 1,337,956	$ 1,329,758	$ 1,345,414	$ 1,330,791	$ 1,371,440	$ 1,356,524
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 1,418,204	$ 1,337,956	$ 1,329,758	$ 1,345,414	$ 1,330,791	$ 1,371,440	$ 1,356,524
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 269,083	$ 0	$ 274,288	$ 0
All Other Funds	1,418,204	1,337,956	1,329,758	1,076,331	1,330,791	1,097,152	1,356,524
TOTAL	$ 1,418,204	$ 1,337,956	$ 1,329,758	$ 1,345,414	$ 1,330,791	$ 1,371,440	$ 1,356,524
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	21.0	21.0	21.0	21.0	21.0	21.0	21.0
TOTAL	21.0	21.0	21.0	21.0	21.0	21.0	21.0

The **agency** requests FY 2016 expenditures of $1.3 million, including $269,083 from the State General Fund, for the Motorist Assistance program. This is an all funds increase of $7,458, or 0.6 percent, above the FY 2015 revised estimate. The agency states that budget increases primarily reflect additional fringe benefits expenditures. The change in funding source reflects the agency's request to move primary funding for the agency to the State General Fund for FY 2016. The budget request reallocates the Highway Safety Fund portion, 20.0 percent of program expenditures, to the State General Fund for FY 2016. The agency states that FY 2017 budget increases primarily reflect increases for fringe benefits and gasoline expenditures.

The **Governor** recommends FY 2016 expenditures totaling $1.3 million, all from special revenue funds, which is an all funds decrease of $14,623, or 1.1 percent, below the agency's FY 2016 request. The difference is due to the recommended

reduction of $14,623, all from special revenue funds, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $1.4 million, including $274,288 from the State General Fund, for the Motorist Assistance program. The FY 2017 budget is an all funds increase of $26,026, or 1.9 percent, and a State General Fund increase of $5,205, or 1.9 percent, above the FY 2016 request. The funding change reflects the agency's request to move primary funding for the agency to the State General Fund for FY 2017. The budget request reallocates the Highway Safety Fund portion, 20.0 percent of program expenditures, to the State General Fund for FY 2017. The agency states that budget increases primarily reflect increases for fringe benefits and additional gasoline expenditures. There is a decrease in capital outlay expenditures for FY 2017 which is due to the purchase of one less variable message sign board for FY 2017 than in previous years (two for FY 2017 versus three included for prior budget years).

The **Governor** recommends FY 2017 expenditures totaling $1.4 million, all from special revenue funds, which is an all funds decrease of $14,916, or 1.1 percent, below the agency's FY 2017 request. The difference is due to the recommended reduction of $14,916, all from special revenue funds, to reduce employer contributions for state employee health insurance.

F. Capitol Police

The mission of the Capitol Police is to provide for the safety of persons and the protection of property within the Capitol Complex and at other state owned or leased property within Shawnee County. In prior years, the Capitol Police was funded through a contract with the Department of Administration. The 2005 Legislature provided State General Fund financing directly to the Kansas Highway Patrol for this program, giving the agency direct control over the financing of the Capitol Police. The 2006 Legislature changed the name of the program from Capitol Area Security Patrol to Capitol Police.

CAPITOL POLICE
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	$ 3,279,124	$ 3,350,847	$ 3,341,366	$ 3,777,221	$ 3,743,313	$ 3,899,586	$ 3,864,999
Contractual Services	387,053	262,941	262,941	276,389	276,389	278,101	278,101
Commodities	118,654	120,677	120,677	122,467	122,467	124,427	124,427
Capital Outlay	7,711	20,204	20,204	20,648	20,648	21,123	21,123
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 3,792,542	$ 3,754,669	$ 3,745,188	$ 4,196,725	$ 4,162,817	$ 4,323,237	$ 4,288,650
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	13,990	7,428	7,428	6,856	6,856	1,143	1,143
TOTAL	$ 3,806,532	$ 3,762,097	$ 3,752,616	$ 4,203,581	$ 4,169,673	$ 4,324,380	$ 4,289,793
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 4,203,581	$ 0	$ 4,324,380	$ 0
All Other Funds	3,806,532	3,762,097	3,752,616	0	4,169,673	0	4,289,793
TOTAL	$ 3,806,532	$ 3,762,097	$ 3,752,616	$ 4,203,581	$ 4,169,673	$ 4,324,380	$ 4,289,793
FTE Positions	52.0	52.0	52.0	52.0	52.0	52.0	52.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	52.0	52.0	52.0	52.0	52.0	52.0	52.0

The **agency** requests FY 2016 expenditures totaling $4.2 million, all from the State General Fund, for the Capitol Police program. This is an all funds increase of $441,484, or 11.7 percent, above the FY 2015 revised estimate. The change in funding source reflects the agency's request to move primary funding for the agency to the State General Fund for FY 2016.

An increase in expenditures of $426,374, or 12.7 percent, above the FY 2015 revised estimate for salaries and wages represents available funding for current positions and adjustments for fringe benefit changes. The agency states that in 24-hour coverage of areas where Capitol Police have jurisdiction requires the payment of overtime, immediate replacement of vacancies as they arise, and the creation of Memorandums' of Understanding with with certain state agencies to supply additional on-site security services. The agency also notes that both budgets include shrinkage reductions of $77,086 for FY 2016.

The agency notes that increases in other categories of expenditure for FY 2016 are based upon projection of provided budget indices rates.

The **Governor** recommends FY 2016 expenditures totaling $4.2 million, all from special revenue funds, which is an all funds decrease of $33,908, or 0.8 percent, below the agency's FY 2016 request. The difference is due to the recommended reduction of $33,908, all from special revenue funds, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $4.3 million, all from the State General Fund, for the Capitol Police program. This is an increase of $120,799, or 2.9 percent, above the FY 2016 request. This increase primarily occurs in salaries and wages for FY 2017. The funding change reflects the agency's request to move primary funding for the agency to the State General Fund for FY 2017.

The agency states that in 24-hour coverage of areas where Capitol Police have jurisdiction requires the payment of overtime, immediate replacement of vacancies as they arise, and the creation of Memorandums' of Understanding with with certain state agencies to supply additional on-site security services. The agency also notes that both budgets include shrinkage reductions of $79,583 for FY 2017.

The agency states that increases in other categories of expenditure for FY 2017 are based upon projection of provided budget indices rates.

The **Governor** recommends FY 2017 expenditures totaling $4.3 million, all from special revenue funds, which is an all funds decrease of $34,587, or 0.8 percent, below the agency's FY 2017 request. The difference is due to the recommended reduction of $34,587, all from special revenue funds, to reduce employer contributions for state employee health insurance.

G. Homeland Security

The Kansas Highway Patrol helps administer the federal Homeland Security Grant program. Funding for the program is provided by the United States Department of Homeland Security. Funds are provided to the state's seven homeland security regions for the purpose of preventing, planning for, responding to, and recovering from an act of terrorism. This includes funding for specialized training, exercises, and equipment.

HOMELAND SECURITY
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	$ 194,872	$ 225,633	$ 225,084	$ 312,902	$ 310,614	$ 325,075	$ 322,741
Contractual Services	53,559	41,432	41,432	70,126	70,126	70,318	70,318
Commodities	11,339	14,751	14,751	9,059	9,059	8,128	8,128
Capital Outlay	3,957	94,596	94,596	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 263,727	$ 376,412	$ 375,863	$ 392,087	$ 389,799	$ 403,521	$ 401,187
Aid to Local Units	4,836,968	2,786,693	2,786,693	3,093,910	3,093,910	3,369,858	3,369,858
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 5,100,695	$ 3,163,105	$ 3,162,556	$ 3,485,997	$ 3,483,709	$ 3,773,379	$ 3,771,045
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 298,825	$ 0	$ 310,211	$ 0
All Other Funds	5,100,695	3,163,105	3,162,556	3,187,172	3,483,709	3,463,168	3,771,045
TOTAL	$ 5,100,695	$ 3,163,105	$ 3,162,556	$ 3,485,997	$ 3,483,709	$ 3,773,379	$ 3,771,045
FTE Positions	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	4.0	4.0	4.0	4.0	4.0	4.0	4.0

The **agency** requests FY 2016 expenditures of $3.5 million, including $298,825 from the State General Fund, for the Homeland Security program. This is an all funds increase of $322,892, or 10.2 percent, and a State General Fund increase of $298,825, or 100.0 percent, above the FY 2015 revised estimate. The change in funding source reflects the agency's request to move primary funding for the agency to the State General Fund for FY 2016. The increase is due mostly to an increase of $307,217, or 11.0 percent, for aid to local units of government for qualifying Homeland Security expenditures and protection projects. The request includes 4.0 FTE positions, which is the same as the FY 2015 revised estimate. The agency notes that exact grant award amounts may change from the budgeted amount.

Capital Outlay expenditures included in the FY 2015 budget reflect the one-time use of Homeland Security funds to

purchase a Chemical, Biological, Radiological, Nuclear or Explosive Response Truck.

The **Governor** recommends FY 2016 expenditures totaling $3.5 million, all from special revenue funds, which is an all funds decrease of $2,288, or 0.1 percent, below the agency's FY 2016 request. The difference is due to the recommended reduction of $2,288, all from special revenue funds, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $3.8 million, including $310,211 from the State General Fund, for the Homeland Security program. This is an all funds increase of $287,382, or 8.2 percent, and a State General Fund increase of $11,386, or 3.8 percent, above the FY 2016 request. The request includes 4.0 FTE positions, which is the same as the FY 2016 request. The funding change reflects the agency's request to move primary funding for the agency to the State General Fund for FY 2017. The primary increase is due to a projected an increase of $275,948, or 8.9 percent, for aid to local units of government for qualifying Homeland Security expenditures and protection projects for FY 2017.

The **Governor** recommends FY 2017 expenditures totaling $3.8 million, all from special revenue funds, which is an all funds decrease of $2,334, or 0.1 percent, below the agency's FY 2017 request. The difference is due to the recommended reduction of $2,3347, all from special revenue funds, to reduce employer contributions for state employee health insurance.

H. Motor Carrier Inspection

The Motor Carrier Inspection program (MCI) was established to reduce the usage of oversized, overweight, or unsafe commercial vehicles on Kansas roads and highways. This program includes the inspection of commercial motor vehicles to ensure compliance with regulations adopted by the Kansas Corporation Commission. The program was transferred from the Department of Revenue to the KHP in FY 1989. Efforts to reduce the use of overweight vehicles on Kansas highways include the operation of ports of entry, the utilization of mobile units to check the weight of trucks, and safety and informational programs.

MOTOR CARRIER INSPECTION
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	$ 3,453,727	$ 3,724,614	$ 3,711,907	$ 3,775,702	$ 3,729,945	$ 3,906,689	$ 3,860,016
Contractual Services	248,725	259,255	259,255	263,173	263,173	267,363	267,363
Commodities	208,539	201,138	201,138	204,007	204,007	207,250	207,250
Capital Outlay	478,050	140,294	140,294	143,110	143,110	145,987	145,987
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 4,389,041	$ 4,325,301	$ 4,312,594	$ 4,385,992	$ 4,340,235	$ 4,527,289	$ 4,480,616
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	10,233	10,030	10,030	10,030	10,030	2,507	2,507
TOTAL	$ 4,399,274	$ 4,335,331	$ 4,322,624	$ 4,396,022	$ 4,350,265	$ 4,529,796	$ 4,483,123
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 4,396,022	$ 0	$ 4,529,796	$ 0
All Other Funds	4,399,274	4,335,331	4,322,624	0	4,350,265	0	4,483,123
TOTAL	$ 4,399,274	$ 4,335,331	$ 4,322,624	$ 4,396,022	$ 4,350,265	$ 4,529,796	$ 4,483,123
FTE Positions	67.0	67.0	67.0	67.0	67.0	67.0	67.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	67.0	67.0	67.0	67.0	67.0	67.0	67.0

The **agency** requests FY 2016 expenditures of $4.4 million, all from the State General Fund, for the Motor Carrier Inspection program. This is an increase of $60,691, or 1.4 percent, above the FY 2015 revised estimate. The request includes 67.0 FTE positions, which the same as the FY 2015 revised estimate. The change in funding source reflects the agency's request to move primary funding for the agency to the State General Fund for FY 2016. The agency states that this increases in this program are primarily attributable to automatic position re-classifications to reflect duration of service, training achievements, and level of performance maintained. The agency states that the FY 2016 budget request is based upon projection of provided budget indices.

The **Governor** recommends FY 2016 expenditures totaling $4.4 million, all from special revenue funds, which is an all funds decrease of $45,757, or 1.0 percent, below the agency's FY 2016 request. The difference is due to the recommended

reduction of $45,757, all from special revenue funds, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $4.5 million, all from the State General Fund, for the Motor Carrier Inspection program. This is an increase of $133,774, or 3.0 percent, above the FY 2016 request. This includes the change of funding source from the KHP Operations Fund to the State General Fund. The request includes 67.0 FTE positions, which the same as the FY 2016 request. The majority of this increase is in salaries and wages expenditures ($130,987), which the agency states is primarily attributable to automatic position re-classifications to reflect duration of service, training achievements, and level of performance maintained.

The **Governor** recommends FY 2017 expenditures totaling $4.5 million, all from special revenue funds, which is an all funds decrease of $46,673, or 1.0 percent, below the agency's FY 2017 request. The difference is due to the recommended reduction of $46,673, all from special revenue funds, to reduce employer contributions for state employee health insurance.

I. Turnpike Patrol

The Turnpike Patrol program provides security and law enforcement on the Kansas Turnpike. Troopers enforce traffic laws, render services to the motoring public, investigate accidents, provide emergency aid to injured persons, and develop cases pertaining to all criminal activity occurring on the Kansas Turnpike Authority (KTA) property. The agency notes that the KTA reimburses the Highway Patrol for all of its expenditures related to patrol of the Turnpike.

TURNPIKE PATROL
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	$ 3,976,470	$ 4,039,333	$ 4,038,586	$ 4,160,023	$ 4,155,334	$ 4,267,713	$ 4,262,930
Contractual Services	26,622	27,062	27,062	27,563	27,563	28,094	28,094
Commodities	12,185	12,405	12,405	12,638	12,638	12,884	12,884
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 4,015,277	$ 4,078,800	$ 4,078,053	$ 4,200,224	$ 4,195,535	$ 4,308,691	$ 4,303,908
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 4,015,277	$ 4,078,800	$ 4,078,053	$ 4,200,224	$ 4,195,535	$ 4,308,691	$ 4,303,908
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	4,015,277	4,078,800	4,078,053	4,200,224	4,195,535	4,308,691	4,303,908
TOTAL	$ 4,015,277	$ 4,078,800	$ 4,078,053	$ 4,200,224	$ 4,195,535	$ 4,308,691	$ 4,303,908
FTE Positions	52.5	52.5	52.5	52.5	99.9	52.5	52.5
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	99.9	0.0	0.0
TOTAL	52.5	52.5	52.5	52.5	199.8	52.5	52.5

The **agency** requests FY 2016 expenditures of $4.2 million, all from special revenue funds, for the Turnpike Patrol program. This is an increase of $121,424, or 3.0 percent, above the FY 2015 revised estimate. The request includes 52.5 FTE positions, which the same as the FY 2015 revised estimate. The primary increase in this program is in salaries and wages, and reflects increases in fringe benefits, while other categories of expenditures are budgeted to reflect changes in the budget indices.

The **Governor** recommends FY 2016 expenditures totaling $4.2 million, all from special revenue funds, which is an all funds decrease of $4,689, or 0.1 percent, below the agency's FY 2016 request. The difference is due to the recommended reduction of $4,689, all from special revenue funds, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $4.3 million, all from special revenue funds, for the Turnpike Patrol program.

This is an increase of $108,467, or 2.6 percent, above the FY 2016 request. The request includes 52.5 FTE positions, which is the same as the FY 2016 request. The primary increase in this program is in salaries and wages, and reflects increases in fringe benefits, while other categories of expenditures are budgeted to reflect changes in the budget indices.

The **Governor** recommends FY 2017 expenditures totaling $4.3 million, all from special revenue funds, which is an all funds decrease of $4,783, or 0.1 percent, below the agency's FY 2017 request. The difference is due to the recommended reduction of $4,783, all from special revenue funds, to reduce employer contributions for state employee health insurance.

J. Debt Service

The Kansas Highway Patrol is currently making debt service principal and interest payments on the Fleet Center and the Vehicle Identification Number (VIN) facility in Olathe. The final payment on the 15-year bonds for the Fleet Center is scheduled to be made in FY 2018, and the final payment on the 10-year bonds on the VIN facility is scheduled to be made in FY 2014. Debt service interest payments are classified as operating expenditures and detailed below; however, debt service principal payments are classified as capital improvements expenditures and are included in the next section.

DEBT SERVICE
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:							
Debt Service	$ 80,199	$ 61,819	$ 61,819	$ 45,281	$ 45,281	$ 27,825	$ 27,825
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	80,199	61,819	61,819	45,281	45,281	27,825	27,825
TOTAL	$ 80,199	$ 61,819	$ 61,819	$ 45,281	$ 45,281	$ 27,825	$ 27,825

The **agency** requests FY 2016 expenditures of $45,281, all from special revenue funds, for debt service interest payments on the Fleet Center.

The **Governor** concurs with the agency's FY 2016 request for debt service expenditures.

The **agency** requests FY 2017 expenditures of $27,825, all from special revenue funds, for debt service interest payments on the Fleet Center.

The **Governor** concurs with the agency's FY 2017 request for debt service expenditures.

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
Fleet Center Debt Service Principal	$ 305,000	$ 305,000	$ 325,000	$ 325,000	$ 340,000	$ 340,000
Rehabilitation and Repair Scales and Buildings	297,706	297,706	308,522	308,522	312,355	312,355
Water Line Replacement	292,740	292,740	0	0	0	0
Troop F Headquarters	3,249,800	3,249,800	0	0	0	0
Troop F Unanticipated Expenditure Authority	559,980	559,980	0	0	0	0
Training Academy East and West Retaining Walls	--	631,300	0	0	0	0
TOTAL	$ 4,705,226	$ 5,336,526	$ 633,522	$ 633,522	$ 652,355	$ 652,355
Financing:						
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	4,705,226	5,336,526	633,522	633,522	652,355	652,355
TOTAL	$ 4,705,226	$ 5,336,526	$ 633,522	$ 633,522	$ 652,355	$ 652,355

Current Year Agency Estimate

FY 2015 – Current Year. The agency's revised estimate for capital improvement expenditures totals $4.7 million, all from special revenue funds, in FY 2015. The agency's revised estimate includes the following expenditures:

Debt Service - The agency requests $305,000, all from special revenue funds, for debt service principal payments for the Fleet Center and the Vehicle Identification Number facility in Olathe, in FY 2015.

Rehabilitation and Repair Scales and Buildings - The agency requests $297,706, all from special revenue funds, for rehabilitation, repair, and replacement expenditures for scales and buildings in FY 2015. This amount includes funding for

labor, materials, and equipment to replace or repair owned facilities, scales, and fixtures, which include: (1) the Kansas Highway Patrol Training Academy campus; (2) ten Motor Carrier Inspection stations, nine of which have scales, including one that does not, (3) three vehicle identification number facilities, (4) a vehicle fleet and maintenance building, (5) the Valley Center troop building, (6) Billard hangar facility, and (7) the Troop C district office building in Ellsworth. This request includes funding for: $130,000 for routine rehabilitation and repair for scales and buildings; $113,000 for scale replacement; and $54,706 for Academy roof and boiler replacements.

Water Line Replacement - The agency requests $292,740, all from special revenue funds, for labor, materials, and equipment to re-pipe the supply and return water mains on all three levels of the dormitory at the Training Academy in Salina, in FY 2015. The agency states that the cast iron pipes (water lines) were part of the building's original construction back in 1962, and that they are rusted and flaking. Water supplied through these lines is approximately 500 gallons per minute and 30 pounds per square inch, that has the potential to cause costly water damage if they were to bust.

Troop F Headquarters - The agency requests $3.2 million, all from special revenue funds, for construction of a new Troop F Headquarters building in FY 2015. The building is to be constructed in Kechi, a suburb of Wichita. The Kansas Highway Patrol has received federal approval to utilize Federal Forfeiture funds to pay for the construction of this building.

Troop F Unanticipated Expenditure Authority - The agency is requesting a supplemental for $559,980, all from Federal Forfeiture funds, for unanticipated expenditures related to the construction of Troop F headquarters in FY 2015. This funding is comprised of two estimates, including:

- $324,980 - Emig & Associates, from whom architectural services were contracted, has advised the agency to prepare for unanticipated expenditures that may arise during the construction of the site. This would provide 10.0 percent of the awarded contracted price of construction for contingency expenditures; and

- $235,000 - The agency's original construction estimates assumed that paving for the site would be accomplished by KDOT at minimal cost to the agency. However, should this not be the case, the agency is requesting additional expenditure authority to procure paving services, based on an estimate received from contractor, Walz, Harman, Huffman, in FY 2015.

Current Year Governor Recommendation

The **Governor** recommends capital improvements expenditures totaling $5.3 million, all from special revenue funds, in FY 2015. This is an all funds increase $631,300, or 13.4 percent, above the agency's FY 2015 revised estimate. The increase from the agency's request is due to the Governor concurring with the agency's capital improvements requests, and adding $631,300, all from special revenue funds, for the replacement of the east and west retaining walls at the Training Academy in Salina.

Budget Year Agency Request

FY 2016 – Budget Year. The agency requests capital improvement expenditures totaling $633,522, all from special revenue funds, for FY 2016. The agency's request includes the following expenditures:

Debt Service - The agency requests $325,000, all from special revenue funds, for debt service principal payments for the Fleet Center and the Vehicle Identification Number facility in Olathe, for FY 2016.

Rehabilitation and Repair Scales and Buildings - The agency requests $308,522, all from special revenue funds, for rehabilitation/repair/replacement of scales and buildings for FY 2016. This amount includes funding for labor, materials, and equipment to replace or repair owned facilities, scales, and fixtures, which include: (1) the Kansas Highway Patrol Training Academy campus; (2) ten Motor Carrier Inspection stations, nine of which have scales, including one that does not, (3) three vehicle identification number facilities, (4) a vehicle fleet and maintenance building, (5) the Valley Center troop building, (6) Billard hangar facility, and (7) the Troop C district office building in Ellsworth. This request includes funding for: $130,000 for routine rehabilitation and repair for scales and buildings; $123,000 for scale replacement; and $55,522 for Academy roof and boiler replacements.

Budget Year Governor Recommendation

The **Governor** concurs with the agency's request for capital improvements expenditures for FY 2016.

Budget Year Agency Request

FY 2017 – Budget Year. The agency requests capital improvement expenditures totaling $652,355, all from special revenue funds, for FY 2017. The agency's request includes the following expenditures:

Debt Service - The agency requests $340,000, all from special revenue funds, for debt service principal payments for the Fleet Center and the Vehicle Identification Number facility in Olathe, for FY 2017.

Rehabilitation and Repair Scales and Buildings - The agency requests $312,355, all from special revenue funds, for rehabilitation/repair/replacement of scales and buildings for FY 2017. This amount includes funding for labor, materials, and equipment to replace or repair owned facilities, scales, and fixtures, which include: (1) the Kansas Highway Patrol Training Academy campus; (2) ten Motor Carrier Inspection stations, nine of which have scales, including one that does not, (3) three vehicle identification number facilities, (4) a vehicle fleet and maintenance building, (5) the Valley Center troop building, (6) Billard hangar facility, and (7) the Troop C district office building in Ellsworth. This request includes funding for: $130,000 for routine rehabilitation and repair for scales and buildings; $126,000 for scale replacement; and $56,355 for Academy roof and boiler replacements.

Budget Year Governor Recommendation

The **Governor** concurs with the agency's request for capital improvements expenditures for FY 2017.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Administration:					
Number of trooper road hours	350,000	313,666	320,000	320,000	350,000
Percent of fatalities per 100 million miles traveled	1.2%	1.1%	1.0%	1.0%	1.0%
Number of felony arrests	740	888	800	850	850
Percent of injury accidents involving alcohol	8.0%	8.0%	7.5%	7.5%	7.5%
Percent of seat belt law compliance	92.0%	92.0%	93.0%	93.0%	93.0%
Turnpike Patrol:					
Number of miles patrolled	1,900,000	1,500,000	1,500,000	1,500,000	1,500,000
Percent of fatalities to total accidents	0.42%	0.66%	0.41%	0.41%	0.41%
Number of DUI arrests	500	427	450	450	450
Motor Carrier Inspection:					
Number of safety programs presented	120	143	120	120	120
Percent of vehicles at ports exceeding the legal weight limit	0.25%	0.35%	0.25%	0.25%	0.25%
Percent of trucks stopped by mobile units illegally overweight	40.0%	31.8%	35.0%	35.0%	35.0%
Capitol Police:					
Number of crimes reported and complaints filed	900	1,046	1,100	1,100	1,000
Number of arrests	200	99	100	100	100
Number of patrol hours	30,000	31,120	32,000	32,000	32,000

Kansas Sentencing Commission

	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	$ 7,076,303	$ 7,033,276	$ 7,023,232	$ 7,733,073	$ 7,397,800	$ 7,446,094	$ 7,397,665
Other Funds	683,294	811,483	810,507	98,658	98,056	76,881	76,269
TOTAL	$ 7,759,597	$ 7,844,759	$ 7,833,739	$ 7,831,731	$ 7,495,856	$ 7,522,975	$ 7,473,934
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	**$ 7,759,597**	**$ 7,844,759**	**$ 7,833,739**	**$ 7,831,731**	**$ 7,495,856**	**$ 7,522,975**	**$ 7,473,934**
Percentage Change:							
Operating Expenditures							
State General Fund	0.6 %	(0.6) %	(0.7) %	9.9 %	5.3 %	(3.7) %	(0.0) %
All Funds	5.8	1.1	1.0	(0.2)	(4.3)	(3.9)	(0.3)
FTE Positions	9.0	9.0	9.0	10.0	9.0	10.0	9.0
Non-FTE Perm.Uncl.Pos.	2.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	11.0	12.0	12.0	13.0	12.0	13.0	12.0

The Kansas Sentencing Commission was created by the 1989 Legislature to develop a sentencing guideline model, or grid, based upon fairness and equity and to provide a mechanism for linking justice and corrections policies. The Commission tracks and assesses sentencing impositions using statistical methodologies to develop prison population projections and legislative impacts to interested parties including the Kansas Department of Corrections, Governor, and Legislature. The Commission also administers the Substance Abuse Treatment Program created by the 2003 Legislature in SB 123, principally codified as KSA 21-4729.

MAJOR ISSUES FROM PRIOR YEARS

The **2003 Legislature** moved the penalties for possession of illegal drugs from a punishment model to a treatment model with the passage of SB 123 during the 2003 Legislative Session. The bill established a non-prison sentence of drug abuse treatment which is not to exceed 18 months. The bill also reduced all illegal drug possession criminal penalties regardless of the second, third, or subsequent possession conviction to a level 4 drug offense. First-time marijuana possession remained as a class A misdemeanor.

The **2010 Legislature** approved a FY 2010 reduction of $2,178, including $2,042 from the State General Fund, for a 5.0 percent state officers salary reduction ($1,092 from the State General Fund) and a moratorium on contributions to the KPERS Death and Disability Fund ($1,086, including $950 from the State General Fund). The Legislature made the following adjustments to the FY 2011 budget.

- Approved the Governor's recommendation to increase the use of fee funds by $662,400 to offset the same amount of State General Fund expenditures.
- Approved the Governor's recommended reduction of $422,208 from the State General Fund for 2003 SB 123 drug treatment program expenditures.
- Deleted $1,155, including $1,021 from the State General Fund, for a moratorium on contributions to the KPERS Death and Disability Fund.

The **2011 Legislature** approved FY 2012 reductions totaling $96,354, including $92,473 from the State General Fund. The adjustments included deleting $86,760, including $83,556 from the State General Fund, as part of an across-the-board reduction.

The **2012 Legislature** approved FY 2013 reductions of $1,029, including $899 from the State General Fund, for a three-month moratorium on contributions to the Kansas Public Employees Retirement System Group Insurance Fund.

The **2013 Legislature** approved the addition of $81,257, all from the State General Fund, and 1.0 FTE position for FY 2014

and FY 2015 to monitor the implementation of HB 2170, the Justice Reinvestment Act.

The **2014 Legislature** deleted $47,620 from the State General Fund reappropriation from FY 2013 to FY 2014.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 operating expenditures of $7.8 million, including $7.0 million from the State General Fund. The estimate is an all funds increase of $414,418, or 5.6 percent, including a State General Fund increase of $10,044, or 0.1 percent, above the FY 2015 approved amount. The all funds increase is due to the hiring of 1.0 new non-FTE unclassified permanent position funded with new federal grant dollars and increased General Fees Fund expenditures for the substance abuse treatment program expenditures. The State General Fund increase is due to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures. The request includes 9.0 FTE positions and 3.0 non-FTE positions, which is one additional non-FTE position above the approved number.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 operating expenditures of $7.8 million, including $7.0 million from the State General Fund. The recommendation is a decrease of $11,020, or 0.1 percent, including a State General Fund decrease of $10,044, or 0.1 percent, below the agency's FY 2015 estimate. The decrease is attributable to the Governor's December 2014 Allotment and a reduction in special revenue funds for reduced KPERS employer contributions.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $7.8 million, including $7.7 million from the State General Fund. The request is an overall decrease of $13,028, or 0.2 percent, below the FY 2015 estimate, partially offset by a State General Fund increase of $699,797, or 9.9 percent. The request includes enhancements totaling $506,537, all from the State General Fund, and 1.0 FTE position for a data entry position and a shortfall for substance abuse treatment program expenditures. The agency states its supplemental General Fees Fund revenue used to previously make expenditures will be exhausted by FY 2016 and future funding for the program will need to be entirely State General Fund. The request includes 10.0 FTE positions, which is 1.0 FTE position more than the FY 2015 estimate. **Absent the enhancements**, the agency requests $7.3 million, including $7.2 million from the State General Fund. The request is an overall decrease of $519,565, or 6.6 percent, below the FY 2015 estimate, partially offset by a State General Fund increase of 193,260, or 2.7 percent. The decrease is primarily attributable to reduced fee fund revenues for substance abuse treatment expenditures, reduced staffing service fees, lowered costs for

Department of Administration support services, partially offset by hiring 1.0 new non-FTE position in conjunction with new federal funding.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $7.5 million, including $7.4 million from the State General Fund. The recommendation is a decrease of $335,875, or 4.3 percent, including a State General Fund decrease of $335,273, or 4.3 percent, below the agency's FY 2016 request. The decrease is due to the Governor not recommending the agency's enhancement request for a new data analyst position and further recommending a reduction of $8,882, including $8,280 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor's recommendation is partially offset by partial funding ($179,544, all from the State General Fund) of the agency's enhancement request for funding for substance abuse treatment expenditures.

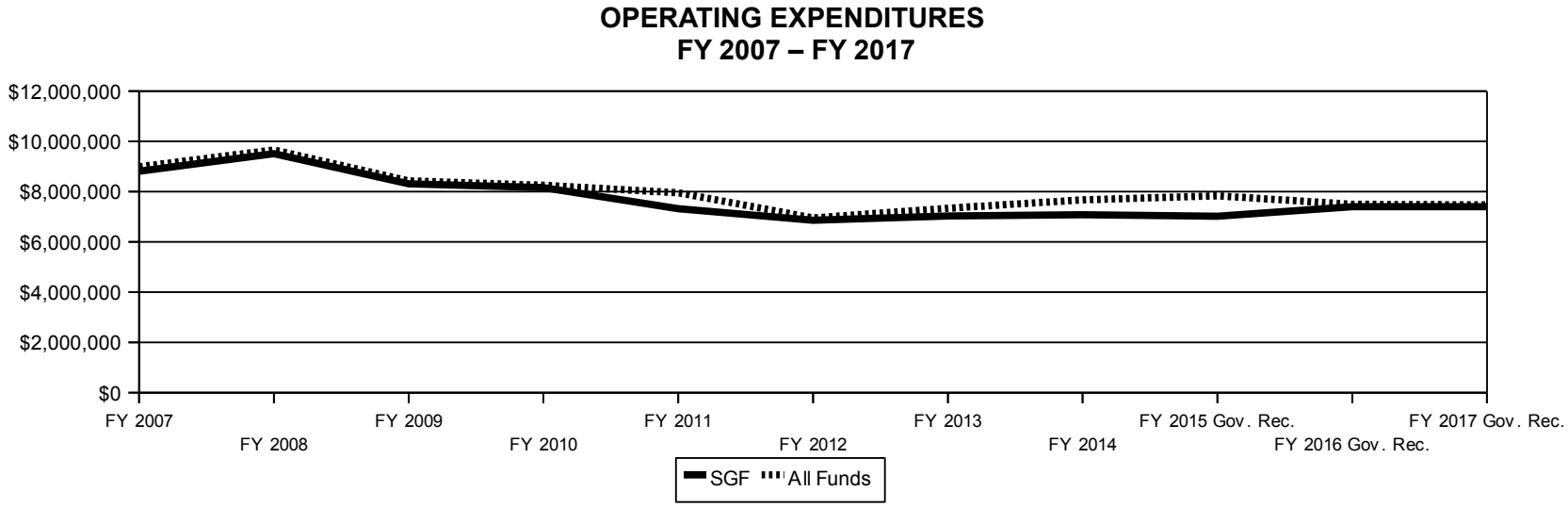
FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $7.5 million, including $7.4 million from the State General Fund. The request is a decrease of $308,756, or 3.9 percent, including a State General Fund decrease of $286,979, or 3.7 percent, below the FY 2016 request. The request includes enhancements totaling $219,558, all from the State General Fund, and 1.0 FTE position for a data entry position and a shortfall for substance abuse treatment program expenditures. The agency states it still faces a shortfall even after a policy change for FY 2017 regarding the length of stay for Intermediate/Residential facilities that makes these facilities more consistent with other payment providers in the industry. The request includes 10.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $7.3 million, including $7.2 million from the State General Fund. The request is an overall decrease of $21,777, or 0.3 percent, below the FY 2016 request less enhancements.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $7.5 million, including $7.4 million from the State General Fund. The recommendation is a decrease of $49,041, or 0.7 percent, including $48,429, or 0.7 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for a new data analyst position and further recommending a reduction of $9,027, including $8,415 from the State General Fund, to reduce employer contributions for state employee health insurance.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 8,811,760	(3.4)%	$ 8,986,528	(2.7)%	7.0
2008	9,514,919	8.0	9,660,600	7.5	10.0
2009	8,315,982	(12.6)	8,429,974	(12.7)	10.0
2010	8,156,594	(1.9)	8,253,571	(2.1)	10.0
2011	7,320,944	(10.2)	7,954,442	(3.6)	8.0
2012	6,857,997	(6.3)	6,953,459	(12.6)	8.0
2013	7,033,235	2.6	7,335,652	5.5	8.0
2014	7,076,303	0.6	7,759,597	5.8	9.0
2015 Gov. Rec.	7,023,232	(0.7)	7,833,739	1.0	9.0
2016 Gov. Rec.	7,397,800	5.3	7,495,856	(4.3)	9.0
2017 Gov. Rec.	7,397,665	(0.0)	7,473,934	(0.3)	9.0
Eleven-Year Change	$ (1,414,095)	(16.0)%	$ (1,512,594)	(16.8)%	2.0

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 917,670	$ 956,253	$ 982,225	$ 25,972	2.7 %	$ 945,233	$ 927,170	$ (18,063)	(1.9)%
Substance Abuse Treatment	6,841,927	6,888,506	6,849,506	(39,000)	(0.6)	6,888,506	6,568,686	(319,820)	(4.6)
TOTAL	$ 7,759,597	$ 7,844,759	$ 7,831,731	$ (13,028)	(0.2) %	$ 7,833,739	$ 7,495,856	$ (337,883)	(4.3)%
By Major Object of Expenditure:									
Salaries and Wages	$ 666,802	$ 757,105	$ 828,062	$ 70,957	9.4 %	$ 750,124	$ 779,507	$ 29,383	3.9 %
Contractual Services	223,151	185,648	138,213	(47,435)	(25.6)	181,609	137,813	(43,796)	(24.1)
Commodities	11,974	11,500	7,850	(3,650)	(31.7)	11,500	7,850	(3,650)	(31.7)
Capital Outlay	15,743	2,000	8,100	6,100	305.0	2,000	2,000	0	0.0
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 917,670	$ 956,253	$ 982,225	$ 25,972	2.7 %	$ 945,233	$ 927,170	$ (18,063)	(1.9)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	6,841,927	6,888,506	6,849,506	(39,000)	(0.6)	6,888,506	6,568,686	(319,820)	(4.6)
TOTAL	$ 7,759,597	$ 7,844,759	$ 7,831,731	$ (13,028)	(0.2) %	$ 7,833,739	$ 7,495,856	$ (337,883)	(4.3)%
Financing:									
State General Fund	$ 7,076,303	$ 7,033,276	$ 7,733,073	$ 699,797	9.9 %	$ 7,023,232	$ 7,397,800	$ 374,568	5.3 %
General Fees Fund	586,975	709,647	97,790	(611,857)	(86.2)	709,164	97,198	(611,966)	(86.3)
Federal Funds	96,319	101,836	868	(100,968)	(99.1)	101,343	858	(100,485)	(99.2)
TOTAL	$ 7,759,597	$ 7,844,759	$ 7,831,731	$ (13,028)	(0.2) %	$ 7,833,739	$ 7,495,856	$ (337,883)	(4.3)%

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	$ 982,225	$ 1,023,469	$ 41,244	4.2 %	$ 927,170	$ 974,428	$ 47,258	5.1 %
Substance Abuse Treatment	6,849,506	6,499,506	(350,000)	(5.1)	6,568,686	6,499,506	(69,180)	(1.1)
TOTAL	$ 7,831,731	$ 7,522,975	$ (308,756)	(3.9) %	$ 7,495,856	$ 7,473,934	$ (21,922)	(0.3)%
By Major Object of Expenditure:								
Salaries and Wages	$ 828,062	$ 861,606	$ 33,544	4.1 %	$ 779,507	$ 812,765	$ 33,258	4.3 %
Contractual Services	138,213	152,013	13,800	10.0	137,813	151,813	14,000	10.2
Commodities	7,850	7,850	0	0.0	7,850	7,850	0	0.0
Capital Outlay	8,100	2,000	(6,100)	(75.3)	2,000	2,000	0	0.0
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	$ 982,225	$ 1,023,469	$ 41,244	4.2 %	$ 927,170	$ 974,428	$ 47,258	5.1 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	6,849,506	6,499,506	(350,000)	(5.1)	6,568,686	6,499,506	(69,180)	(1.1)
TOTAL	$ 7,831,731	$ 7,522,975	$ (308,756)	(3.9) %	$ 7,495,856	$ 7,473,934	$ (21,922)	(0.3)%
Financing:								
State General Fund	$ 7,733,073	$ 7,446,094	$ (286,979)	(3.7) %	$ 7,397,800	$ 7,397,665	$ (135)	(0.0)%
General Fees Fund	97,790	76,881	(20,909)	(21.4)	97,198	76,269	(20,929)	(21.5)
Federal Funds	868	0	(868)	(100.0)	858	0	(858)	(100.0)
TOTAL	$ 7,831,731	$ 7,522,975	$ (308,756)	(3.9) %	$ 7,495,856	$ 7,473,934	$ (21,922)	(0.3)%

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $7,029,237 for the Kansas Sentencing Commission in FY 2015. Two adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustment has been made.

- An increase of $4,039, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.
- A reduction of $10,044 as the result of the Governor's December 9th State General Fund allotment.

This adjustment changes the FY 2015 approved State General Fund to $7,023,232. 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.

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	$ 7,023,232	$ 7,033,276	$ 10,044	$ 7,023,232	$ 0
All Other Funds	405,814	811,483	405,669	810,507	404,693
TOTAL	$ 7,429,046	$ 7,844,759	$ 415,713	$ 7,833,739	$ 404,693
FTE Positions	9.0	9.0	0.0	9.0	0.0

The **agency** estimates FY 2015 operating expenditures of $7.8 million, including $7.0 million from the State General Fund. The estimate is an all funds increase of $415,713, or 5.5 percent, including a State General Fund increase of $10,044, or 0.1 percent, above the FY 2015 approved amount. The all funds increase is due to the hiring of 1.0 new non-FTE unclassified

permanent position funded with new federal grant dollars and increased General Fees Fund expenditures for the substance abuse treatment program expenditures. The State General Fund increase is due to the Governor's December 2014 Allotment that reduced approved State General Fund expenditures. The request includes 9.0 FTE positions and 3.0 non-FTE positions, which is the same as the approved number.

The **Governor** recommends FY 2015 operating expenditures of $7.8 million, including $7.0 million from the State General Fund. The recommendation is a decrease of $11,020, or 0.1 percent, including a State General Fund decrease of $10,044, or 0.1 percent, below the agency's FY 2015 estimate. The decrease is attributable to the Governor's December 2014 Allotment and a reduction in special revenue funds for reduced KPERS employer contributions.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (6,005)	$ (6,005)	0.0
Lapse Reappropriation	(4,039)	(4,039)	0.0
TOTAL	$ (10,044)	$ (10,044)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $6,005 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 $976 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of $11,020.

Reappropriation Lapse:

A reduction of $4,039, as a result of the Governor's State General Fund reappropriation allotment. This is a reduction to the total FY 2015 State General Fund reappropriation of $4,039 for the agency. This allotment will decrease available funding in the Administration program.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 7,831,731	$ 7,495,856	$ (335,875)
FTE Positions	10.0	9.0	(1.0)
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 699,797	$ 374,568	
All Other Funds	(712,825)	(712,451)	
TOTAL	$ (13,028)	$ (337,883)	
Percent Change:			
State General Fund	9.9 %	5.3 %	
All Other Funds	(87.8)	(87.9)	
TOTAL	(0.2) %	(4.3) %	
Change in FTE Positions	1.0	0.0	

The **agency** requests FY 2016 operating expenditures of $7.8 million, including $7.7 million from the State General Fund. The request is an overall decrease of $13,028, or 0.2 percent, below the FY 2015 estimate, partially offset by a State General

Fund increase of $699,797, or 9.9 percent. The request includes enhancements totaling $506,537, all from the State General Fund, and 1.0 FTE position for a data entry position and a shortfall for substance abuse treatment program expenditures. The agency states its supplemental General Fees Fund revenue used to previously make expenditures will be exhausted by FY 2016 and future funding for the program will need to be entirely funded by the State General Fund. The request includes 10.0 FTE positions, which is 1.0 FTE position more than the FY 2015 estimate. **Absent the enhancements**, the agency requests $7.3 million, including $7.2 million from the State General Fund. The request is an overall decrease of $519,565, or 6.6 percent, below the FY 2015 estimate, partially offset by a State General Fund increase of 193,260, or 2.7 percent. The major changes for FY 2016 include the following items.

- **Salaries and Wages -** The agency requests $828,062 for salaries and wages. The request is an increase of $70,957, or 9.4 percent, above the FY 2015 estimate. The increase is due to hiring 1.0 new non-FTE position in conjunction with new federal funding and an enhancement of $39,673, all from the State General Fund, for a new data analyst position. **Absent the enhancement**, the agency requests $788,389 for salaries and wages.

- **Contractual Services -** The agency requests $138,213 for contractual services. The request is a decrease of $47,435, or 25.6 percent, below the FY 2015 estimate. The decrease is attributable to lowered staffing service fees and contract fees to analyze the substance abuse treatment program, partially offset by an enhancement of $400, all from the State General Fund, for a new data analyst position.

- **Commodities** - The agency requests $7,850 for commodities. The request is a decrease of $3,650, or 31.7 percent, below the FY 2015 estimate. The decrease is due to computer supplies purchased in FY 2015 that are not made for FY 2016.

- **Capital Outlay -** The agency requests $8,100 for capital outlay. The request is an increase of $6,100, or 305.0 percent, above the FY 2015 estimate. The increase is entirely attributable to an enhancement for equipment for a new data analyst position.

- **Other Assistance -** The agency requests $6.8 million in other assistance. The request is for Substance Abuse Treatment program expenditures the agency monitors. The request is a decrease of $39,000, or 0.6 percent, below the FY 2015 estimate. The request includes an enhancement of $460,364, all from the State General Fund, for Substance Abuse Treatment program payment shortfalls. **Absent the enhancement**, the agency requests $6.4 million for other assistance. The request is a decrease of $499,364, or 7.2 percent, below the FY 2015 estimate. The agency states existing fee fund revenues are no longer viable to help subsidize these expenditures and the program will have to be entirely funded by the State General Fund.

The **Governor** recommends FY 2016 operating expenditures of $7.5 million, including $7.4 million from the State General Fund. The recommendation is a decrease of $335,875, or 4.3 percent, including a $335,273, or 4.3 percent, from the State General Fund, below the agency's FY 2016

request. The decrease is due to the Governor not recommending the agency's enhancement request for a new data analyst position and further recommending a reduction of $8,882, including $8,280 from the State General Fund, to reduce employer contributions for state employee health insurance. The Governor's recommendation is partially offset by recommending partial funding ($179,544, all from the State General Fund) of the agency's enhancement request for funding for substance abuse treatment expenditures.

Enhancements Detail

FY 2016 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Data Entry Position	$ 46,173	$ 46,173	1.0	$ 0	$ 0	0.0
Substance Abuse Treatment Shortfall	460,364	460,364	0.0	179,544	179,544	0.0
TOTAL	**$ 506,537**	**$ 506,537**	**1.0**	**$ 179,544**	**$ 179,544**	**0.0**

The **agency** requests enhancements totaling $506,537, all from the State General Fund. The enhancement request include the following items.

- **Data Entry Position -** The agency requests $46,173 and 1.0 FTE position for a new data entry position. The agency states they are currently experiencing an extreme backlog with felony journal entries covering 83 data variables. The agency states in FY 2014 the two current data entry staff put in 187 extra work hours, along with another KSC staff person, to enter 904 backlogged entries. The agency states the current backlog is at 641.
- **Substance Abuse Treatment Shortfall -** The agency requests $460,364 for a shortfall for substance abuse treatment program expenditures. The agency previously offset some of these expenditures through its General Fees Fund revenue, but that supplemental funding is expected to be exhausted by FY 2016 and future funding for the program will need to be entirely State General Fund.

The **Governor** recommends an enhancement of $179,544, all from the State General Fund, for partial funding of the agency's shortfall for funding projected substance abuse treatment program expenditures.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 7,522,975	$ 7,473,934	$ (49,041)
FTE Positions	10.0	9.0	(1.0)
Change from FY 2016:			
Dollar Change:			
State General Fund	$ (286,979)	$ (135)	
All Other Funds	(21,777)	(21,787)	
TOTAL	$ (308,756)	$ (21,922)	
Percent Change:			
State General Fund	(3.7) %	(0.0) %	
All Other Funds	(22.1)	(22.2)	
TOTAL	(0.2) %	(0.3) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $7.5 million, including $7.4 million from the State General Fund. The request is a decrease of $308,756, or 3.9 percent, including a State General Fund decrease of $286,979, or 3.7 percent, below the FY 2016 request. The request includes enhancements totaling $219,558, all from the State General Fund, and 1.0 FTE position for a data entry position and a shortfall for substance abuse treatment program expenditures. The agency states it will still face a shortfall even after a policy change for FY 2017 regarding the length of stay for Intermediate/Residential facilities that makes these facilities more consistent with other payment providers in the industry. The request includes 10.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancements**, the agency requests $7.3 million, including $7.2 million from the State General Fund. The request is an overall decrease of $21,777, or

0.3 percent, below the FY 2016 request less enhancements. The major changes for FY 2017 include the following:

- **Salaries and Wages -** The agency requests $861,606 for salaries and wages. The request is an increase of $33,544, or 4.1 percent, above the FY 2016 request. The increase is due to a 27th payroll period and increased KPERS employer rates. The request includes an enhancement of $39,814, all from the State General Fund, for a new data analyst position. **Absent the enhancement**, the agency requests $821,792 for salaries and wages;

- **Contractual Services -** The agency requests $152,013 for contractual services. The request is an increase of $13,800, or 10.0 percent, above the FY 2016 request. The increase is primarily attributable to higher fees for a study of the Substance Abuse Treatment program. The request also includes an enhancement of $200, all from the State General Fund, for supplies for a new data analyst position;

- **Capital Outlay -** The agency requests $2,000 for capital outlay. The request is a decrease of $6,100, or 75.3 percent, below the FY 2016 request. The decrease is due to an enhancement request made for FY 2016 that is not made for FY 2017; and

- **Other Assistance -** The agency requests $6.5 million for other assistance. The request is for Substance Abuse Treatment program expenditures the agency monitors. The request is a decrease of $350,000, or 5.1 percent, below the FY 2016 request. The request includes an enhancement of $179,544, all from the State General Fund, for Substance Abuse Treatment program payment shortfalls. **Absent the enhancement**, the agency requests $6.3 million for other assistance. The request is a decrease of $69,180, or 1.1 percent, below the FY 2016 request less enhancements. The agency states existing fee fund revenues are no longer viable to help subsidize these expenditures and the program will have to be entirely funded by the State General Fund.

The **Governor** recommends FY 2017 operating expenditures of $7.5 million, including $7.4 million from the State General Fund. The recommendation is a decrease of $49,041, or 0.7 percent, including $48,429, or 0.7 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for a new data analyst position and further recommending a reduction of $9,027, including $8,415 from the State General Fund, to reduce employer contributions for state employee health insurance.

Enhancements Detail

FY 2017 ENHANCEMENTS						
	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Data Entry Position	$ 40,014	$ 40,014	1.0	$ 0	$ 0	0.0
Substance Abuse Treatment Shortfall	179,544	179,544	0.0	179,544	179,544	0.0
TOTAL	**$ 219,558**	**$ 219,558**	**1.0**	**$ 179,544**	**$ 179,544**	**0.0**

The **agency** requests enhancements totaling $219,558, all from the State General Fund. The enhancement request include the following items.

- **Data Entry Position -** The agency requests $40,014 and 1.0 FTE position for a new data entry position. The agency states they are currently experiencing an extreme backlog with felony journal entries covering 83 data variables . The agency states in FY 2014 the two current data entry staff put in 187 extra work hours, along with another KSC staff person, to enter 904 backlogged entries. The agency states the current backlog is at 641.

- **Substance Abuse Treatment Shortfall -** The agency requests $179,544 for a shortfall for substance abuse treatment program expenditures. The agency previously offset some of these expenditures through its General Fees Fund revenue, but that supplemental funding is expected to be exhausted by FY 2016 and future funding for the program will need to be entirely State General Fund. The agency states it still faces a shortfall even after a policy change for FY 2017 regarding the length of stay for Intermediate/Residential facilities that makes these facilities more consistent with other payment providers in the industry.

The **Governor** recommends an enhancement of $179,544, all from the State General Fund, for partial funding of the agency's shortfall for projected substance abuse treatment program expenditures.

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 $3,020, including $2,701 from the State General Fund, and affects 10 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, there are no longevity payments for FY 2016 or FY 2017.**

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 $8,882, including $8,280 from the State General Fund for FY 2016. This is a reduction of $9,027, including $8,415 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	98.7 %	98.7 %	99.0 %	99.0 %
General Fees Fund	1.2	1.3	1.0	1.0
Federal Funds	0.0	0.0	0.0	0.0
TOTAL	100.0 %	100.0 %	100%	100%

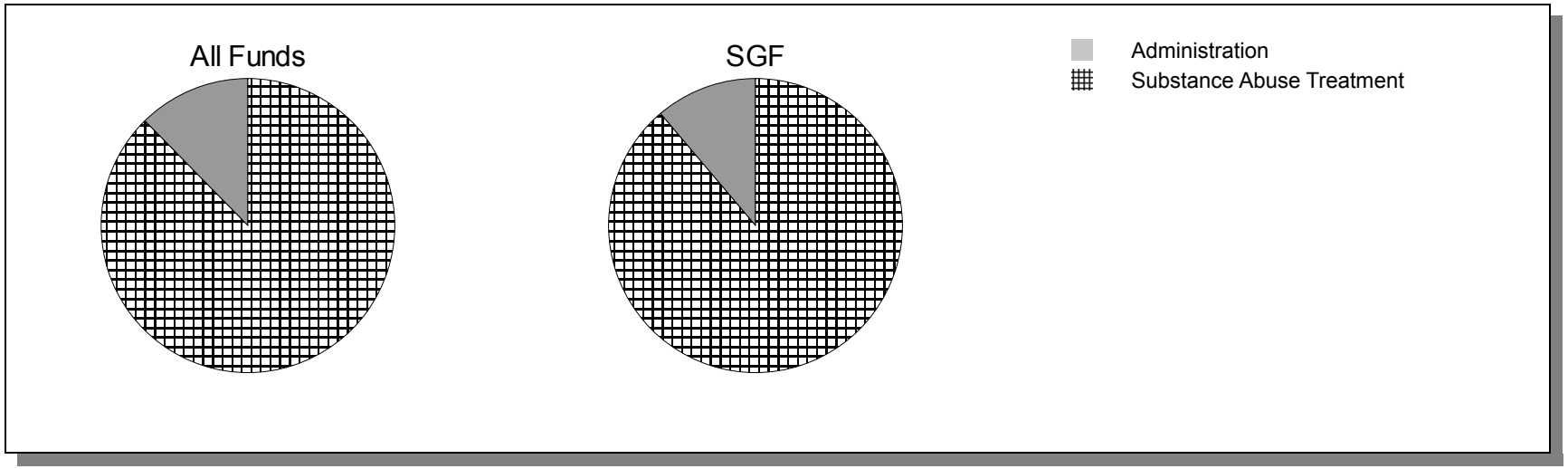
Note: Percentages may not add due to rounding.

General Fees Fund

The Sentencing Commission General Fees Fund receives funds from the sale of publications and reimbursement from other state agencies. The Fund previously received funds from offender reimbursement for 2003 SB 123 drug treatment, but those funds are now treated as a reimbursement of expenditures from the State General Fund. Therefore, the fund is no longer being replenished from that source and is projected to be depleted during FY 2017.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 1,162,863	$ 649,125	$ 649,125	$ 27,458	$ 27,941	$ 5,417	$ 6,492
Revenue	73,612	88,480	88,480	76,249	76,249	78,888	78,888
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 1,236,475	$ 737,605	$ 737,605	$ 103,707	$ 104,190	$ 84,305	$ 85,380
Less: Expenditures	586,975	709,647	709,164	97,790	97,198	76,881	76,269
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	375	500	500	500	500	500	500
Ending Balance	$ 649,125	$ 27,458	$ 27,941	$ 5,417	$ 6,492	$ 6,924	$ 8,611
Ending Balance as Percent of Expenditures	110.6%	3.9%	3.9%	5.5%	6.7%	9.0%	11.3%
Month Highest Ending Balance	August	August	August	August	August	August	August
	$ 1,209,378	$ 694,564	$ 694,564	$ 70,691	$ 70,691	$ 48,103	$ 49,209
Month Lowest Ending Balance	June	June	June	June	June	June	June
	$ 649,125	$ 27,458	$ 27,458	$ 5,417	$ 6,492	$ 6,924	$ 8,611

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	$ 927,170	12.4 %	$ 829,114	11.2 %
Substance Abuse Treatment	6,568,686	87.6	6,568,686	88.8
TOTAL	$ 7,495,856	100.0 %	$ 7,397,800	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	9.0	9.0	9.0	10.0	9.0	10.0	9.0
Substance Abuse Treatment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	9.0	9.0	9.0	10.0	9.0	10.0	9.0

A. Administration

The Administration program develops prison population projections and maintains a statewide sentencing database. The Commission annually publishes the Desk Reference Manual, or Sentencing Guideline Manual, which contains the sentencing grids and the required sentencing forms for felony offenders. Training and assistance to judges, court services, and other criminal justice professionals are also provided on the implementation and legislative changes regarding sentencing. The agency is also an information resource to the Governor, Legislature, and the state's criminal justice agencies.

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	$ 666,802	$ 757,105	$ 750,124	$ 828,062	$ 779,507	$ 861,606	$ 812,765
Contractual Services	223,151	185,648	181,609	138,213	137,813	152,013	151,813
Commodities	11,974	11,500	11,500	7,850	7,850	7,850	7,850
Capital Outlay	15,743	2,000	2,000	8,100	2,000	2,000	2,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 917,670	$ 956,253	$ 945,233	$ 982,225	$ 927,170	$ 1,023,469	$ 974,428
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 917,670	$ 956,253	$ 945,233	$ 982,225	$ 927,170	$ 1,023,469	$ 974,428
Financing:							
State General Fund	$ 736,797	$ 693,770	$ 683,726	$ 883,567	$ 829,114	$ 946,588	$ 898,159
All Other Funds	180,873	262,483	261,507	98,658	98,056	76,881	76,269
TOTAL	$ 917,670	$ 956,253	$ 945,233	$ 982,225	$ 927,170	$ 1,023,469	$ 974,428
FTE Positions	9.0	9.0	9.0	10.0	9.0	10.0	9.0
Non-FTE Uncl. Perm. Pos.	2.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	11.0	12.0	12.0	13.0	12.0	13.0	12.0

The **agency** requests FY 2016 operating expenditures of $982,225, including $883,567 from the State General Fund. The request is an increase of $25,972, or 2.7 percent, including a State General Fund increase of $189,797, or 27.4 percent, above the FY 2015 estimate. The request includes an enhancement of $46,173, all from the State General Fund, and 1.0 FTE position for a new data entry position. The request includes 10.0 FTE positions, which is 1.0 more FTE position than the FY 2015 estimate. **Absent the enhancement**, the agency requests $936,052, including $837,394 from the State General Fund. The request is an overall decrease of $17,201, or 1.8 percent, partially offset by a State General Fund increase of $143,624, or 20.7 percent, below the FY 2015 estimate. The overall decrease is due to reduced expenditures for a contract temporary employee and Department of Administration support charges. The State General Fund increase is due to a funding shift from the loss of fee fund revenue.

The **Governor** recommends FY 2016 operating expenditures of $927,170, including $829,114 from the State General Fund. The recommendation is a decrease of $55,055, or 5.6 percent, including a State General Fund decrease of $54,453, or 6.2 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for a new data analyst position and a reduction of $8,882, including $8,280 from the State General Fund, to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of $1.0 million, including $946,588 from the State General Fund. The request is an increase of $41,244, or 4.2 percent, including a State General Fund increase of $63,021, or 7.1 percent, above the FY 2016 request. The request includes an enhancement of $40,014, all from the State General Fund, and 1.0 FTE position for a data entry position. The request includes 10.0 FTE positions, which is the same as the FY 2016 request. **Absent the enhancement**, the agency requests $983,455, including $906,574 from the State General Fund. The request is an increase of $47,403, or 5.1 percent, including a State General Fund increase of $69,180, or 8.3 percent, above the FY 2016 request less enhancements. The increase is due to increased KPERS contributions, a 27th payroll period, and Department of Administration support charges.

The **Governor** recommends FY 2017 operating expenditures of $974,428, including $898,159 from the State General Fund. The recommendation is a decrease of $49,041, or 4.8 percent, including a State General Fund decrease of $48,429, or 5.1 percent, below the agency's FY 2017 request. The decrease is attributable to the Governor not recommending the agency's enhancement request for a new data analyst position and a reduction of $9,027, including $8,415 from the State General Fund, to reduce employer contributions for state employee health insurance.

B. Substance Abuse Treatment

The Kansas Sentencing Commission is responsible for the implementation, development and management of 2003 SB 123. This law requires offenders convicted of drug possession to attend mandatory substance abuse treatment. Treatment options include detoxification, inpatient, outpatient, continuing care, after care, and relapse prevention and education. Offenders are placed under the supervision of Community Corrections. The Kansas Sentencing Commission is responsible for the payment of treatment providers in this program, as well as the collection of reimbursement money from offenders with the ability to pay for a portion of the treatment. The agency is also collecting data on this offender group to analyze whether mandatory substance abuse treatment is an effective alternative to incarceration.

SUBSTANCE ABUSE TREATMENT
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	6,841,927	6,888,506	6,888,506	6,849,506	6,568,886	6,499,506	6,499,506
TOTAL	$ 6,841,927	$ 6,888,506	$ 6,888,506	$ 6,849,506	$ 6,568,886	$ 6,499,506	$ 6,499,506
Financing:							
State General Fund	$ 6,339,506	$ 6,339,506	$ 6,339,506	$ 6,849,506	$ 6,568,686	$ 6,499,506	$ 6,499,506
All Other Funds	502,421	549,000	549,000	0	0	0	0
TOTAL	$ 6,841,927	$ 6,888,506	$ 6,888,506	$ 6,849,506	$ 6,568,686	$ 6,499,506	$ 6,499,506
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests FY 2016 operating expenditures of $6.8 million, all from the State General Fund. The request is an overall decrease of $39,000, or 0.6 percent, partially offset by a State General Fund increase of $510,000, or 8.0 percent, above the FY 2015 estimate. The request includes an enhancement of $460,364, all from the State General Fund, for a funding shortfall for substance abuse treatment expenditures. The agency states its supplemental fee fund revenues will be exhausted by FY 2016 and future funding for the program will need to be entirely funded by the State General Fund. **Absent the enhancement**, the agency requests $6.4 million, all from the State General Fund.

The **Governor** recommends FY 2016 operating expenditures of $6.6 million, all from the State General Fund. The recommendation is a decrease of $280,820, or 4.1 percent, below the agency's FY 2016 request. The decrease is due to the Governor recommending partial funding ($179,544, all from

the State General Fund) of the agency's enhancement request for funding for substance abuse treatment expenditures.

The **agency** requests FY 2017 operating expenditures of $6.5 million, all from the State General Fund. The request is a decrease of $350,000, or 5.1 percent, below the FY 2016 request. The request includes an enhancement of $179,544, all from the State General Fund, for a funding shortfall for substance abuse expenditures. The agency states it will still face a shortfall even after a policy change regarding the length of stay for Intermediate/Residential facilities that makes these facilities more consistent with other payment providers in the industry. **Absent the enhancement**, the agency requests $6.3 million, all from the State General Fund.

The **Governor** concurs with the agency's FY 2017 request.

SB 123 TREATMENT PROGRAM

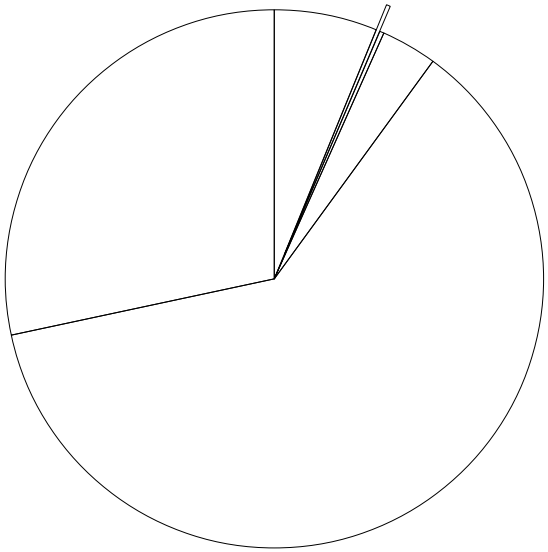
Fiscal Year	Number of Offenders	Program Expenditures
FY 2007	2,291	8,156,337
FY 2008	2,301	8,795,680
FY 2009	2,069	7,631,060
FY 2010	1,906	7,467,860
FY 2011	1,808	7,209,983
FY 2012	1,671	6,248,671
FY 2013	1,626	6,539,506
FY 2014	1,648	6,753,595
FY 2015 est.	1,650	6,888,506
FY 2016 request	1,650	6,568,686
FY 2017 request	1,650	6,499,506

PERFORMANCE MEASURES

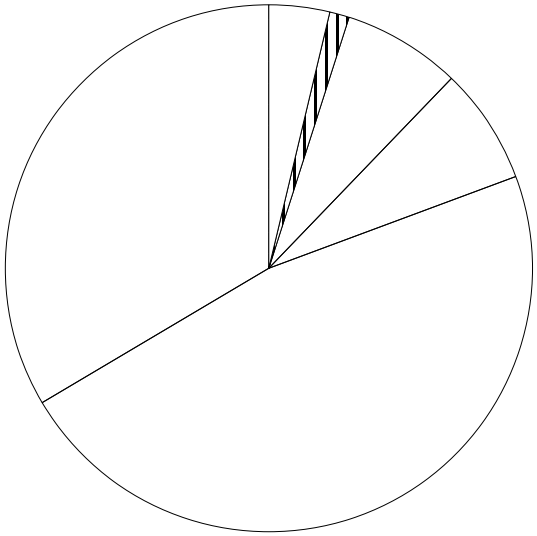
Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of adult journal presentence investigation reports entered into database	16,533	16,767	17,008	17,263	17,522
Number of staff hours required to complete adult prison population projections	--	3,400	3,200	3,200	3,200
Number of offenders receiving alternative substance abuse treatment	--	1,648	1,650	1,650	1,650
Number of prison bed impact statements completed	650	675	700	700	700

AGRICULTURE AND NATURAL RESOURCES

State General Fund



All Funds



Agriculture and Natural Resources protects and regulates the natural and physical resources of the state. This function includes the Department of Agriculture, the Kansas State Fair, the Kansas Water Office, and the Department of Wildlife, Parks and Tourism.

The Governor's FY 2016 recommendation for the Agriculture and Natural Resources function totals $183.9 million from all funding sources, including $15.8 million from the State General Fund.

Agencies in this Function:

Department of Agriculture.....669
Kansas Water Office.....704
Department of Wildlife, Parks and Tourism.....731
Kansas State Fair.....767

The FY 2016 recommendation represents a State General Fund decrease of 6.4 percent or $1.1 million from FY 2015. Expenditures from all funds decrease by 4.4 percent or $8.4 million from FY 2015.

A total of 896.5 FTE positions are recommended by the Governor for the Agriculture and Natural Resources function in FY 2016, a decrease of 0.0 FTE from FY 2015. Of all state FTE positions, 2.4 percent are in this function.

Agencies in this function comprise 0.2 percent of the total State General Fund budget in FY 2016, a decrease of 0.1 percent from FY 2015. They comprise 1.2 percent of expenditures from all funding sources in FY 2016, unchanged from in FY 2015.

DEPARTMENT OF AGRICULTURE

	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	$ 9,582,162	$ 9,985,843	$ 9,693,983	$ 11,018,596	$ 9,476,718	$ 11,547,517	$ 9,966,023
Other Funds	31,519,651	35,398,956	35,241,504	33,344,252	33,200,073	32,833,769	32,685,909
TOTAL	$ 41,101,813	$ 45,384,799	$ 44,935,487	$ 44,362,848	$ 42,676,791	$ 44,381,286	$ 42,651,932
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	**$ 41,101,813**	**$ 45,384,799**	**$ 44,935,487**	**$ 44,362,848**	**$ 42,676,791**	**$ 44,381,286**	**$ 42,651,932**
Percentage Change:							
Operating Expenditures							
State General Fund	(7.1) %	4.2 %	1.2 %	10.3 %	(2.2) %	4.8 %	5.2 %
All Funds	(1.2)	10.4	9.3	(2.3)	(5.0)	0.0	(0.1)
FTE Positions	143.5	142.5	142.5	142.5	142.5	142.5	142.5
Non-FTE Perm.Uncl.Pos.	214.0	215.5	215.5	215.5	215.5	215.5	215.5
TOTAL	357.5	358.0	358.0	358.0	358.0	358.0	358.0

The Department of Agriculture is responsible for implementing food safety, consumer and environmental protection, and water resource allocation programs. This includes the assurance of a safe meat, milk, and egg supply; safety of the food supply through inspection at food processing and retail establishments; the responsible and judicious use of pesticides and nutrients; the protection of Kansas' natural and cultivated plants; the integrity of weighing and measuring devices in commerce; and that the waters of Kansas are put to beneficial use. The agency consists of seven programs: Administrative Services and Support; Food Safety and Consumer Protection; Water Resources; Agricultural Laboratories; Environmental Protection; Animal Health; and Conservation. The Secretary of Agriculture is a gubernatorial appointee and serves as head of the agency.

MAJOR ISSUES FROM PRIOR YEARS

The **2007 Legislature** added $584,217 from the State Water Plan Fund for the Interstate Water Issues subprogram for consultants in both the Arkansas and Republican River litigation and on-going expenses related to compact compliance, along with $92,340 and 1.0 non-FTE position for the Ozark Plateau Aquifer Water Initiative Strategic Plan. The 2007 Legislature also added $145,000 from the State General Fund for the replacement of one large scale test truck for the Weights and Measures subprogram.

The **2008 Legislature** transferred the Food Service Inspection program, including regulation of food service establishments (restaurants) and lodging, from the Kansas Department of Health and Environment (KDHE) to the Department of Agriculture. The transfer included $1,811,893, including $184,962 from the State General Fund, and 38.0 FTE positions, from the KDHE budget to the Department of Agriculture budget. In addition, the 2008 Legislature requested an audit be conducted on the feasibility of combining several state agencies. The resulting performance audit report was entitled "Agricultural-Related Agencies: A K-GOAL Audit Determining Whether Cost Savings Could Be Achieved By Making the Animal Health Department and the Conservation Commission Part of the Department of Agriculture."

The **2009 Legislature** introduced SB 231, which would consolidate the Animal Health Department and the State Conservation Commission with the Department of Agriculture. A hearing was held on the bill in the Senate Agriculture Committee, but no further action was taken on the bill during the 2009 Legislative Session. Other bills regarding the increase of fees for several of the agency's fee-funded inspection programs had hearings as well, but ultimately, no further action was taken on the potential fee increases during the Session.

The **2010 Legislature** deleted $233,797, 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, and added $29,000, all from the State General Fund, to continue agricultural land valuations performed by the Agricultural Statistics program for FY 2011. The same amount was deleted from the Department of Revenue's FY 2011 budget. This amount would fully fund the land valuations for FY 2011.

The **2010 Legislature** also added $75,000, all from the Economic Development Initiatives Fund (EDIF), for Grain Warehouse Inspection program expenditures for FY 2011, and language for FY 2011 that allows the agency to reappropriate.

The Legislature added $210,000, including $160,000 from the State General Fund and $50,000 from the State Water Plan Fund, to fund wheat genetics research at the Kansas Wheat Innovation Center, and directed the agency to utilize State Water Plan Fund monies for expenditures other than salaries and wages for FY 2015.

The Legislature deleted $160,000, all from the State General Fund, for supplemental funding for the Weights and Measures program for FY 2015.

The Legislature deleted $50,000, all from the State Water Plan Fund, for streambank stabilization projects for FY 2015. The Legislature also added language establishing a new fund called the Lodging Fee Fund with a no limit expenditure limitation and added language stating that expenditures may be made from the fund for Lodging Inspection program expenditures.

The **2011 Legislature** approved Executive Reorganization Order (ERO) number 40. ERO 40 transferred the Agriculture Products Development Division within the Department of Commerce to the Department of Agriculture and renamed it the Marketing and Promotions program; consolidated the Kansas Animal Health Department and the Livestock Commissioner within the Department of Agriculture as the Animal Health Division; consolidated the State Conservation Commission within the Department of Agriculture as the Conservation Division.

The **2011 Legislature** also added $1.0 million, all from the special revenue funds, for replacement vehicles, grain warehouse inspections, the Conservation Reserve Enhancement program, streamgage monitoring, livestock market reporting, non-point source pollution, aid to conservation districts, the compliance education fee fund, and feral swine eradication. Those increases were partially offset by reductions totaling $826,891, including $227,025 from the State General Fund, for the Water Supply Restoration program, self-funded longevity bonus payments, office supplies, cell phone expenditures, a 5.0 percent information technology reduction, an administration activities reduction, a death and disability contribution moratorium, and an across-the-board reduction.

The **2012 Legislature** added $468,983 and 6.0 FTE positions to restore funding and positions that were deleted for savings from the Voluntary Retirement Incentive Program for FY 2013. The 2012 Legislature also approved the addition of $465,907, all from special revenue funds, and restored 3.0 FTE positions deleted by the Governor to the Division of Water Resources for FY 2013 to assist in the processing of water appropriation applications. The approved budget also shifted $672,281, all from the State Water Plan Fund, from water rights purchased to the Water Transition Assistance program and Conservation Enhancement program for FY 2013.

The **2013 Legislature** added language to allow the agency to transfer funds between line items in the State Water Plan Fund appropriation with approval from the State Finance Council for FY 2014 and FY 2015.

The **2014 Legislature** added $321,114, all from the Veterinary Examiners Fee Fund, and 4.0 FTE positions to consolidate the Board of Veterinary Examiners into the agency in accordance with 2014 SB 278 for FY 2015.

The **2014 Legislature** added $210,000, including $160,000 from the State General Fund and $50,000 from the State Water Plan Fund, to fund wheat genetics research at the Kansas Wheat Innovation Center, and directed the agency to utilize

State Water Plan Fund monies for expenditures other than salaries and wages for FY 2015.

The **2014 Legislature** deleted $160,000, all from the State General Fund, for supplemental funding for the Weights and Measures program for FY 2015.

The **2014 Legislature** deleted $50,000, all from the State Water Plan Fund, for streambank stabilization projects for FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 expenditures of $45.4 million, an increase of $3.9 million, or 9.5 percent, above the amount approved by the 2014 Legislature. The request includes $10.0 million from the State General Fund, an increase of $2,750, or less than 0.1 percent, above the approved amount. The request includes $10.9 million from the State Water Plan Fund, an increase of $1.4 million, or 14.5 percent, above the approved amount. The request includes $570,832 from the Economic Development Initiatives Fund, which is no change from the amount approved by the 2014 Legislature. The increase in all funds is attributable to increases in contractual services, capital outlay, and other assistance, offset slightly by decreases in salaries and wages. The estimate includes 141.5 FTE positions and 216.5 non-FTE positions, a decrease of 134.5 FTE positions and an increase of 14.5 non-FTE positions from the approved amount. This change is due to eliminating positions that had been vacant for an extended period and replacing those positions with unclassified positions.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 expenditures of $44.9 million, a decrease of $449,312, or 1.0 percent, below the agency request. The recommendation includes $991,160 from the State Water Plan Fund, a decrease of $11,143, or 1.1 percent, below the agency request, and $564,037 from the Economic Development Initiatives Fund, a decrease of $6,795, or 1.2 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $249,624, including $92,172 from the State General Fund and $11,143 from the State Water Plan Fund, as a result of the Governor's allotment plan 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.
- Reduction of $199,688, all from the State General Fund, 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.

FY 2016 Agency Request

The **agency** requests FY 2016 expenditures of $44.4 million, a decrease of $1.0 million, or 2.3 percent, below the FY 2015 request. The request includes $11.0 million from the State General Fund, an increase of $1.0 million, or 10.3 percent, above FY 2015. The request includes $830,497 from the State Water Plan Fund, a decrease of $171,806, or 17.1 percent, below the FY 2015 request. The request includes $570,832 from the Economic Development Initiatives Fund, which is no change from the 2015 amount. The all funds decrease is attributable to decreases in contractual services, capital outlay, and other assistance, offset slightly by increases in salaries and wages. The State General Fund increase is attributable to the enhancement request for advertising, marketing, and outreach.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 expenditures of $42.7 million, a decrease of $1.7 million, or 3.8 percent, below the agency request. The recommendation includes $9.5 million from the State General Fund, a decrease of $1.5 million, or 14.0 percent, below the agency request; $8.8 million from the State Water Plan Fund, a decrease of $7,011, or 0.1 percent, below the agency request; and $568,818 from the Economic Development Initiatives Fund, a decrease of $2,014, or 0.4 percent, below the agency request. The Governor concurs with the agency's request with the following adjustments.

- Reduction of $398,068, all from the State General Fund to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2016.

- Reduction of $221,091, including $76,911 from the State General Fund and $5,679 from the State Water Plan Fund, to reduce employer contributions for state employee health insurance.

- Reduction of $1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.

FY 2017 Agency Request

The **agency** requests FY 2017 expenditures of $44.4 million, an increase of $18,438, or less than 0.1 percent, above the FY 2016 request. The request includes $11.5 million from the State General Fund, an increase of $528,921, or 4.8 percent, above the FY 2016 request. The request includes $729,085 from the State Water Plan Fund, a decrease of $101,412, or 12.2 percent, below FY 2016. The request includes $570,832 from the Economic Development Initiatives Fund, which is no change from the 2016 amount. The increase in all funds is largely attributable to increases to salaries and wages for the 27th pay period that occurs in FY 2017 for all state agencies, offset in part by a decrease in contractual services. The State General Fund increase is attributable to the enhancement request for advertising, marketing, and outreach.

FY 2017 Governor Recommendation

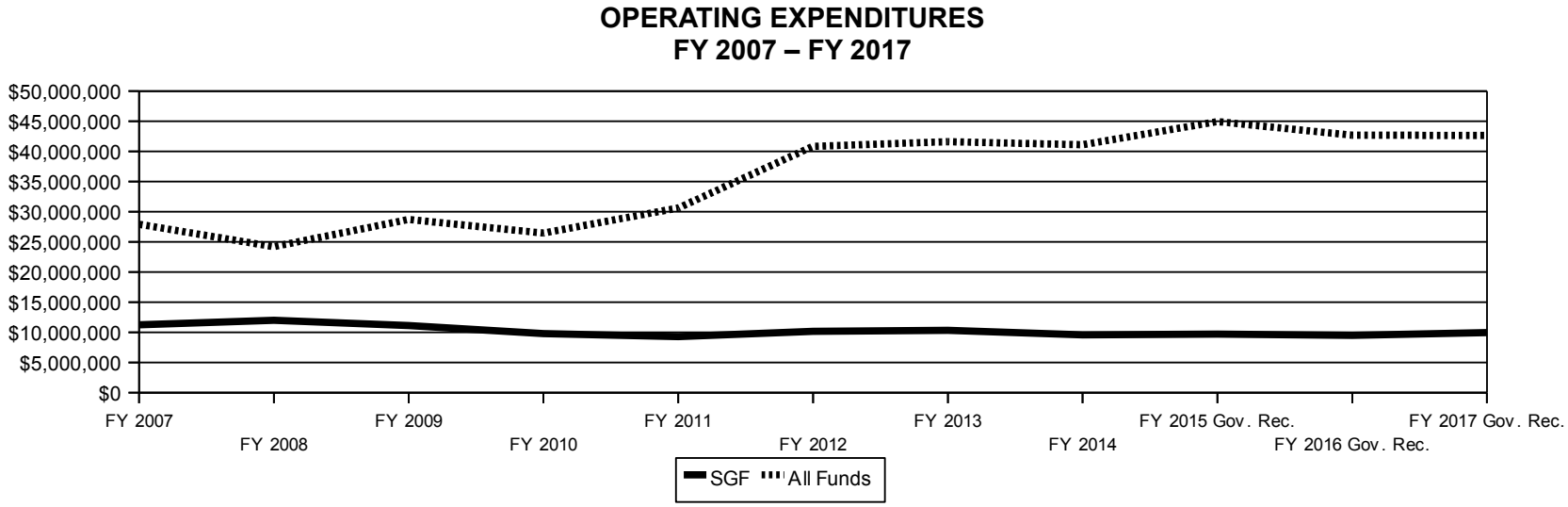
The **Governor** recommends FY 2017 expenditures of $42.7 million, a decrease of $1.7 million, or 3.9 percent, below the agency request. The recommendation includes $10.0 million from the State General Fund, a decrease of $1.6 million, or 13.7 percent, below the agency request, $8.7 million from the State Water Plan Fund, a decrease of $7,231, or 0.1 percent, below the agency request, and $568,790 from the Economic Development Initiatives Fund, a decrease of $2,042, or 0.4 percent, below the agency request. The Governor concurs with the agency's request with the following adjustments.

- Reduction of $418,541, all from the State General Fund to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Fund agencies for FY 2016.

- Reduction of $226,832, including $78,971 from the State General Fund and $5,872 from the State Water Plan Fund, to reduce employer contributions for state employee health insurance.

- Reduction of $1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 11,230,458	9.6 %	$ 27,901,766	20.7 %	308.5
2008	12,012,274	7.0	24,192,194	(13.3)	314.5
2009	11,109,261	(7.5)	28,703,135	18.6	344.5
2010	9,796,750	(11.8)	26,450,210	(7.8)	341.5
2011	9,306,234	(5.0)	30,611,208	15.7	341.5
2012	10,143,610	9.0	40,822,187	33.4	353.5
2013	10,309,478	1.6	41,602,901	1.9	275.2
2014	9,582,162	(7.1)	41,101,813	(1.2)	357.5
2015 Gov. Rec.	9,693,983	1.2	44,935,487	9.3	142.5
2016 Gov. Rec.	9,476,718	(2.2)	42,676,791	(5.0)	142.5
2017 Gov. Rec.	9,966,023	5.2	42,651,932	(0.1)	142.5
Eleven-Year Change	$ (1,264,435)	(11.3)%	$ 14,750,166	52.9 %	(166.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 6,443,748	$ 6,899,204	$ 6,703,894	$ (195,310)	(2.8) %	$ 6,715,247	$ 6,337,783	$ (377,464)	(5.6)%
Agri-Business Services	13,446,121	14,502,472	14,985,765	483,293	3.3	14,335,657	14,808,662	473,005	3.3
Water Resources	7,499,342	7,990,368	8,336,095	345,727	4.3	7,930,420	8,286,885	356,465	4.5
Animal Health	2,638,162	3,157,938	3,097,165	(60,773)	(1.9)	3,138,229	3,079,981	(58,248)	(1.9)
Conservation	8,979,971	10,267,835	8,604,135	(1,663,700)	(16.2)	10,259,719	8,598,081	(1,661,638)	(16.2)
Agricultural Marketing	2,094,469	2,566,982	2,635,794	68,812	2.7	2,556,215	1,565,399	(990,816)	(38.8)
TOTAL	$ 41,101,813	$ 45,384,799	$ 44,362,848	$ (1,021,951)	(2.3) %	$ 44,935,487	$ 42,676,791	$ (2,258,696)	(5.0)%
By Major Object of Expenditure:									
Salaries and Wages	$ 21,189,854	$ 22,941,971	$ 24,286,161	$ 1,344,190	5.9 %	$ 22,592,659	$ 23,774,502	$ 1,181,843	5.2 %
Contractual Services	9,975,274	10,869,271	10,202,378	(666,893)	(6.1)	10,869,271	9,332,448	(1,536,823)	(14.1)
Commodities	907,745	1,052,971	1,013,017	(39,954)	(3.8)	952,971	884,849	(68,122)	(7.1)
Capital Outlay	1,306,763	1,437,254	1,011,331	(425,923)	(29.6)	1,437,254	995,031	(442,223)	(30.8)
Debt Service	0	0	0	0	0.0	0	0	0	0.0
Subtotal - Operations	$ 33,379,636	$ 36,301,467	$ 36,512,887	$ 211,420	0.6 %	$ 35,852,155	$ 34,986,830	$ (865,325)	(2.4)%
Aid to Local Units	3,243,292	2,937,494	2,927,227	(10,267)	(0.3)	2,937,494	2,927,227	(10,267)	(0.3)
Other Assistance	4,478,885	6,145,838	4,922,734	(1,223,104)	(19.9)	6,145,838	4,762,734	(1,383,104)	(22.5)
TOTAL	$ 41,101,813	$ 45,384,799	$ 44,362,848	$ (1,021,951)	(2.3) %	$ 44,935,487	$ 42,676,791	$ (2,258,696)	(5.0)%
Financing:									
State General Fund	$ 9,582,162	$ 9,985,843	$ 11,018,596	$ 1,032,753	10.3 %	$ 9,693,983	$ 9,476,718	$ (217,265)	(2.2)%
State Water Plan Fund	8,822,446	10,885,213	8,815,523	(2,069,690)	(19.0)	10,874,070	8,808,511	(2,065,559)	(19.0)
Economic Development Initiatives Fund	563,291	570,832	570,832	0	0.0	564,037	568,818	4,781	0.8
Federal Funds	4,784,575	5,696,920	5,839,810	142,890	2.5	5,669,771	5,811,811	142,040	2.5
All Other Funds	17,349,339	18,245,991	18,118,087	(127,904)	(0.7)	18,133,626	18,010,933	(122,693)	(0.7)
TOTAL	$ 41,101,813	$ 45,384,799	$ 44,362,848	$ (1,021,951)	(2.3) %	$ 44,935,487	$ 42,676,791	$ (2,258,696)	(5.0)%

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	$ 6,703,894	$ 6,719,240	$ 15,346	0.2 %	$ 6,337,783	$ 6,332,157	$ (5,626)	(0.1)%
Agri-Business Services	14,985,765	15,413,614	427,849	2.9	14,808,662	15,233,463	424,801	2.9
Water Resources	8,336,095	7,762,546	(573,549)	(6.9)	8,286,885	7,711,655	(575,230)	(6.9)
Animal Health	3,097,165	3,183,749	86,584	2.8	3,079,981	3,166,221	86,240	2.8
Conservation	8,604,135	8,602,198	(1,937)	(0.0)	8,598,081	8,596,023	(2,058)	(0.0)
Agricultural Marketing	2,635,794	2,699,939	64,145	2.4	1,565,399	1,612,413	47,014	3.0
TOTAL	$ 44,362,848	$ 44,381,286	$ 18,438	0.0 %	$ 42,676,791	$ 42,651,932	$ (24,859)	(0.1)%
By Major Object of Expenditure:								
Salaries and Wages	$ 24,286,161	$ 25,420,885	$ 1,134,724	4.7 %	$ 23,774,502	$ 24,883,012	$ 1,108,510	4.7 %
Contractual Services	10,202,378	9,223,271	(979,107)	(9.6)	9,332,448	8,353,258	(979,190)	(10.5)
Commodities	1,013,017	1,034,275	21,258	2.1	884,849	906,107	21,258	2.4
Capital Outlay	1,011,331	858,382	(152,949)	(15.1)	995,031	825,082	(169,949)	(17.1)
Debt Service	0	0	0	0.0	0	0	0	0.0
Subtotal - Operations	$ 36,512,887	$ 36,536,813	$ 23,926	0.1 %	$ 34,986,830	$ 34,967,459	$ (19,371)	(0.1)%
Aid to Local Units	2,927,227	2,927,227	0	0.0	2,927,227	2,927,227	0	0.0
Other Assistance	4,922,734	4,917,246	(5,488)	(0.1)	4,762,734	4,757,246	(5,488)	(0.1)
TOTAL	$ 44,362,848	$ 44,381,286	$ 18,438	0.0 %	$ 42,676,791	$ 42,651,932	$ (24,859)	(0.1)%
Financing:								
State General Fund	$ 11,018,596	$ 11,547,517	$ 528,921	4.8 %	$ 9,476,718	$ 9,966,023	$ 489,305	5.2 %
State Water Plan Fund	8,815,523	8,709,929	(105,594)	(1.2)	8,808,511	8,702,699	(105,812)	(1.2)
Economic Development Initiatives Fund	570,832	570,832	0	0.0	568,818	568,790	(28)	(0.0)
Federal Funds	5,839,810	5,004,528	(835,282)	(14.3)	5,811,811	4,975,797	(836,014)	(14.4)
All Other Funds	18,118,087	18,548,480	430,393	2.4	18,010,933	18,438,623	427,690	2.4
TOTAL	$ 44,362,848	$ 44,381,286	$ 18,438	0.0 %	$ 42,676,791	$ 42,651,932	$ (24,859)	(0.1)%

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $10.0 million for the Department of Agriculture 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.

- A reduction of $291,860, as the result of the Governor's December 9th State General Fund allotment.
- This adjustment changes the FY 2015 approved State General Fund to $9,691,533. 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.

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	$ 9,691,533	$ 9,985,843	$ 294,310	$ 9,693,983	$ 2,450
All Other Funds	31,468,515	35,398,956	3,930,441	35,241,504	3,772,989
TOTAL	$ 41,160,048	$ 45,384,799	$ 4,224,751	$ 44,935,487	$ 3,775,439
FTE Positions	233.0	142.5	(90.5)	142.5	(90.5)

The **agency** estimates FY 2015 expenditures of $45.4 million, an increase of $4.2 million, or 10.3 percent, above the amount approved by the 2014 Legislature. The request includes $10.0 million from the State General Fund, an increase of $294,310, or 3.0 percent, above the approved amount. The increase includes $10.9 million from the State Water Plan Fund,

an increase of $1.4 million, or 14.5 percent, above the approved amount. The request includes $570,832 from the Economic Development Initiatives Fund, which is no change from the amount approved by the 2014 Legislature. The increase in all funds is attributable to increases in contractual services, capital outlay, and other assistance, offset slightly by decreases in salaries and wages. The estimate includes 141.5 FTE positions and 216.5 non-FTE positions, a decrease of 134.5 FTE positions and an increase of 14.5 non-FTE positions from the approved amount. This change is due to eliminating positions that had been vacant for an extended period and replacing those positions with unclassified positions.

- **Salaries and Wages.** The agency requests FY 2015 salaries and wages expenditures of $22.9 million, a decrease of $294,631, or 1.3 percent, below the amount approved by the 2014 Legislature. This amount is attributable to budgeting to match actual expenditures.

- **Contractual Services.** The agency requests FY 2015 contractual services expenditures of $10.9 million, an increase of $2.1 million, or 23.5 percent, above the amount approved by the 2014 Legislature. This amount is largely attributable to contracting out activities related to water systems such as flood plain mapping.

- **Capital Outlay.** The agency requests FY 2015 capital outlay expenditures of $1.4 million, an increase of $1.1 million, or 278.8 percent, above the amount approved by the 2014 Legislature. This amount is largely attributable to replacement of cars, trucks, and office equipment.

- **Aid to Locals**. The agency requests FY 2015 aid to locals expenditures of $2.9 million, an increase of $10,267, or 0.4 percent, above the amount approved by the 2014 Legislature. This increase is a shift in State Water Plan funding from FY 2014.

- **Other Assistance.** The agency requests FY 2015 other assistance expenditures of $6.1 million, an increase of $985,618, or 19.1 percent, above the amount approved by the 2014 Legislature. This increase includes an increase of $396,202 from federal funds and an increase of $492,986 from the State Water Plan Fund. This category of expenditure includes allocations to conservation districts for cost sharing projects.

The **Governor** recommends FY 2015 expenditures of $44.9 million, a decrease of $449,312, or 1.0 percent, below the agency request. The recommendation includes $9.7 million from the State General Fund, a decrease of $291,860, or 2.9 percent, below the agency request; $10.8 million from the State Water Plan Fund, a decrease of $11,142, or 0.1 percent, below the agency request; and $564,037 from the Economic Development Initiatives Fund, a decrease of $6,795, or 1.2 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $199,688, as the result of the Governor's December allotment of 4.0 percent to Cabinet and other State General Fund agencies in FY 2015.

- Reduction of $249,624, including $92,172 from the State General Fund and $11,143 from the State Water Plan Fund, as a result of the

Governor's December allotment plan 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

Governor's Allotment

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	$ (92,172)	$ (92,172)	0.0
Reduce SGF funding by 4.0 percent	(199,688)	(199,688)	0.0
TOTAL	$ (291,860)	$ (291,860)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $92,172, 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 10.42 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency expenditures but is reflective of a reduction of expenditures from the State General Fund.

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

A reduction of $199,688, as a result of the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Fund agencies in FY 2015.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 44,362,848	$ 42,676,791	$ (1,686,057)
FTE Positions	142.5	142.5	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 1,032,753	$ (217,265)	
All Other Funds	(2,054,704)	(2,041,431)	
TOTAL	$ (1,021,951)	$ (2,258,696)	
Percent Change:			
State General Fund	10.3 %	(2.2) %	
All Other Funds	(5.8)	(5.8)	
TOTAL	(2.3) %	(5.0) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 expenditures of $44.4 million, a decrease of $1.0 million, or 2.3 percent, below the FY 2015 request. The request includes $11.0 million from the State General Fund, an increase of $1.0 million, or 10.3 percent, above FY 2015. The request includes $830,497 from the State Water Plan Fund, a decrease of $171,806, or 17.1 percent, below the FY 2015 request. The request includes $570,832 from the Economic Development Initiatives Fund, which is no change from the 2015 amount. The all funds decrease is attributable to decreases in contractual services, capital outlay, and other assistance, offset slightly by increases in salaries and wages. The State General Fund increase is attributable to the enhancement request for advertising, marketing, and outreach.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of $24.3

million, an increase of $1.3 million, or 5.9 percent, above the amount requested for FY 2015. This amount is attributable to intending to fill all open positions by FY 2016.

- **Contractual Services.** The agency requests FY 2016 contractual services expenditures of $10.2 million, a decrease of $666,893, or 6.1 percent, from the FY 2015 request. This decrease is attributable to a decrease in repair and service of computer equipment and other professional fees.

- **Capital Outlay.** The agency requests FY 2016 capital outlay expenditures of $1.0 million, a decrease of $425,923, or 29.6 percent, below the FY 2015 request. The decrease is attributable to decreased expenditures on truck replacements and scientific equipment.

- **Aid to Local**. The agency requests FY 2016 aid to local expenditures of $2.9 million, a decrease of $10,267, or 0.3 percent, below the FY 2015 request. This decrease is due to some project costs funded by the State Water Plan Fund being shifted to FY 2015.

- **Other Assistance.** The agency requests FY 2016 other assistance expenditures of $4.9 million, a decrease of $1.2 million, or 19.9 percent, below the FY 2015 request. The decrease is attributable to decreases in streambank stabilization and nonpoint pollution assistance from the State Water Plan Fund.

The **Governor** recommends FY 2016 expenditures of $42.7 million, a decrease of $1.7 million, or 3.8 percent, below the agency request. This recommendation includes $9.5 million from the State General Fund, a decrease of $1.5 million, or 14.0 percent, below the agency request; $8.8 million from the State Water Plan Fund, a decrease of $7,011, or 0.1 percent, below the agency request, and $568,818 from the Economic Development Initiatives Fund, a decrease of $2,014, or 0.4 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $398,068, all from the State General Fund, to continue the Governor's December allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2016.

- Reduction of $221,091, including $76,911 from the State General Fund and $5,679 from the State Water Plan Fund, to reduce employer contributions for state employee health insurance.

- Reduction of $1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.

Enhancements Detail

FY 2016 ENHANCEMENTS						
	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Advertising, Marketing, and Outreach	$ 1,066,898	$ 1,066,898	0.0	$ 0	$ 0	0.0

The **agency** requests an enhancement of $1.1 million, all from the State General Fund, for advertising, marketing, and outreach. The agency notes that in 2011, the Division of Advocacy, Marketing, and Outreach transitioned from the Kansas Department of Commerce to the Kansas Department of Agriculture. Since then, the division has been operating with market development fund dollars. At the time of agency transition, it was known that market development fund resources would eventually be exhausted and additional funding sources would have to be identified.

The **Governor** does not recommend the FY 2016 enhancement.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 44,381,286	$ 42,651,932	$ (1,729,354)
FTE Positions	142.5	142.5	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 528,921	$ 489,305	
All Other Funds	(510,483)	(514,164)	
TOTAL	$ 18,438	$ (24,859)	
Percent Change:			
State General Fund	4.8 %	5.2 %	
All Other Funds	(1.5)	(1.5)	
TOTAL	0.0 %	(0.1) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 expenditures of $44.4 million, an increase of $18,438, or less than 0.1 percent, above the FY 2016 request. The request includes $11.5 million from the State General Fund, an increase of $528,921, or 4.8 percent, above the FY 2016 request. The request includes $729,085 from the State Water Plan Fund, a decrease of $101,412, or 12.2 percent, below FY 2016. The request includes $570,832 from the Economic Development Initiatives Fund, which is no change from the 2016 amount. The increase in all funds is largely attributable to increases to salaries and wages due to the 27th pay period offset in part by a decrease in contractual services. The State General Fund increase is attributable to the enhancement request for advertising, marketing, and outreach.

- **Salaries and Wages.** The agency requests FY 2017 salaries and wages expenditures of $25.4 million, an increase of $1.1 million, or 4.7 percent, above the amount requested for FY 2016. This amount is largely attributable to expenses related to the 27th pay period that occurs in FY 2017 for all state agencies.
- **Contractual Services.** The agency requests FY 2017 contractual services expenditures of $9.2 million, a decrease of $979,107, or 9.6 percent, below the FY 2016 request. This decrease is due to decreased spending on architects and engineers funded by federal grants. The request includes $1.7 million from the State General Fund, an increase of $31,407, or 1.9 percent, above the FY 2016 request.
- **Commodities**. The agency requests FY 2017 commodities expenditures of $1.0 million, an increase of $21,258, or 2.1 percent, above the amount requested for FY 2016. This increase is attributable to gasoline, food, tires, equipment parts, and office supplies.
- **Capital Outlay.** The agency requests FY 2017 capital outlay expenditures of $858,382, a decrease of $152,949, or 15.1 percent, below the about requested for FY 2016. This decrease is attributable to decreased expenditures on computer replacement and vehicle replacement.
- **Aid to Locals.** The agency requests FY 2017 aid to locals expenditures of $11.5 million, an increase of $528,921, or 4.8 percent, above the FY 2016 request. This increase is attributable to allocations to local governments for cost share projects.
- **Other Assistance.** The agency requests FY 2017 other assistance expenditures of $32.8 million, a decrease of $510,483, or 1.5 percent, below the amount requested for FY 2015. The decrease is attributable to allocations to to conservation districts for cost sharing projects.

The **Governor** recommends FY 2017 expenditures of $42.7 million, a decrease of $1.7 million, or 3.9 percent, below the agency request. The recommendation includes $10.0 million from the State General Fund, a decrease of $1.6 million, or 13.7 percent, below the agency request, $8.7 million from the State Water Plan Fund, a decrease of $7,231, or 0.1 percent, below the agency request, and $568,790 from the Economic Development Initiatives Fund, a decrease of $2,042, or 0.4 percent, below the agency request.

The Governor concurs with the agency request with the following adjustments.

- Reduction of of $418,541, all from the State General Fund, to continue the Governor's December allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2017.
- Reduction of $226,832, including $78,971 from the State General Fund and $5,872 from the State Water Plan Fund to reduce employer contributions for state employee health insurance.
- Reduction of $1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.

Enhancements Detail

FY 2017 ENHANCEMENTS						
	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Advertising, Marketing and Outreach	$ 1,083,981	$ 1,083,981	0.0	$ 0	$ 0	0.0

The **agency** requests an enhancement of $1.1 million, all from the State General Fund, for advertising, marketing, and outreach. At the time of agency transition, it was known that market development fund resources would eventually be exhausted and additional funding sources would have to be identified. The agency notes that in 2011, the Division of Advocacy, Marketing, and Outreach transitioned from the Kansas Department of Commerce to the Kansas Department of Agriculture. Since then, the division has been operating with market development fund dollars.

The **Governor** does not recommend the FY 2017 enhancement package.

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 $89,876, including $31,696 from the State General Fund, and affects 289 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 $69,566, including $24,067 from the State General Fund, and FY 2017 longevity payments total $72,322, including $25,330 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 $221,091, including $76,911 from the State General Fund, for FY 2016. This is a reduction of $226,832, including $78,971 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.

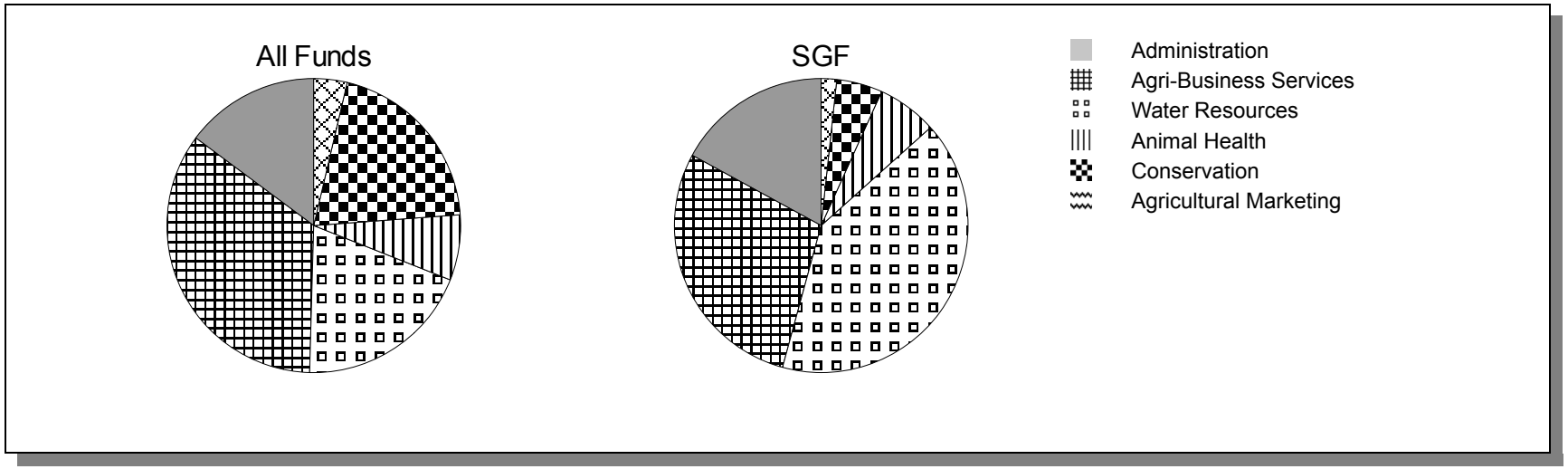
The Governor further proposes offering $1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution 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	24.8 %	22.2 %	26.0 %	23.4 %
State Water Plan Fund	19.9	20.6	19.6	20.4
Economic Development Initiatives Fund	1.3	1.3	1.3	1.3
Federal Funds	13.2	13.6	11.3	11.7
All Other Funds	40.8	42.2	41.8	43.2
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

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	$ 6,337,783	14.9 %	$ 1,617,443	17.1 %
Agri-Business Services	14,808,662	34.7	2,719,202	28.7
Water Resources	8,286,885	19.4	3,873,173	40.9
Animal Health	3,079,981	7.2	626,268	6.6
Conservation	8,598,081	20.1	480,632	5.1
Agricultural Marketing	1,565,399	3.7	160,000	1.7
TOTAL	$ 42,676,791	100.0 %	$ 9,476,718	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	10.8	10.8	10.8	10.8	10.8	10.8	10.8
Agri-Business Services	71.9	70.9	70.9	70.9	70.9	70.9	70.9
Water Resources	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Animal Health	15.8	15.8	15.8	15.8	15.8	15.8	15.8
Conservation	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Agricultural Marketing	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	143.5	142.5	142.5	142.5	142.5	142.5	142.5

A. Administration

The Administration program provides the general policy, outreach, coordination, and management functions for the agency. This program is divided into three subprograms: administrative services and support, record center, and statistical services and support. The Administrative Services and Support subprogram provides the agency's fiscal, personnel, legal, and information resource services. The goal of the Record Center subprogram is to maintain credible records to provide consistent and equitable implementation of Kansas statutes as they relate to the agency. This includes the issuance of licenses, permits, registrations, and certifications, and the issuance of renewal notices. The Statistical Services and Support subprogram is responsible for providing meaningful, accurate, and objective statistical information and services to Kansas residents and the Kansas agricultural industry. Agriculture marketing has been moved to a separate program effective this budget cycle.

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	$ 3,034,978	$ 3,155,323	$ 3,021,366	$ 3,346,338	$ 3,027,727	$ 3,520,016	$ 3,180,433
Contractual Services	2,993,134	3,199,291	3,199,291	2,888,343	2,888,343	2,779,072	2,779,072
Commodities	100,955	156,375	106,375	149,197	109,197	150,457	110,457
Capital Outlay	278,911	388,215	388,215	320,016	312,516	269,695	262,195
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 6,407,978	$ 6,899,204	$ 6,715,247	$ 6,703,894	$ 6,337,783	$ 6,719,240	$ 6,332,157
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	35,770	0	0	0	0	0	0
TOTAL	$ 6,443,748	$ 6,899,204	$ 6,715,247	$ 6,703,894	$ 6,337,783	$ 6,719,240	$ 6,332,157
Financing:							
State General Fund	$ 1,826,491	$ 2,005,370	$ 1,835,395	$ 1,971,223	$ 1,617,443	$ 2,231,454	$ 1,856,921
All Other Funds	4,617,257	4,893,834	4,879,852	4,732,671	4,720,340	4,487,786	4,475,236
TOTAL	$ 6,443,748	$ 6,899,204	$ 6,715,247	$ 6,703,894	$ 6,337,783	$ 6,719,240	$ 6,332,157
FTE Positions	10.8	10.8	10.8	10.8	10.8	10.8	10.8
Non-FTE Uncl. Perm. Pos.	44.1	34.2	34.2	34.2	34.2	34.2	34.2
TOTAL	54.9	45.0	45.0	45.0	45.0	45.0	45.0

The **agency** requests FY 2016 expenditures of $6.7 million for the Administration program, a decrease of $195,310, or 2.8 percent, below the FY 2015 request. This change is largely due to decreases in contractual services, offset in part by increases in salaries and wages.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of $3.3 million, an increase of $191,015, or 6.1 percent, above the FY 2015 request. The requested increase is funded by agency fee funds.

- **Contractual Services.** The agency requests FY 2016 contractual services expenditures of $2.9 million, a decrease of $310,948, or 9.7 percent, below the FY 2015 request. This decrease is largely attributable to decreased expenditures for computer equipment repairs.

- **Capital Outlay.** The agency requests FY 2016 capital outlay expenditures of $321,016, a decrease of $68,199, or 17.6 percent, below the FY 2015 request. This decrease primarily arises from decreased expenditures for the purchase of trucks.

The **Governor** recommends FY 2016 expenditures of $6.3 million for the Administration program, a decrease of $366,111, or 5.5 percent, below the agency request. The decrease is primarily attributed to salaries and wages and commodities expenditures.

- **Salaries and Wages.** The Governor recommends FY 2016 salaries and wages expenditures of $3.0 million, a decrease of $318,611, or 9.5 percent, below the amount requested for FY 2016. This decrease is due to the continuation of the Governor's allotment plan for a 4.0 percent reduction to Cabinet and other State General Fund agencies for FY 2016 and to reduce employer contributions for state employee health insurance.

- **Commodities.** The Governor recommends FY 2016 commodities expenditures of $109,197, a decrease of $40,000, or 26.8 percent, below the amount requested for FY 2016. The decrease is entirely attributable to office supplies.

The **agency** requests FY 2017 expenditures of $6.7 million for the Administration program, an increase of $15,346, or 0.2 percent, above the FY 2016 request. The request includes $2.2 million from the State General Fund, an increase of $260,213, or 13.2 percent, above the FY 2016 request, which trades off with a corresponding decrease in agency fee funds and federal homeland security grants. The all funds increase is attributable to increases in salaries and wages, offset in part by decreases in contractual services.

- **Salaries and Wages.** The agency requests FY 2017 salaries and wages expenditures of $3.5 million, an increase of $173,678, or 5.2 percent, above the FY 2016 request. This increase is largely attributable to the 27th pay period that occurs in FY 2017 for all state agencies.

- **Contractual Services**. The agency requests FY 2017 contractual services expenditures of $2.8 million, a decrease of $109,271, or 3.8 percent, below the FY 2016 request. This decrease is largely attributable to equipment repairs and insurance premiums.

The **Governor** recommends FY 2017 expenditures of $6.3 million for the Administration program, a decrease of $387,083, or 5.8 percent, below the requested amount. The decrease is primarily attributable to salaries and wages and commodities expenditures.

- **Salaries and Wages**. The Governor recommends FY 2017 salaries and wages expenditures of $3.2 million, a decrease of $339,583, or 9.6 percent, below the amount requested for FY 2016. This decrease is due to the continuation of the Governor's allotment plan for a 4.0 percent reduction to Cabinet and other State General Fund agencies for FY 2017 and to reduce employer contributions for state employee health insurance.

- **Commodities.** The Governor recommends FY 2017 commodities expenditures of $110,457, a decrease of $40,000, or 26.6 percent, below the amount requested for FY 2017. The decrease is entirely attributable to office supplies.

B. Agri-Business Services

The Agri-Business Services program is an aggregation of three programs that were identified in previous years as Food Safety & Consumer Protection, Environmental Protection, and Agricultural Laboratories.

The **Food Safety and Consumer Protection** program focuses on protecting the health and well-being of all consumers in the state. These programs ensure a safe food supply from farm to fork; safe and sanitary lodging facilities; that inputs to agriculture are safe, quality products that are not misrepresented to consumers; that state-licensed grain warehouses are solvent and protecting the quality of stored grains; and that weighing and measuring devices used in commerce are accurate. All of these program functions are intended to protect consumers, but also benefit the agriculture industry by maintaining a climate of consistency and confidence in the marketplace. The Meat and Poultry Inspection subprogram conducts inspections to ensure safe and wholesome meat and poultry products, and to detect and eliminate those items that pose a health threat, are improperly labeled, or serve as a source of economic fraud to the consumer. The Division of Food Safety and Lodging subprogram inspects all regulated food establishments, food processors, and lodging establishments. The Dairy Inspection subprogram regulates the milk production, transportation, processing, and distribution industry in Kansas. The Agricultural Commodity Assurance (ACAP) subprogram regulates seed, commercial feeding stuffs, medicated feed mills, eggs, and tissue residue investigations. The Weights and Measures subprogram is responsible for ensuring that devices involving weight, measurement, or price scanning in commerce are accurate in order to protect the consumer and provide equity in the marketplace. The Grain Warehouse Inspection subprogram ensures that depositors of grain in public warehouses are protected from fraud and that warehouses maintain accurate inventory records.

The **Environmental Protection** program works to ensure the protection and health of the state's natural and cultivated plant resources and the environment. This is accomplished through activities focused on prevention and ensuring the safe and proper use of pesticides and nutrients. The program is divided into two subprograms: Pesticide and Fertilizer and Plant Protection. The Pesticide and Fertilizer subprogram regulates pesticide and fertilizer products and chemical applicators. The Plant Protection and Weed Control subprogram protects the state's natural and cultivated plant resources from pests, diseases, and weeds.

The **Agricultural Laboratories** program provides analytical services necessary to enforce the regulatory functions of the agency. Analytical laboratory services are provided for the Meat and Poultry Inspection, Dairy Inspection, Agricultural Commodities Assurance program, and Pesticide and Fertilizer subprograms. Sample inspections are conducted to protect the health and safety of all Kansans and to facilitate accuracy of labeling of products offered for sale in the state.

AGRI-BUSINESS SERVICES
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	$ 10,058,986	$ 10,899,083	$ 10,782,268	$ 11,550,286	$ 11,433,183	$ 12,058,511	$ 11,938,360
Contractual Services	2,144,492	2,167,174	2,167,174	2,214,294	2,214,294	2,220,148	2,220,148
Commodities	602,943	722,746	672,746	687,881	627,881	699,529	639,529
Capital Outlay	573,359	713,469	713,469	533,304	533,304	435,426	435,426
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 13,379,780	$ 14,502,472	$ 14,335,657	$ 14,985,765	$ 14,808,662	$ 15,413,614	$ 15,233,463
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	66,341	0	0	0	0	0	0
TOTAL	$ 13,446,121	$ 14,502,472	$ 14,335,657	$ 14,985,765	$ 14,808,662	$ 15,413,614	$ 15,233,463
Financing:							
State General Fund	$ 2,837,844	$ 2,803,649	$ 2,729,176	$ 2,803,653	$ 2,719,202	$ 2,889,828	$ 2,804,740
All Other Funds	10,608,277	11,698,823	11,606,481	12,182,112	12,089,460	12,523,786	12,428,723
TOTAL	$ 13,446,121	$ 14,502,472	$ 14,335,657	$ 14,985,765	$ 14,808,662	$ 15,413,614	$ 15,233,463
FTE Positions	71.9	70.9	70.9	70.9	70.9	70.9	70.9
Non-FTE Uncl. Perm. Pos.	112.5	117.1	117.1	117.1	117.1	117.1	117.1
TOTAL	184.4	188.0	188.0	188.0	188.0	188.0	188.0

The **agency** requests FY 2016 expenditures of $15.0 million for the Agri-Business Services program, an increase of $483,293, or 3.3 percent, above the FY 2015 request. This all funds change change is largely due to increases in salaries and wages, offset in part by decreases in capital outlay.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of $11.6 million, an increase of $651,203, or 6.0 percent, above the FY 2015 request.

- **Capital Outlay.** The agency requests FY 2016 capital outlay expenditures of $533,304, a decrease of $180,165, or 25.3 percent, below the FY 2015 request. This decrease is largely attributable to decreased expenditures for laboratory equipment.

The **Governor** recommends FY 2016 expenditures of $14.8 million for the Agri-Business Services program, a decrease of $177,103, or 1.2 percent, below the requested amount. The decrease is attributable to salaries and wages and commodities.

- **Salaries and Wages.** The Governor recommends FY 2016 salaries and wages expenditures of $11.4 million, a decrease of $117,103, or 1.0 percent, below the amount requested for FY 2016. This decrease is due to the continuation of the Governor's allotment plan for a 4.0 percent reduction to Cabinet and other State General Fund agencies for FY 2016 and to reduce employer contributions for state employee health insurance.

- **Commodities.** The Governor recommends FY 2016 commodities expenditures of $627,881, a decrease of $60,000, or 8.7 percent, below the amount requested for FY 2016. The decrease is entirely attributable to decreased expenditures on gasoline.

The **agency** requests FY 2017 expenditures of $15.4 million for the Agri-Business program, an increase of $427,849, or 2.9 percent, above the FY 2016 request. The increase is primarily attributable to increases in salaries and wages which is largely due to the 27th pay period that occurs in FY 2017 for all state agencies.

The **Governor** recommends FY 2017 expenditures of $15.2 million for the Agri-Business Services program, a decrease of $180,151, or 1.2 percent, below the agency request. The decrease is attributable to salaries and wages and commodities.

- **Salaries and Wages.** The Governor recommends FY 2017 salaries and wages expenditures of $11.9 million, a decrease of $117,103, or 1.0 percent, below the amount requested for FY 2016. This decrease is due to the continuation of the Governor's allotment plan for a 4.0 percent reduction to Cabinet and other State General Fund agencies for FY 2017 and to reduce employer contributions for state employee health insurance.

- **Commodities.** The Governor recommends FY 2017 commodities expenditures of $639,529, a decrease of $60,000, or 8.6 percent, below the amount requested for FY 2017. The decrease is entirely attributable to decreased expenditures on gasoline.

C. Water Resources

The Division of Water Resources provides a public safety function through management of the state's scarce water resources and inspection of water structures. The program is divided into four subprograms: Water Management Services; Water Appropriation; Water Structures; and Basin Management Team. The Water Management Services subprogram is responsible for administrative, fiscal, legal, and legislative functions, in addition to supervising water conservation issues, data entry for the Water Rights Information System, management of the Geographic Information System, hydrologic studies, as well as coordinating with other water-related agencies and facilitating the stakeholder process in the state. The Water Appropriation subprogram manages, regulates, and protects water resources to ensure a substantial, long-term

water supply. The Water Structures subprogram regulates human activities that affect the flow of rivers and streams, to ensure that such activities are properly planned, constructed, operated, and maintained. The Basin Management Team was consolidated into the Water Management subprogram in FY 2012.

WATER 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	$ 5,179,445	$ 5,373,851	$ 5,313,903	$ 5,716,496	$ 5,667,286	$ 5,998,416	$ 5,947,525
Contractual Services	1,828,515	2,364,108	2,364,108	2,408,821	2,408,821	1,568,852	1,568,852
Commodities	93,368	84,598	84,598	85,567	85,567	91,817	91,817
Capital Outlay	388,146	167,811	167,811	125,211	125,211	103,461	103,461
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 7,489,474	$ 7,990,368	$ 7,930,420	$ 8,336,095	$ 8,286,885	$ 7,762,546	$ 7,711,655
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	9,868	0	0	0	0	0	0
TOTAL	$ 7,499,342	$ 7,990,368	$ 7,930,420	$ 8,336,095	$ 8,286,885	$ 7,762,546	$ 7,711,655
Financing:							
State General Fund	$ 3,819,388	$ 3,901,961	$ 3,864,613	$ 3,901,961	$ 3,873,173	$ 4,048,217	$ 4,018,446
All Other Funds	3,679,954	4,088,407	4,065,807	4,434,134	4,413,712	3,714,329	3,693,209
TOTAL	$ 7,499,342	$ 7,990,368	$ 7,930,420	$ 8,336,095	$ 8,286,885	$ 7,762,546	$ 7,711,655
FTE Positions	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Non-FTE Uncl. Perm. Pos.	32.0	40.0	40.0	40.0	40.0	40.0	40.0
TOTAL	70.0	78.0	78.0	78.0	78.0	78.0	78.0

The **agency** requests FY 2016 expenditures of $8.3 million for the Water Resources program, an increase of $345,727, or 4.3 percent, above the FY 2015 request. This request includes $3.4 million from the State General Fund, an increase of $18,080, or 0.5 percent, above the amount requested for FY 2015, and $660,058 from the State Water Plan Fund, a decrease of $244,047, or 27.0 percent, below the amount requested for FY 2015. This change is largely due to increases in salaries and wages.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of $5.7 million, an increase of $342,645, or 6.4 percent, above the FY 2015 request.

The **Governor** recommends FY 2016 expenditures of $8.3 million in the Water Resources program, a decrease of $49,210, or 0.6 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due reduced employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $7.8 million for the Water Resources program, a decrease of $573,549, or 6.9 percent, below the FY 2016 request. The decrease is attributable to contractual services, offset in part by increases in salaries and wages.

- **Salaries and Wages.** The agency requests FY 2017 salaries and wages expenditures of $6.0 million, an increase of $281,920, or 4.9 percent, above the FY 2016 request. This increase is largely due to the 27th pay period that occurs in FY 2017 for all state agencies.

- **Contractual Services**. The agency requests FY 2017 contractual expenditures of $1.6 million, a decrease of $839,969, or 34.9 percent, below the FY 2016 request. This decrease is attributable to a decrease in federal grant pass-through funding.

The **Governor** recommends FY 2017 expenditures of $7.7 million in the Water Resources program, a decrease of $50,891, or 0.7 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due to reduced employer contributions for state employee health insurance.

D. Animal Health

The Animal Health program ensures the public health, safety and welfare of Kansas' citizens and enhances the economic viability of the state's livestock production through livestock identification, animal health planning and preparedness, disease prevention, and control and eradication of infectious and contagious livestock and domestic animal disease in the state of Kansas. The program also regulates facilities that produce, sell, board, train, rescue, offer for adoption, or harbor companion animals and enforce the laws governing such facilities. The program directs a Brand Registration and Inspection program, identifies ownership of lost or stolen livestock; informs the public of the status of the health of livestock in the state, and promotes understanding and gains public assistance in achieving this mission. The Animal Health program was transferred to KDA in FY 2012 as part of Executive Reorganization Order No. 40.

ANIMAL HEALTH
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	$ 1,533,331	$ 1,856,291	$ 1,836,582	$ 1,913,379	$ 1,896,195	$ 2,001,552	$ 1,984,024
Contractual Services	964,519	1,154,474	1,154,474	1,107,027	1,107,027	1,103,338	1,103,338
Commodities	49,086	53,759	53,759	54,759	54,759	56,859	56,859
Capital Outlay	55,755	93,414	93,414	22,000	22,000	22,000	22,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 2,602,691	$ 3,157,938	$ 3,138,229	$ 3,097,165	$ 3,079,981	$ 3,183,749	$ 3,166,221
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	35,471	0	0	0	0	0	0
TOTAL	$ 2,638,162	$ 3,157,938	$ 3,138,229	$ 3,097,165	$ 3,079,981	$ 3,183,749	$ 3,166,221
Financing:							
State General Fund	$ 614,190	$ 630,416	$ 625,575	$ 630,414	$ 626,268	$ 630,415	$ 626,185
All Other Funds	2,023,972	2,527,522	2,512,654	2,466,751	2,453,713	2,553,334	2,540,036
TOTAL	$ 2,638,162	$ 3,157,938	$ 3,138,229	$ 3,097,165	$ 3,079,981	$ 3,183,749	$ 3,166,221
FTE Positions	15.8	15.8	15.8	15.8	15.8	15.8	15.8
Non-FTE Uncl. Perm. Pos.	10.3	11.2	11.2	11.2	11.2	11.2	11.2
TOTAL	26.1	27.0	27.0	27.0	27.0	27.0	27.0

The **agency** requests FY 2016 expenditures of $3.1 million for the Animal Health program, a decrease of $60,773, or 1.9 percent, below the FY 2015 request. This change is largely due to a decrease in capital outlay expenditures of $71,414, or 76.4 percent, due to decreased expenditures on computer replacement, passenger car replacement, and truck replacement.

The **Governor** recommends FY 2016 expenditures of $3.1 million for the Animal Health program, a decrease of $17,184, or 0.6 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due to reduced employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $3.2 million for the Animal Health program, an increase of $86,584, or 2.8 percent, above the FY 2016 request. The increase is

attributable to salaries and wages increases as a result of the 27th pay period that occurs in FY 2017 for all state agencies.

The **Governor** recommends FY 2017 expenditures of $3.2 million for the Animal Health program, a decrease of $17,528, or 0.6 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due to to reduced employer contributions for state employee health insurance.

E. Conservation

Prior to FY 2012, the State Conservation Commission was a separate agency that was established in 1937 to promote soil and water conservation. The mission of the Commission was to administer conservation programs designed to enable local entities and individuals to protect and enhance Kansas' natural resources. The Conservation program operates eight subprograms, including: Aid to conservation districts, watershed dam construction, water resource cost-share, water supply restoration, non-point source pollution, riparian and wetland protection, land reclamation, and water quality buffer initiatives. The Conservation program was transferred to KDA as part of Executive Reorganization Order No. 40.

CONSERVATION
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	$ 708,028	$ 752,771	$ 744,655	$ 769,166	$ 763,112	$ 804,832	$ 798,657
Contractual Services	1,000,293	1,080,863	1,080,863	713,963	713,963	681,848	681,848
Commodities	10,075	7,325	7,325	7,445	7,445	7,445	7,445
Capital Outlay	8,583	66,745	66,745	2,000	2,000	2,000	2,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,726,979	$ 1,907,704	$ 1,899,588	$ 1,492,574	$ 1,486,520	$ 1,496,125	$ 1,489,950
Aid to Local Units	3,243,292	2,937,494	2,937,494	2,927,227	2,927,227	2,927,227	2,927,227
Other Assistance	4,009,700	5,422,637	5,422,637	4,184,334	4,184,334	4,178,846	4,178,846
TOTAL	$ 8,979,971	$ 10,267,835	$ 10,259,719	$ 8,604,135	$ 8,598,081	$ 8,602,198	$ 8,596,023
Financing:							
State General Fund	$ 484,249	$ 484,447	$ 479,224	$ 484,446	$ 480,632	$ 503,621	$ 499,731
All Other Funds	8,495,722	9,783,388	9,780,495	8,119,689	8,117,449	8,098,577	8,096,292
TOTAL	$ 8,979,971	$ 10,267,835	$ 10,259,719	$ 8,604,135	$ 8,598,081	$ 8,602,198	$ 8,596,023
FTE Positions	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Non-FTE Uncl. Perm. Pos.	3.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	10.0	9.0	9.0	9.0	9.0	9.0	9.0

The **agency** requests FY 2016 expenditures of $8.6 million for the Conservation program, a decrease of $1.7 million, or 16.2 percent, below the FY 2015 request. This change is largely due to decreases in other assistance funded by the State Water Plan Fund for local conservation districts related to watershed dams, small municipal lakes, and other conservation projects.

The **Governor** recommends FY 2016 expenditures of $8.6 million for the Conservation program, a decrease of $6,054, or 0.1 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due to reduced employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $8.6 million for the Conservation program, a decrease of $1,937, or less than 0.1 percent, below the FY 2016 request. The decrease is attributable to contractual services, offset in part by increases in salaries and wages due to the 27th pay period in FY 2017.

The **Governor** recommends FY 2017 expenditures of $8.6 million for the Conservation program, a decrease of $6,175, or 0.1 percent, below the agency request. The decrease is entirely attributable to a reduction in salaries and wages due to reduced employer contributions for state employee health insurance.

F. Agricultural Marketing

Agriculture marketing was transferred to the Department in FY 2011 as part of Executive Reorganization Order Number 40. This program is focused on growing the agricultural industry in Kansas through loan programs, marketing, and agricultural initiatives. This program was previously categorized as a subprogram within Administration.

AGRICULTURAL MARKETING
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	$ 675,086	$ 904,652	$ 893,885	$ 990,496	$ 986,999	$ 1,037,558	$ 1,034,013
Contractual Services	1,044,321	903,361	903,361	869,930	0	870,013	0
Commodities	51,318	28,168	28,168	28,168	0	28,168	0
Capital Outlay	2,009	7,600	7,600	8,800	0	25,800	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,772,734	$ 1,843,781	$ 1,833,014	$ 1,897,394	$ 986,999	$ 1,961,539	$ 1,034,013
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	321,735	723,201	723,201	738,400	578,400	738,400	578,400
TOTAL	$ 2,094,469	$ 2,566,982	$ 2,556,215	$ 2,635,794	$ 1,565,399	$ 2,699,939	$ 1,612,413
Financing:							
State General Fund	$ 0	$ 160,000	$ 160,000	$ 1,226,898	$ 160,000	$ 1,243,981	$ 160,000
All Other Funds	2,094,469	2,406,982	2,396,215	1,408,896	1,405,399	1,455,958	1,452,413
TOTAL	$ 2,094,469	$ 2,566,982	$ 2,556,215	$ 2,635,794	$ 1,565,399	$ 2,699,939	$ 1,612,413
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	12.0	11.0	11.0	11.0	11.0	11.0	11.0
TOTAL	12.0	11.0	11.0	11.0	11.0	11.0	11.0

The **agency** requests FY 2016 expenditures of $2.6 million for the Agricultural Marketing program, an increase of $68,812, or 2.7 percent, above the FY 2015 request. This change is largely due to increases in salaries and wages.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of $990,496, an increase of $85,844, or 9.5 percent, above the FY 2015 request.

The **Governor** recommends FY 2016 expenditures of $1.6 million for the Agricultural Marketing program, a decrease of $1.1 million, or 40.6 percent, below the agency request. The decrease spans a number of categories but is entirely attributable to two adjustments.

- A decrease of $1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.

- A decrease of $3,497 for reduced employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $2.7 million for the Agricultural Marketing program, an increase of $64,145, or 2.4 percent, above the FY 2016 request. The increase is attributable to salaries and wages and capital outlay.

- **Salaries and Wages.** The agency requests FY 2017 salaries and wages expenditures of $1.0 million, an increase of $47,062, or 4.8 percent, above the FY 2016 request. This increase is largely due to the 27th pay period that occurs in FY 2017 for all state agencies.

- **Capital Outlay.** The agency requests FY 2017 capital outlay expenditures of $25,800, an increase of $17,000, or 193.2 percent, above the FY 2016 request. This increase is attributable to the replacement of a vehicle.

The **Governor** recommends FY 2017 expenditures of $1.6 million for the Agricultural Marketing program, a decrease of $1.1 million, or 40.3 percent, below the agency request. The decrease spans a number of categories but is entirely attributable to two adjustments.

- A decrease of $1.1 million, all from the State General Fund, as a result of not recommending the enhancement package for marketing and outreach.

- A decrease of $3,545 for reduced employer contributions for state employee health insurance.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Total establishments licensed	14,500	15,635	15,900	16,100	16,000
Number of Grade A dairy farm inspections	840	892	906	910	909
Notices of noncompliance issued to meat and poultry establishments	N/A	814	1,033	1,033	1,033
Percentage of licensed elevators examined	N/A	94.0%	100.0%	100.0%	100.0%
Total scale inspections	N/A	2,812	4,200	5,040	5,100
Total food establishment inspections	21,760	22,202	21,851	21,400	21,200
Average number of days to process a complete application for a new water right	N/A	16	15	15	15
Number of private high hazard dam inspections reviewed	130	94	130	130	130
Number of floodplain fill or levee permits completed	N/A	116	120	120	120
Number of cost-share contracts funded	898	797	797	797	797
Percentage of conservation districts receiving the maximum level of state financial assistance	N/A	60.0%	61.0%	62.0%	62.0%
Number of livestock market brand inspections	N/A	156,170	187,500	151,000	150,000
Number of existing brand registrations renewed	N/A	4,205	3,000	3,500	3,500
Number of feedlot licenses issued	N/A	375	375	400	380
Number of deer licenses issued	N/A	51	50	48	48
Number of livestock market vet inspections	N/A	2,270,903	2,250,000	2,096,000	2,050,000

Kansas Water Office

	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	$ 1,182,230	$ 1,265,789	$ 1,159,460	$ 1,241,975	$ 1,134,483	$ 1,294,863	$ 1,184,599
Other Funds	6,512,461	9,007,890	9,003,383	5,211,744	5,207,751	7,344,322	7,340,249
TOTAL	$ 7,694,691	$ 10,273,679	$ 10,162,843	$ 6,453,719	$ 6,342,234	$ 8,639,185	$ 8,524,848
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	**$ 7,694,691**	**$ 10,273,679**	**$ 10,162,843**	**$ 6,453,719**	**$ 6,342,234**	**$ 8,639,185**	**$ 8,524,848**
Percentage Change:							
Operating Expenditures							
State General Fund	(10.4) %	7.1 %	(1.9) %	(1.9) %	(2.2) %	4.3 %	4.4 %
All Funds	2.6	33.5	32.1	(37.2)	(37.6)	33.9	34.4
FTE Positions	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Non-FTE Perm.Uncl.Pos.	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	21.0	21.0	21.0	21.0	21.0	21.0	21.0

AGENCY OVERVIEW

The Kansas Water Office is the water planning, policy, and coordination agency for the state. The agency, in conjunction with the Kansas Water Authority, develops water policies through an open planning process, facilitates the coordination of agencies' activities regarding water, and operates a raw water marketing program to ensure an adequate supply for the citizens, municipalities, environment, and industries in the state.

Through the agency's operations and the guidance of the Kansas Water Authority, the Kansas Water Office focuses on water policy planning, including developing the State Water Plan, which details the management, conservation, and development of water resources for the state. Working with the 12 major river basins, the agency develops basin planning sections for the State Water Plan, which documents objectives and critical issues occurring in each of the basins. Additionally, the agency provides the coordination function in focusing action on priority issues as identified in the basin sections of the Kansas Water Plan.

In addition, the agency administers the following programs and acts: Assessment and Evaluation program, Water Marketing program, Water Assurance program, Water Conservation program, the public water supply component of the Multipurpose Small Lakes program, the Kansas Water Planning Act, State Water Plan Storage Act, Kansas Weather Modification Act, portions of the Water Appropriations Act, and the Water Transfer Act. The agency also negotiates with the federal government for water supply storage in federal lakes.

The Kansas Water Authority provides water policy advice to the Governor, Legislature, and the Director of the Kansas Water Office. The 24-member board is responsible for approving water storage sales, the State Water Plan, federal contracts, and regulations and legislation proposed by the Kansas Water Office.

MAJOR ISSUES FROM PRIOR YEARS

The **2005 Legislature** included statutory language that only the Legislature may authorize expenditures from two funds, the Water Conservation Projects Fund and the Water Conservation Reserve account, in the State Water Plan Fund. The two funds were created when funding was received from Colorado in May 2005, as a result of the water litigation settlement. Of those funds, $9.7 million was deposited into the Water Conservation Projects Fund and $4.8 million was deposited into the Water Conservation Reserve account.

The **2006 Legislature** added $2.5 million from the Water Conservation Projects Fund in FY 2007 to the Kansas Water Office for projects in the Upper Arkansas River Basin, including the lining of the Southside Ditch and the Southern Alternative delivery system. The Legislature also added language directing the agency to work with Groundwater Management District #5 to begin negotiations involving the purchase of water rights for the streamflow augmentation of Rattlesnake Creek during FY 2007. In addition, the Legislature added $552,000 from the Water Conservation Projects Fund in FY 2006 and FY 2007 for feasibility studies related to projects in the Upper Arkansas

River Basin directly impacted by the litigation between Kansas and Colorado. Combined, total expenditures for both fiscal years were not to exceed $552,000.

The **2007 Legislature** added $500,000 from the State Water Plan Fund to address Neosho River Basin issues, such as sedimentation and water quality problems that have emerged within the Neosho Basin Watershed in recent years. The funding will be utilized as follows: $300,000 for John Redmond reservoir pool raise mitigation required by the U.S. Corps of Engineers for a two-foot permanent pool raise; $150,000 for Marion reservoir for a feasibility study related to addressing sedimentation and algae bloom issues; and $50,000 for a riparian area inventory of areas below Marion and Council Grove reservoirs to the upper reaches of John Redmond reservoir. In addition, the Legislature added additional funding for weather modification, weather stations, technical assistance to water users, and for MOU (Memorandum of Understanding) – Storage Operations and Maintenance.

The **2008 Legislature** transferred the balance of the Water Conservation Projects Fund ($9,134,446) and $739,964 from the State Water Plan Fund in FY 2008 to a new fund called the Western Water Conservation Projects Fund, with guidelines directing the funding to Groundwater Management District No. 3 for oversight of funding projects, and creation of an advisory committee consisting of six ditch companies, and requiring a report by the Groundwater Management District No. 3 every three months on the status of new projects. In addition, the Legislature approved an increased transfer from the Economic Development Initiatives Fund (EDIF) of $1,043,985 to avert a negative ending balance in the State Water Plan Fund. The Legislature also approved $534,000, all from the State General Fund, in FY 2009 for a new fund called the Reservoir Storage Beneficial Use Fund.

The **2009 Legislature** approved the transfer of $2.0 million from the State General Fund to the State Water Plan Fund for FY 2009 and suspended the $6.0 million statutory transfer from the State General Fund to the State Water Plan Fund for both FY 2009 and FY 2010. For FY 2010, the Legislature approved the transfer of $3.3 million from the State General Fund to the State Water Plan Fund. The agency's FY 2010 State Water Plan Fund expenditures were increased by $825,487. The Governor's July 2009 allotments eliminated the FY 2010 transfer approved by the Legislature and expenditures based on the increased transfer were reduced accordingly.

The **2010 Legislature** approved the transfer of $1.3 million from the State General Fund to the State Water Plan Fund for FY 2011 and that it be appropriated for four specific programs: Contamination Remediation ($226,161), Treece Superfund Buyout ($350,000), Interstate Water Issues ($137,945), and Aid to Conservation Districts ($634,138). The 2010 Legislature also changed the expenditure limitation for the State Conservation Storage Water Supply Fund from $0 to no limit for FY 2011.

The **2011 Legislature** suspended the $6.0 million demand transfer to the State Water Plan Fund. In addition, the Legislature approved transfers from the State Water Plan Fund of $75,000 to the Grain Warehouse Inspection Fund, $175,000 to the Swine Eradication Fund, and $20,000 to the Livestock Market Reporting Fund. The Legislature added funding for the Wichita Aquifer Storage and Recovery Project ($11,390) and the memorandum of understanding (MOU) with the Army Corps of Engineers ($80,702). Those additions were offset by reductions for technical assistance for water users ($25,000), assessment evaluation ($16,702), and several universal reductions ($72,274).

The **2012 Legislature** added $500,000, all from the Expanded Lottery Act Revenues Fund, for FY 2013 for the Wichita Aquifer Storage and Recovery project and $40,000, all

from the State Water Plan Fund, for Water Resource Education. The funding was subsequently vetoed by the Governor. The Legislature also added $200,000, all from the State Water Plan Fund, for FY 2013 for the weather modification program contingent upon ten counties participating in the project. The 2012 Legislature suspended the $6.0 million transfer from the State Water Plan Fund.

The **2013 Legislature** added $100,000, all from the State Water Plan Fund, for the Weather Modification program in FY 2014.

In **2013** the Governor charged the agency with leading the development of a 50-year vision for water in Kansas. The vision will be incorporated into the Kansas Water Plan. The agency will conduct multiple meetings with stakeholders through March of 2014 and produce a first draft of the 50-year vision in the summer of that year. The agency intends for the vision to be completed by November 2014.

The **2014 Legislature** deleted $419,000, all from the Water Marketing Fund, to reduce FY 2015 bond payments for the John Redmond Reservoir dredging project from $2,109,400 to $1,690,400.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency estimates** FY 2015 all funds expenditures of $10.3 million, an increase of $1.6 million, or 18.6 percent, above the amount approved by the 2014 Legislature. This estimate includes $1.3 million from the State General Fund, an increase of $76,606, or 6.4 percent, and $4.0 million from the State Water Plan Fund, an increase of $302,542, or 8.1 percent above the amount approved by the 2014 Legislature. The all fund increase is largely attributable to additional federal grants for streambank stabilization, but also includes supplemental requests totaling $52,815.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 expenditures of $10.2 million, a decrease of $110,836, or 1.1 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $71,650, all from the State General Fund, due to not recommending supplemental requests for $56,650 for construction costs incurred by the agency when moving to the Landon building and $15,000 for membership to the Western States Water Council.
- Reduction of $14,294, including $9,787 from the State General Fund, as a result of the Governor's allotment plan 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.

- Reduction of $23,862, all from the State General Fund, 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.

- Reduction of $1,030, all from the State General Fund, for lapsing the reappropriation for FY 2015.

FY 2016 Agency Request

The **agency** requests FY 2016 expenditures of $6.5 million, a decrease of $3.8 million, or 37.2 percent, below the FY 2015 request. This request includes $1.2 million from the State General Fund, a decrease of $23,814, or 1.9 percent, and $1.8 million from the State Water Plan Fund, a decrease of $1.8 million, or 50.1 percent, below the FY 2015 request. The all funds decrease is largely due to decreased expenditures on contractual services arising from decreased federal grant funds for streambank stabilization, and decreases in payments for dredging of the John Redmond Reservoir. The agency attempted to budget accordingly for bond payments, but may need to carry forward some State Water Plan funding for these bond payments depending on when they occur. These decreases are offset in part by an enhancement request totaling $53,884.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 expenditures of $6.3 million, a decrease of $111,485, or 1.7 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $52,792, all from the State General Fund, due to not recommending enhancement requests totaling $52,792 for a rent increase ($22,176), a building surcharge increase ($5,664), increased information technology expenses due to Department of Administration transitioning to a different rate plan ($9,975), and membership to the Western States Water Council ($15,000).

- Reduction of $11,126, including $7,133 from the State General Fund, to reduce employer contributions for state employee health insurance.

- Reduction of $47,567, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2016.

FY 2017 Agency Request

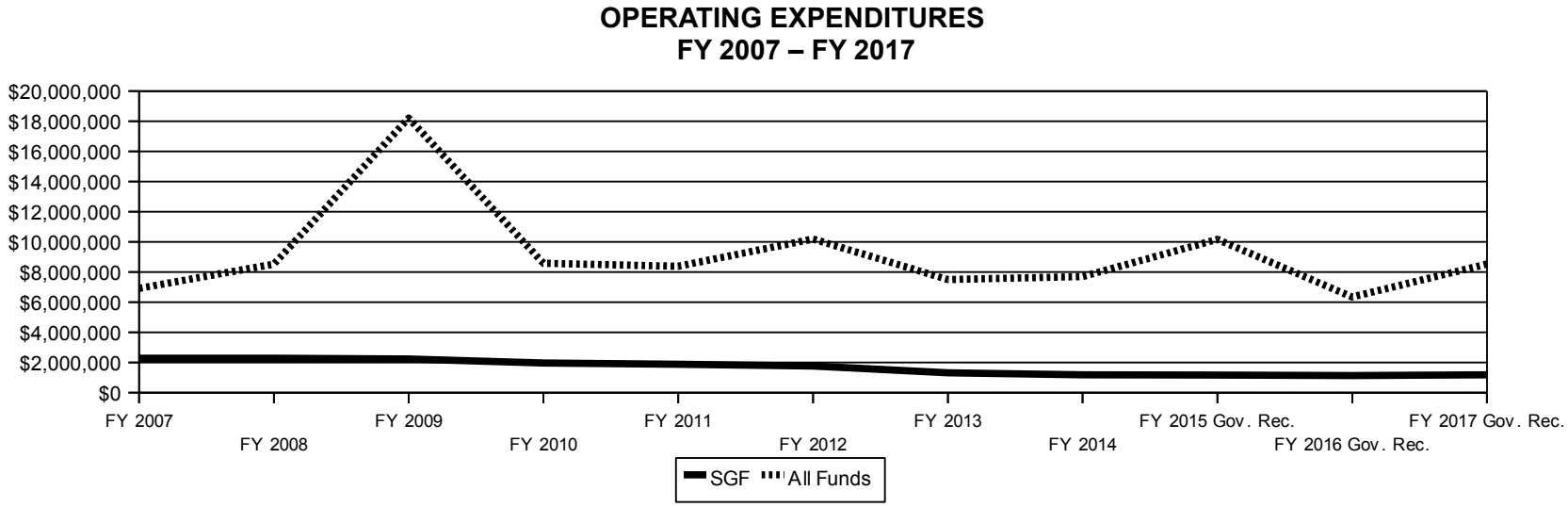
The **agency** requests FY 2017 all funds expenditures of $8.6 million, an increase of $2.2 million, or 33.9 percent, above the FY 2016 request. The request includes $1.3 million from the State General Fund, an increase of $52,888, or 4.3 percent, and $2.6 million from the State Water Plan Fund, an increase of $856,550, or 48.4 percent, above the FY 2016 request. This all funds increase is largely due to John Redmond Reservoir dredging bonds and budgeting for Army Corps of Engineers work on the reservoirs.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 expenditures of $8.5 million, a decrease of $114,337, or 1.3 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $53,327, all from the State General Fund, due to not recommending enhancement requests for a rent increase ($22,711), a building surcharge increase ($5,641), increased information technology expenses due to Department of Administration transitioning to a different rate plan ($9,975), and membership to the Western States Water Council ($15,000).
- Reduction of $11,349, including $7,276 from the State General Fund, to reduce employer contributions for state employee health insurance.
- Reduction of $49,661, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2017.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 2,284,542	62.6 %	$ 6,912,789	4.4 %	23.5
2008	2,277,280	(0.3)	8,522,585	23.3	23.5
2009	2,226,752	(2.2)	18,205,826	113.6	23.5
2010	1,962,416	(11.9)	8,578,248	(52.9)	23.5
2011	1,879,209	(4.2)	8,377,752	(2.3)	21.0
2012	1,762,575	(6.2)	10,182,947	21.5	21.0
2013	1,319,859	(25.1)	7,500,801	(26.3)	18.0
2014	1,182,230	(10.4)	7,694,691	2.6	19.0
2015 Gov. Rec.	1,159,460	(1.9)	10,162,843	32.1	19.0
2016 Gov. Rec.	1,134,483	(2.2)	6,342,234	(37.6)	19.0
2017 Gov. Rec.	1,184,599	4.4	8,524,848	34.4	19.0
Eleven-Year Change	$ (1,099,943)	(48.1)%	$ 1,612,059	23.3 %	(4.5)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 4,071,454	$ 4,827,225	$ 3,011,292	$ (1,815,933)	(37.6) %	$ 4,720,896	$ 2,903,800	$ (1,817,096)	(38.5)%
KS Water Authority	31,023	25,892	28,694	2,802	10.8	25,892	28,694	2,802	10.8
Water Supply Contracts	3,592,214	5,420,562	3,413,733	(2,006,829)	(37.0)	5,416,055	3,409,740	(2,006,315)	(37.0)
TOTAL	$ 7,694,691	$ 10,273,679	$ 6,453,719	$ (3,819,960)	(37.2) %	$ 10,162,843	$ 6,342,234	$ (3,820,609)	(37.6)%
By Major Object of Expenditure:									
Salaries and Wages	$ 1,429,378	$ 1,458,940	$ 1,468,413	$ 9,473	0.6 %	$ 1,444,646	$ 1,457,287	$ 12,641	0.9 %
Contractual Services	6,167,310	8,315,021	4,948,924	(3,366,097)	(40.5)	8,218,479	4,848,565	(3,369,914)	(41.0)
Commodities	25,493	11,510	19,620	8,110	70.5	11,510	19,620	8,110	70.5
Capital Outlay	15,423	7,750	16,762	9,012	116.3	7,750	16,762	9,012	116.3
Debt Service	0	0	0	0	0.0	0	0	0	0.0
Subtotal - Operations	$ 7,637,604	$ 9,793,221	$ 6,453,719	$ (3,339,502)	(34.1) %	$ 9,682,385	$ 6,342,234	$ (3,340,151)	(34.5)%
Aid to Local Units	48,201	473,463	0	(473,463)	(100.0)	473,463	0	(473,463)	(100.0)
Other Assistance	8,886	6,995	0	(6,995)	(100.0)	6,995	0	(6,995)	(100.0)
TOTAL	$ 7,694,691	$ 10,273,679	$ 6,453,719	$ (3,819,960)	(37.2) %	$ 10,162,843	$ 6,342,234	$ (3,820,609)	(37.6)%
Financing:									
State General Fund	$ 1,182,230	$ 1,265,789	$ 1,241,975	$ (23,814)	(1.9) %	$ 1,159,460	$ 1,134,483	$ (24,977)	(2.2)%
State Water Plan Fund	2,308,456	4,018,042	1,768,440	(2,249,602)	(56.0)	4,018,042	1,768,440	(2,249,602)	(56.0)
Water Marketing Fund	2,969,397	3,176,452	2,848,346	(328,106)	(10.3)	3,171,945	2,844,353	(327,592)	(10.3)
Federal Funds	630,616	1,330,805	132,336	(1,198,469)	(90.1)	1,330,805	132,336	(1,198,469)	(90.1)
All Other Funds	603,992	482,591	462,622	(19,969)	(4.1)	482,591	462,622	(19,969)	(4.1)
TOTAL	$ 7,694,691	$ 10,273,679	$ 6,453,719	$ (3,819,960)	(37.2) %	$ 10,162,843	$ 6,342,234	$ (3,820,609)	(37.6)%

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	$ 3,011,292	$ 2,868,668	$ (142,624)	(4.7) %	$ 2,903,800	$ 2,758,404	$ (145,396)	(5.0)%
KS Water Authority	28,694	28,695	1	0.0	28,694	28,695	1	0.0
Water Supply Contracts	3,413,733	5,741,822	2,328,089	68.2	3,409,740	5,737,749	2,328,009	68.3
TOTAL	$ 6,453,719	$ 8,639,185	$ 2,185,466	33.9 %	$ 6,342,234	$ 8,524,848	$ 2,182,614	34.4 %
By Major Object of Expenditure:								
Salaries and Wages	$ 1,468,413	$ 1,537,133	$ 68,720	4.7 %	$ 1,457,287	$ 1,525,784	$ 68,497	4.7 %
Contractual Services	4,948,924	7,065,170	2,116,246	42.8	4,848,565	6,962,182	2,113,617	43.6
Commodities	19,620	20,120	500	2.5	19,620	20,120	500	2.5
Capital Outlay	16,762	16,762	0	0.0	16,762	16,762	0	0.0
Debt Service	0	0	0	0.0	0	0	0	0.0
Subtotal - Operations	$ 6,453,719	$ 8,639,185	$ 2,185,466	33.9 %	$ 6,342,234	$ 8,524,848	$ 2,182,614	34.4 %
Aid to Local Units	0	0	0	0.0	0	0	0	0.0
Other Assistance	0	0	0	0.0	0	0	0	0.0
TOTAL	$ 6,453,719	$ 8,639,185	$ 2,185,466	33.9 %	$ 6,342,234	$ 8,524,848	$ 2,182,614	34.4 %
Financing:								
State General Fund	$ 1,241,975	$ 1,294,863	$ 52,888	4.3 %	$ 1,134,483	$ 1,184,599	$ 50,116	4.4 %
State Water Plan Fund	1,768,440	2,624,990	856,550	48.4	1,768,440	2,624,990	856,550	48.4
Water Marketing Fund	2,848,346	4,260,169	1,411,823	49.6	2,844,353	4,256,096	1,411,743	49.6
Federal Funds	132,336	0	(132,336)	(100.0)	132,336	0	(132,336)	(100.0)
All Other Funds	462,622	459,163	(3,459)	(0.7)	462,622	459,163	(3,459)	(0.7)
TOTAL	$ 6,453,719	$ 8,639,185	$ 2,185,466	33.9 %	$ 6,342,234	$ 8,524,848	$ 2,182,614	34.4 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $1.2 million for the Kansas Water Office 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.

- A reduction of $34,679, as the result of the Governor's December 9th State General Fund allotment.

These adjustments change the FY approved State General Fund to $1,159,460. That amount is reflected in the table below as the currently approved FY State General Fund amount. The agency's budget was submitted after the Governor's December allotment, so the agency's revised budget estimates do not incorporate the second 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	$ 1,159,460	$ 1,265,789	$ 106,329	$ 1,159,460	$ 0
All Other Funds	7,474,037	9,007,890	1,533,853	9,003,383	1,529,346
TOTAL	$ 8,633,497	$ 10,273,679	$ 1,640,182	$ 10,162,843	$ 1,529,346
FTE Positions	19.0	19.0	0.0	19.0	0.0

The **agency** estimates FY 2015 all funds expenditures of $10.3 million, an increase of $1.6 million, or 18.9 percent, above the amount approved by the 2014 Legislature. This estimate includes $1.3 million from the State General Fund, an increase of $106,329, or 9.2 percent, and $4.0 million from the State Water Plan Fund, an increase of $302,542, or 8.1 percent, above the approved amount. The all fund increase is largely attributable to additional federal grants for streambank

stabilization, but also includes supplemental requests totaling $71,650, all from the State General Fund.

The **Governor** recommends FY 2015 expenditures of $10.2 million, a decrease of $110,836, or 1.1 percent, below the FY 2015 agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $71,650, all from the State General Fund, to not recommend supplemental requests for $56,650 for construction costs incurred by the agency when moving to the Landon building and $15,000 for membership to the Western States Water Council.
- Reduction of $14,294, including $9,787 from the State General Fund, as a result of the Governor's allotment plan 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.
- Reduction of $23,862, all from the State General Fund, 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.
- Reduction of $1,030, all from the State General Fund, for lapsing the reappropriation for FY 2015.

Supplemental Detail

FY 2015 SUPPLEMENTALS

	Agency Estimate			Governor's Recommendation		
Supplementals	SGF	All Funds	FTE	SGF	All Funds	FTE
Construction Costs - Landon Move	$ 56,650	$ 56,650	0.0	$ 0	$ 0	0.0
Membership - Western States Water Council	15,000	15,000	0.0	0	0	0.0
TOTAL	**$ 71,650**	**$ 71,650**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** estimates $71,650, all from the State General Fund, for supplemental expenditures in FY 2015. The supplemental request includes $56,650 for construction costs incurred by the agency when moving to the Landon building and $15,000 for membership to the Western States Water Council. The Council is an organization the Water Office has paid dues to for many years.

The **Governor** does not recommend the supplemental request.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS

Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	(9,787)	(9,787)	0.0
Lapse SGF Reappropriation	(1,030)	(1,030)	0.0
Reduce SGF funding by 4.0 percent	(23,862)	(23,862)	0.0
TOTAL	$ (34,679)	$ (34,679)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of $9,787, 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 10.42 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency expenditures but is reflective of a reduction of expenditures from the State General Fund.

Lapse State General Fund Reappropriation:

A reduction of $1,030, as a result of lapsing reappropriated funding from the State General Fund.

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

A reduction of $23,862, 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.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 6,453,719	$ 6,342,234	$ (111,485)
FTE Positions	19.0	19.0	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ (23,814)	$ (24,977)	
All Other Funds	(3,796,146)	(3,795,632)	
TOTAL	$ (3,819,960)	$ (3,820,609)	
Percent Change:			
State General Fund	(1.9) %	(2.2) %	
All Other Funds	(42.1)	(42.2)	
TOTAL	(37.2) %	(37.6) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 expenditures of $6.5 million, a decrease of $3.8 million, or 37.2 percent, below the FY 2015 request. This request includes $1.2 million from the State General Fund, a decrease of $23,814, or 1.9 percent, and $1.8 million from the State Water Plan Fund, a decrease of $1.8 million, or 50.1 percent, below the FY 2015 request. The all funds decrease is largely due to decreased expenditures on contractual services arising from decreased federal grant funds for streambank stabilization, and decreases in payments for dredging of the John Redmond Reservoir. The agency attempted to budget accordingly for bond payments, but may need to carry forward some State Water Plan funding for these bond payments depending on when they occur. These decreases are offset in part by an enhancement request totaling $52,815 all from the State General Fund.

The **Governor** recommends FY 2016 expenditures of $6.3 million, a decrease of $111,485, or 1.7 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $52,792, all from the State General Fund, to not recommend enhancement requests totaling $52,792 for a rent increase ($22,176), a building surcharge increase ($5,664), increased information technology expenses due to Department of Administration transitioning to a different rate plan ($9,975), and membership to the Western States Water Council ($15,000).

- Reduction of $11,126, including $7,133 from the State General Fund, to reduce employer contributions for state employee health insurance.

- Reduction of $47,567, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2016.

Enhancements Detail

FY 2016 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Membership - Western States Water Council	$ 15,000	$ 15,000	0.0	$ 0	$ 0	0.0
Rent Increase	22,176	22,176	0.0	0	0	0.0
Building Surcharge Increase	5,641	5,641	0.0	0	0	0.0
Increase IT Costs - Node Rate	9,975	9,975	0.0	0	0	0.0
TOTAL	**$ 52,792**	**$ 52,792**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $53,327 for a rent increase ($22,176), a building surcharge increase ($5,641), and increased information technology expenses due to transitioning to a different rate plan by the Department of Administration ($9,975). The enhancement request also includes $15,000 for membership to the Western States Water Council. The Council is an organization the Water Office has paid dues to for many years. All of the enhancement request is funded by the State General Fund.

The **Governor** does not recommend the enhancement request.

C. FY 2017 – BUDGET YEAR

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 8,639,185	$ 8,524,848	$ (114,337)
FTE Positions	19.0	19.0	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 52,888	$ 50,116	
All Other Funds	2,132,578	2,132,498	
TOTAL	$ 2,185,466	$ 2,182,614	
Percent Change:			
State General Fund	4.3 %	4.4 %	
All Other Funds	40.9	40.9	
TOTAL	33.9 %	34.4 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 all funds expenditures of $8.6 million, an increase of $2.2 million, or 33.9 percent, above the FY 2016 request. The request includes $1.3 million from the State General Fund, an increase of $52,888, or 4.3 percent, and $2.6 million from the State Water Plan Fund, an increase of $856,550, or 48.4 percent, above the FY 2016 request. This increase is largely due to John Redmond Reservoir dredging bonds and budgeting for Army Corps of Engineers work on the reservoirs.

The **Governor** recommends FY 2017 expenditures of $8.5 million, a decrease of $114,337, or 1.3 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $53,327, all from the State General Fund, to not recommend enhancement requests for a rent increase ($22,711), a building surcharge increase ($5,641), increased information technology expenses due to Department of Administration transitioning to a different rate plan ($9,975), and membership to the Western States Water Council ($15,000).

- Reduction of $11,349, including $7,276 from the State General Fund, to reduce employer contributions for state employee health insurance.

- Reduction of $49,661, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2017.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Membership - Western States Water Council	$ 15,000	$ 15,000	0.0	$ 0	$ 0	0.0
Rent Increase	22,711	22,711	0.0	0	0	0.0
Building Surcharge Increase	5,641	5,641	0.0	0	0	0.0
Increase IT Costs - Node Rate	9,975	9,975	0.0	0	0	0.0
TOTAL	**$ 53,327**	**$ 53,327**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests enhancements totaling $53,327 for a rent increase ($22,711), a building surcharge increase ($5,641), and increased information technology expenses due to transitioning to a different rate plan by the Department of Administration ($9,975). The enhancement request also includes $15,000 for membership to the Western States Water Council. The Council is an organization the Water Office has paid dues to for many years. All of the enhancement request is funded by the State General Fund.

The **Governor** does not recommend the enhancement request.

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 $5,134, including $3,926 from the State General Fund, and affects 17 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 $8,680, including $5,930 from the State General Fund, and FY 2017 longevity payments total $9,801, including $6,697 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 $11,126 including $7,133 from the State General Fund for FY 2016. This is a reduction of $11,349, including $7,276 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	19.2 %	17.9 %	15.0 %	13.9 %
State Water Plan Fund	27.4	27.9	30.4	30.8
Water Marketing Fund	44.1	44.8	49.3	49.9
Federal Funds	2.1	2.1	0.0	0.0
All Other Funds	7.2	7.3	5.3	5.4
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

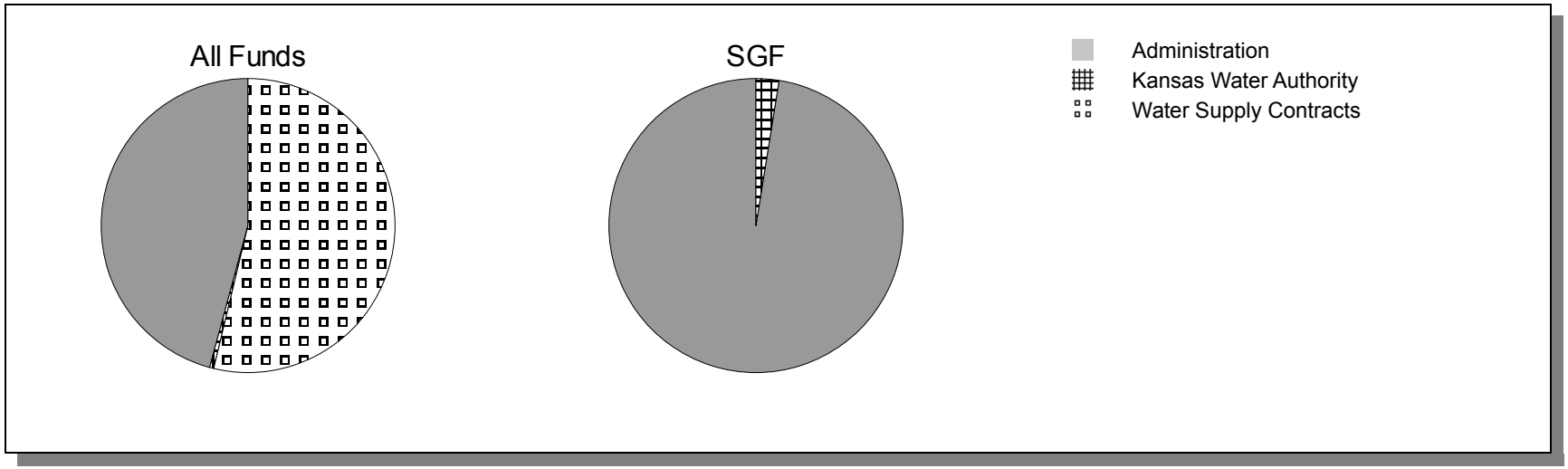
Water Marketing Fund

Under the federal Water Supply Act of 1958, federal reservoirs constructed in Kansas for the purpose of flood control were authorized to include storage space for municipal and industrial water supplies. In 1961, the Legislature provided financial assurance for inclusion of water storage in the federal reservoirs constructed in the state. In 1974, the Legislature enacted the State Water Plan Storage Act, which authorizes the agency to contract with water purchasers for sale of water from any reservoir included in the Kansas Water Marketing program. The Water Marketing Fund was created by the Legislature in 1991.

Revenue for the Water Marketing program is generated by the sale of water supplied under contracts with public water suppliers and industries from state-owned storage in federal lakes that is purchased from the U.S. Army Corps of Engineers. The price for water is set annually according to an established formula and is not negotiable. The fund is then used to meet the state's contractual water storage obligations to the federal government through transfers to the State Conservation Storage Water Supply Fund and any remaining funds are then transferred to the State General Fund for program administration. The table below summarizes receipts, expenditures, and transfers for the Water Marketing Fund as requested by the agency and as recommended by the Governor.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 3,830,201	$ 4,295,128	$ 4,295,128	$ 4,765,736	$ 4,770,243	$ 5,546,207	$ 5,554,707
Revenue	3,275,030	3,394,702	3,394,702	3,664,122	3,664,122	3,893,379	3,893,379
Transfers in	159,294	366,562	366,562	87,835	87,835	91,349	91,349
Total Funds Available	$ 7,264,525	$ 8,056,392	$ 8,056,392	$ 8,517,693	$ 8,522,200	$ 9,530,935	$ 9,539,435
Less: Expenditures	2,969,397	3,176,452	3,171,945	2,848,346	2,844,353	4,260,169	4,256,096
Transfers Out	0	110,804	110,804	0	0	0	0
Off Budget Expenditures	0	3,400	3,400	123,140	123,140	123,140	123,140
Ending Balance	$ 4,295,128	$ 4,765,736	$ 4,770,243	$ 5,546,207	$ 5,554,707	$ 5,147,626	$ 5,160,199
Ending Balance as Percent of Expenditures	144.6%	150.0%	150.4%	194.7%	195.3%	120.8%	121.2%
	March	March	March	March	March	N/A	N/A
Month Highest Ending Balance	$ 4,199,143	$ 4,314,543	$ 4,319,050	$ 4,250,079	$ 4,258,579	$ N/A	$ N/A
	November	November	November	November	November	November	November
Month Lowest Ending Balance	$ 1,850,574	$ 1,360,369	$ 1,364,876	$ 1,163,380	$ 1,171,880	$ 631,215	$ 643,788

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	$ 2,903,800	45.8 %	$ 1,105,789	97.5 %
Kansas Water Authority	28,694	0.5	28,684	2.5
Water Supply Contracts	3,409,740	53.8	0	0.0
TOTAL	$ 6,342,234	100.0 %	$ 1,134,473	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	12.0	12.0	12.0	12.0	12.0	12.0
KS Water Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water Supply Contracts	7.0	7.0	7.0	7.0	7.0	7.0	7.0
TOTAL	19.0	19.0	19.0	19.0	19.0	19.0	19.0

A. Administration

The Kansas Water Office is the water planning, policy, and coordination agency for the State of Kansas. It prepares a state plan of water resources development, management, and conservation, reviews all water laws, and makes recommendations to the Governor and Legislature for new or amendatory legislation. The Office administers the Kansas Water Planning Act, State Water Plan Storage Act, Water Assurance Program Act, Kansas Weather Modification Act, and portions of the Water Appropriations Act and Water Transfer Act. The agency is also responsible for monitoring conditions related to drought, development of water conservation plan guidelines, and the collection and compilation of data related to water resources at state agencies.

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	$ 956,867	$ 996,209	$ 986,422	$ 998,834	$ 991,701	$ 1,046,011	$ 1,038,735
Contractual Services	3,036,380	3,342,313	3,245,771	1,986,985	1,886,626	1,796,684	1,693,696
Commodities	20,737	10,040	10,040	18,150	18,150	18,650	18,650
Capital Outlay	9,269	5,200	5,200	7,323	7,323	7,323	7,323
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 4,023,253	$ 4,353,762	$ 4,247,433	$ 3,011,292	$ 2,903,800	$ 2,868,668	$ 2,758,404
Aid to Local Units	48,201	473,463	473,463	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 4,071,454	$ 4,827,225	$ 4,720,896	$ 3,011,292	$ 2,903,800	$ 2,868,668	$ 2,758,404
Financing:							
State General Fund	$ 1,153,447	$ 1,239,897	$ 1,133,568	$ 1,213,281	$ 1,105,789	$ 1,266,168	$ 1,155,904
All Other Funds	2,918,007	3,587,328	3,587,328	1,798,011	1,798,011	1,602,500	1,602,500
TOTAL	$ 4,071,454	$ 4,827,225	$ 4,720,896	$ 3,011,292	$ 2,903,800	$ 2,868,668	$ 2,758,404
FTE Positions	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Non-FTE Uncl. Perm. Pos.	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	14.0	14.0	14.0	14.0	14.0	14.0	14.0

The **agency** requests FY 2016 expenditures of $3.0 million, a decrease of $1.8 million, or 37.6 percent, below the FY 2015 request. This decrease is attributable to decreases in contractual services, offset slightly by increases in commodities and capital outlay.

- **Contractual Services** - The agency requests FY 2016 contractual services expenditures of $2.0 million, a decrease of $1.4 million, or 40.6 percent, below the FY 2015 request. This decrease is attributable to the completion of federally-funded streambank stabilization projects at Cottonwood and Smoky Hills.

- **Commodities** - The agency requests FY 2016 commodities expenditures of $18,150, an

increase of $8,110, or 80.8 percent, above the FY 2015 request. The increase is largely attributable to office supplies and food.

- **Capital Outlay** - The agency requests FY 2016 capital outlay expenditures of $7,323, an increase of $2,123, or 40.8 percent, above the FY 2015 request. The increase is entirely attributable to software expenditures.

The **Governor** recommends FY 2016 expenditures of $2.9 million in the Administration program, a decrease of $107,492, or 3.6 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $52,792, all from the State General Fund, to not recommend enhancement requests totaling $52,792 for a rent increase ($22,176), a building surcharge increase ($5,664), increased information technology expenses due to Department of Administration transitioning to a different rate plan ($9,975), and membership to the Western States Water Council ($15,000).

- Reduction of $7,133, all from the State General Fund, to reduce employer contributions for state employee health insurance.

- Reduction of $47,567, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2016.

The **agency** requests FY 2017 expenditures of $2.9 million, a decrease of $142,624, or 4.7 percent, below the FY 2016 request. This decrease is attributable to decreased contractual services expenditures offset in part by increases in salaries and wages.

- **Salaries and Wages** - The agency requests FY 2017 salaries and wages expenditures of $1.0 million, an increase of $47,177, or 4.7 percent, above the FY 2016 request This increase is attributable to the 27th pay period that occurs in FY 2017 for all state agencies.

- **Contractual Services** - The agency requests FY 2017 contractual services expenditures of $1.8 million, a decrease of $190,301, or 9.6 percent, below the FY 2016 request. This decrease is attributable to not budgeting for federal grants for wetland development.

The **Governor** recommends FY 2017 expenditures of $2.8 million, a decrease of $110,264, or 3.8 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $53,327, all from the State General Fund, to not recommend enhancement requests for a rent increase ($22,711), a building surcharge increase ($5,641), increased information technology expenses due to Department of Administration transitioning to a different rate plan ($9,975), and membership to the Western States Water Council ($15,000).

- Reduction of $7,276, all from the State General Fund, to reduce employer contributions for state employee health insurance.
- Reduction of $49,661, all from the State General Fund, to continue the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies for FY 2017.

B. Kansas Water Authority

The Kansas Water Authority is statutorily within the Kansas Water Office. The Authority is responsible for advising the Governor, the Legislature, and the Director of the Kansas Water Office on water policy issues, for approving the Kansas Water Plan, accounting for and making recommendations on the expenditures of State Water Plan Funds, for approving water storage sales, water marketing rate setting, federal contracts, administrative regulations, and legislation proposed by the Kansas Water Office. The Authority is comprised of 24 members that represent stakeholder groups and that are informed of water-related issues representing water users, water interests, environmental interests, and the general public.

KANSAS WATER AUTHORITY
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	$ 3,230	$ 3,460	$ 3,460	$ 3,833	$ 3,833	$ 3,834	$ 3,834
Contractual Services	27,793	22,432	22,432	24,861	24,861	24,861	24,861
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 31,023	$ 25,892	$ 25,892	$ 28,694	$ 28,694	$ 28,695	$ 28,695
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 31,023	$ 25,892	$ 25,892	$ 28,694	$ 28,694	$ 28,695	$ 28,695
Financing:							
State General Fund	$ 28,783	$ 25,892	$ 25,892	$ 28,694	$ 28,694	$ 28,695	$ 28,695
All Other Funds	2,240	0	0	0	0	0	0
TOTAL	$ 31,023	$ 25,892	$ 25,892	$ 28,694	$ 28,694	$ 28,695	$ 28,695
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests FY 2016 expenditures of $28,694, all from the State General Fund, an increase of $2,802, or 10.8 percent, above the FY 2015 request. This increase is largely attributable to increased expenditures for mileage reimbursement.

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

The **agency** requests FY 2017 expenditures of $28,695, all from the State General Fund, an increase of $1 above the FY 2016 request.

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

C. Water Supply Contracts

The Water Supply Contracts program administers certain municipal and industrial public water supply programs to ensure an adequate supply of water for all Kansans. These programs include the Water Marketing, Water Assurance, and public water supply components of the Multipurpose Small Lakes (MPSL) program (82a-1601 *et seq.*). The Kansas Water Office negotiates with the federal government for water supply storage in federal lakes and coordinated reservoir operations to meet multiple uses with that storage benefiting primarily municipal and industrial customers. The Kansas Water Office evaluates proposals for Multipurpose Small Lakes to determine whether the state should build additional storage in lakes to provide water supply for the region.

WATER SUPPLY CONTRACTS
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	$ 469,281	$ 459,271	$ 454,764	$ 465,746	$ 461,753	$ 487,288	$ 483,215
Contractual Services	3,103,137	4,950,276	4,950,276	2,937,078	2,937,078	5,243,625	5,243,625
Commodities	4,756	1,470	1,470	1,470	1,470	1,470	1,470
Capital Outlay	6,154	2,550	2,550	9,439	9,439	9,439	9,439
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 3,583,328	$ 5,413,567	$ 5,409,060	$ 3,413,733	$ 3,409,740	$ 5,741,822	$ 5,737,749
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	8,886	6,995	6,995	0	0	0	0
TOTAL	$ 3,592,214	$ 5,420,562	$ 5,416,055	$ 3,413,733	$ 3,409,740	$ 5,741,822	$ 5,737,749
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	3,592,214	5,420,562	5,416,055	3,413,733	3,409,740	5,741,822	5,737,749
TOTAL	$ 3,592,214	$ 5,420,562	$ 5,416,055	$ 3,413,733	$ 3,409,740	$ 5,741,822	$ 5,737,749
FTE Positions	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	7.0	7.0	7.0	7.0	7.0	7.0	7.0

The **agency** requests FY 2016 expenditures of $3.4 million, a decrease of $2.0 million, or 37.0 percent, below the FY 2015 request. This decrease is largely attributable to budgeting early payments for John Redmond Reservoir dredging bonds in the FY 2015 budget and intending to carry forward funding to FY 2016 as needed for any bond payments that occur in FY 2016.

The **Governor** recommends FY 2016 expenditures of $3.4 million, a decrease of $3,993, all from the Water Marketing Fund. The decrease is entirely attributable to a reduced employer contribution rate for state employee health insurance.

The **agency** requests FY 2017 expenditures of $5.7 million, an increase of $2.3 million, or 68.2 percent, above the FY 2016 request. This increase is largely due to John Redmond Reservoir dredging bonds and budgeting for Army Corps of Engineers work on the reservoirs.

The **Governor** recommends FY 2017 expenditures of $5.7 million, a decrease of $4,073, all from the Water Marketing Fund. The decrease is entirely attributable to a reduced employer contribution rate for state employee health insurance.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of water resource technical analyses completed	20	20	20	20	20
Water marketing contracts administered	35	35	37	39	41
Number of citizens served by Water Marketing Program	N/A	298,509	301,352	304,195	307,064

Department of Wildlife, Parks and Tourism

	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	$ 0	$ 0	$ 0	$ 1,651,441	$ 0	$ 1,651,441	$ 0
Other Funds	61,884,991	58,107,781	57,851,042	59,694,420	61,006,835	60,761,811	62,067,090
TOTAL	$ 61,884,991	$ 58,107,781	$ 57,851,042	$ 61,345,861	$ 61,006,835	$ 62,413,252	$ 62,067,090
Capital Improvements:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	9,763,662	11,017,000	11,017,000	9,489,000	8,814,000	9,223,000	8,848,000
TOTAL	$ 9,763,662	$ 11,017,000	$ 11,017,000	$ 9,489,000	$ 8,814,000	$ 9,223,000	$ 8,848,000
GRAND TOTAL	**$ 71,648,653**	**$ 69,124,781**	**$ 68,868,042**	**$ 70,834,861**	**$ 69,820,835**	**$ 71,636,252**	**$ 70,915,090**
Percentage Change:							
Operating Expenditures							
State General Fund	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
All Funds	(3.1)	(6.1)	(6.5)	5.6	5.5	1.7	1.7
FTE Positions	363.0	416.5	416.5	416.5	416.5	416.5	416.5
Non-FTE Perm.Uncl.Pos.	7.0	43.0	43.0	43.0	43.0	43.0	43.0
TOTAL	370.0	459.5	459.5	459.5	459.5	459.5	459.5

AGENCY OVERVIEW

The Kansas Department of Wildlife, Parks and Tourism is a cabinet-level agency administered by the Secretary of Wildlife and Parks. The Secretary is appointed by the Governor, subject to confirmation by the Kansas Senate. The Kansas Wildlife and Parks Commission, a seven-member board appointed by the Governor, serves in an advisory role to the Secretary. The Commission has authority to approve the agency's rules and regulations. The Secretary and Assistant Secretary for Administration are located in the Topeka administrative offices, while the Assistant Secretary for Operations is located in Pratt. The agency is administered by staff in the Topeka office, and field operations are managed from the Pratt office. The agency was created through the merger of the Park and Resources Authority (located in Topeka) and the Fish and Game Commission (located in Pratt). The Department of Wildlife and Parks was created by Executive Reorganization Order No. 22, which was issued by Governor Hayden on February 10, 1987, and approved by the 1987 Legislature. In 2011, Governor Brownback issued Executive Reorganization No. 36, which transferred the Division of Travel and Tourism Development from the Department of Commerce to the Department of Wildlife and Parks and renamed the agency the Department of Wildlife, Parks and Tourism.

MAJOR ISSUES FROM PRIOR YEARS

The **2010 Legislature** deleted $527,244 from the agency's State General Fund operating budget and increased the Parks Fee Fund limitation by the same amount in order to offset the recommended State General Fund reduction for FY 2011. The 2010 Legislature also added $84,000, all from special revenue funds, and 1.0 FTE position, for a Natural Resource Officer position for FY 2011. The position is part of the agency's sworn law enforcement personnel with jurisdiction on public and private lands that enforces both state and federal fish and wildlife laws, boating laws, and regulation of public lands.

The **2011 Legislature** approved Executive Reorganization Order No. 36, which transferred the Division of Travel and Tourism Development from the Department of Commerce to the Department of Wildlife and Parks and renamed the agency the Department of Wildlife, Parks and Tourism.

The **2011 Legislature** also added $1.7 million, all from the special revenue funds, for public fishing areas, Rocky Ford Wildlife Area study, zebra mussel prevention, dam repair, and walk in hunting access. Those increases were offset by reductions totaling $2.2 million, including $133,994 from the State General Fund, for land acquisition, bottled water, office supplies, cell phone expenditures, a 5.0 percent information technology reduction, an administration activities reduction, a death and disability contribution moratorium, and an across-the board reduction.

The **2012 Legislature** eliminated State General Fund support for the agency, which was primarily replaced with Economic Development Initiatives Fund dollars. The Legislature also approved $1.8 million in Expanded Lottery Act Revenues Fund dollars to retire debt associated with building cabins in State Parks. Additionally, the 2012 Legislature passed HB 2729 which allows an owner of a vehicle to purchase a

nontransferable park and recreation motor vehicle permit during the vehicle registration process. The 2012 Legislature also provided $800,000 in supplemental funding due to a shortage in fee fund revenue caused by the extreme weather and blue-green algae problem.

The **2013 Legislature** added $2.1 million from the Wildlife Fee Fund for FY 2014 to allow the agency to lease land for walk-in hunting. The Legislature also added $800,000 from special revenue funds for FY 2014 and FY 2015 for vehicle replacements and added language to allow the agency to purchase 824 acres of land in Jefferson County. The Legislature also deleted a total of $2.0 million, including $893,394 from the Economic Development Initiatives Fund, for FY 2014 and $1.4 million, including $234,017 from the Economic Development Initiatives Fund, for reductions to the Parks program and to reflect reduced funding for salaries and wages. The Legislature also reduced the transfer from the State Highway Fund to the Department Access Roads Fund by $350,000 in FY 2014.

The **2014 Legislature** added $3.0 million, including $2.3 million from the Wildlife Restoration Fund and $750,000 from the Wildlife Fee Fund, to restore the Neosho Wildlife Area for FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 operating expenditures of $58.1 million, an increase of $150,000, or 0.3 percent, above the amount approved by the 2014 Legislature. The request includes no funding from the State General Fund and $5.8 million from the Economic Development Initiatives Fund. The all funds increase is entirely attributable to the agency's supplemental request. The estimate also includes 416.5 FTE positions and 43.0 non-FTE positions, an increase of 4.0 FTE positions and a corresponding decrease of 4.0 non-FTE positions from the approved amount.

The agency estimates FY 2015 capital improvement expenditures of $11.0 million, including $10,603 from the Economic Development Initiatives Fund, which is unchanged from the approved amount.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 operating expenditures of $57.9 million, a decrease of $256,739, or 0.4 percent, below the agency request. The recommendation includes no funding from the State General Fund and $5.6 million from the Economic Development Initiatives Fund. The Governor concurs with the agency request with the following exceptions.

- Reduction of $256,739, all from special revenue funds, as a result of the Governor's allotment plan 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.

- Reduction of $500,000, all from the Economic Development Initiatives Fund, offset by an increase of $500,000 from the Parks Fee Fund.

- Transfer of $1.0 million from the Department Access Roads Fund to the State General Fund.

- Transfer of $400,000 from the Bridge Maintenance Fund to the State General Fund.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $61.3 million, an increase of $3.2 million, or 5.6 percent, above the FY 2015 revised estimate. This amount includes $1.7 million from the State General Fund; recently the agency had not been funded by the State General Fund. The change in funding arises because park staff had been funded by road repair funds from the Kansas Department of Transportation and the agency believes that state general funding would increase transparency. The FY 2016 request also includes $5.8 million from the Economic Development Initiatives Fund, a decrease of $14,930, or 0.3 percent, below the FY 2015 revised estimate. The request includes increases in salaries and wages, contractual services, commodities, and capital outlay. The request also includes 416.5 FTE positions and 43.0 non-FTE positions, which is unchanged from the FY 2015 revised estimate.

The agency requests FY 2016 capital improvement expenditures of $9.5 million, including no funding from the State General Fund and $10,395 from the Economic Development Initiatives Fund. This request is a decrease of $1.5 million, or 13.9 percent, below the FY 2015 revised estimate.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $61.0 million, a decrease of $339,026, or 0.6 percent, below the agency request. The recommendation includes no funding from the State General Fund, a decrease of 100.0 percent below the agency request, and $5.2 million from the Economic Development Initiatives Fund, a decrease of $543,629, or 9.4 percent, below the agency request.

The Governor concurs with the agency request with the following exceptions.

- Reduction of $1.7 million, all from the State General Fund, offset by increases in the Department Access Road Fund, to continue funding park staff permanent salaries from special revenue funds.

- Reduction of $339,026, including $43,629 from the Economic Development Initiatives Fund, due to a reduced employer contribution rate for state employee health insurance.

- Reduction of $500,000, all from the Economic Development Initiatives Fund, offset by an increase from the Parks Fee Fund.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $62.4 million, an increase of $1.1 million, or 1.7 percent, above the FY 2016 request. This amount includes $1.7 million from the State General Fund which is unchanged from the FY 2016 request. The FY 2017 request also includes $5.8 million from the Economic Development Initiatives Fund, a decrease of $208 below the FY 2016 request. The all funds increase is primarily attributable to increased salaries and wages. The salaries and wages increase is largely due to the 27th pay period which occurs in FY 2017 for all state agencies. The request also includes 416.5 FTE positions and 43.0 non-FTE positions, which is unchanged from the FY 2016 request.

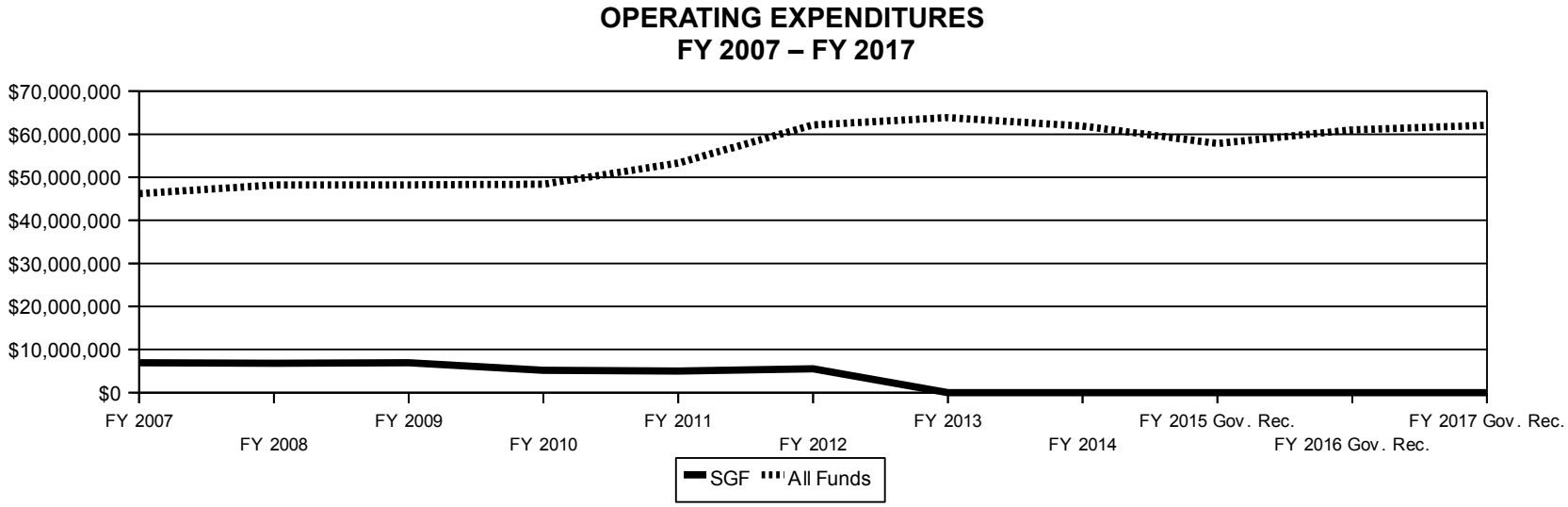
The agency requests FY 2017 capital improvement expenditures of $9.2 million, with no funding from the State General Fund, and $11,385 from the Economic Development Initiatives Fund. This request is a decrease of $266,000, or 2.8 percent, below the FY 2016 request.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $62.1 million a decrease of $346,162, or 0.6 percent, below the agency request. The recommendation includes no funding from the State General Fund, a decrease of 100.0 percent below the agency request, and $5.2 million from the Economic Development Initiatives Fund, a decrease of $544,441, or 9.4 percent, below the agency request. The Governor concurs with the agency request with the following exceptions.

- Reduction of $1.7 million, all from the State General Fund, offset by increases in the Department Access Road Fund, to continue funding park staff permanent salaries from special revenue funds.
- Reduction of $346,162, including $44,441 from the Economic Development Initiatives Fund, due to a reduced employer contribution rate for state employee health insurance.
- Reduction of $500,000, all from the Economic Development Initiatives Fund, offset by an increase from the Parks Fee Fund.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 6,959,898	106.2 %	$ 46,201,237	9,999.0 %	407.5
2008	6,794,749	(2.4)	48,183,491	4.3	402.5
2009	6,935,417	2.1	48,240,693	0.1	416.5
2010	5,181,930	(25.3)	48,389,032	0.3	417.5
2011	4,994,696	(3.6)	53,307,896	10.2	418.5
2012	5,552,494	11.2	62,158,634	16.6	417.5
2013	0	(100.0)	63,857,062	2.7	377.0
2014	0	0.0	61,884,991	(3.1)	363.0
2015 Gov. Rec.	0	0.0	57,851,042	(6.5)	416.5
2016 Gov. Rec.	0	0.0	61,006,835	5.5	416.5
2017 Gov. Rec.	0	0.0	62,067,090	1.7	416.5
Eleven-Year Change	$ (6,959,898)	(100.0)%	$ 15,865,853	34.3 %	9.0

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 8,795,591	$ 12,763,287	$ 10,154,986	$ (2,608,301)	(20.4) %	$ 12,709,497	$ 10,097,114	$ (2,612,383)	(20.6)%
Tourism	4,134,039	4,811,696	4,808,627	(3,069)	(0.1)	4,799,374	4,799,389	15	0.0
Law Enforcement	6,775,856	6,883,283	7,068,924	185,641	2.7	6,835,052	7,009,593	174,541	2.6
Parks	11,628,092	11,661,689	12,082,955	421,266	3.6	11,603,759	12,000,010	396,251	3.4
Fish & Wildlife	29,106,785	20,485,010	25,687,078	5,202,068	25.4	20,400,544	25,557,438	5,156,894	25.3
Grants	1,316,175	1,365,000	1,410,000	45,000	3.3	1,365,000	1,410,000	45,000	3.3
Debt Service	128,453	137,816	133,291	(4,525)	(3.3)	137,816	133,291	(4,525)	(3.3)
TOTAL	$ 61,884,991	$ 58,107,781	$ 61,345,861	$ 3,238,080	5.6 %	$ 57,851,042	$ 61,006,835	$ 3,155,793	5.5 %
By Major Object of Expenditure:									
Salaries and Wages	$ 28,617,723	$ 29,877,839	$ 31,059,859	$ 1,182,020	4.0 %	$ 29,621,100	$ 30,720,833	$ 1,099,733	3.7 %
Contractual Services	21,144,078	18,530,801	19,017,941	487,140	2.6	18,530,801	19,017,941	487,140	2.6
Commodities	6,165,439	5,720,019	6,735,324	1,015,305	17.8	5,720,019	6,735,324	1,015,305	17.8
Capital Outlay	4,308,453	2,348,306	2,777,479	429,173	18.3	2,348,306	2,777,479	429,173	18.3
Debt Service	128,453	137,816	133,291	(4,525)	(3.3)	137,816	133,291	(4,525)	(3.3)
Subtotal - Operations	$ 60,364,146	$ 56,614,781	$ 59,723,894	$ 3,109,113	5.5 %	$ 56,358,042	$ 59,384,868	$ 3,026,826	5.4 %
Aid to Local Units	1,113,228	1,365,000	1,350,000	(15,000)	(1.1)	1,365,000	1,350,000	(15,000)	(1.1)
Other Assistance	407,617	128,000	271,967	143,967	112.5	128,000	271,967	143,967	112.5
TOTAL	$ 61,884,991	$ 58,107,781	$ 61,345,861	$ 3,238,080	5.6 %	$ 57,851,042	$ 61,006,835	$ 3,155,793	5.5 %
Financing:									
State General Fund	$ 0	$ 0	$ 1,651,441	$ 1,651,441	0.0 %	$ 0	$ 0	$ 0	0.0 %
EDIF	5,648,393	5,786,415	5,771,485	(14,930)	(0.3)	5,254,255	5,227,856	(26,399)	(0.5)
Parks Fee Fund	5,618,011	5,731,292	6,859,855	1,128,563	19.7	6,199,882	7,324,939	1,125,057	18.1
Wildlife Fee Fund	24,206,857	23,455,902	24,050,378	594,476	2.5	23,302,482	23,864,163	561,681	2.4
Wildlife Restoration	8,756,449	6,558,945	7,128,375	569,430	8.7	6,551,861	7,109,956	558,095	8.5
All Other Funds	17,655,281	16,575,227	15,884,327	(690,900)	(4.2)	16,542,562	17,479,921	937,359	5.7
TOTAL	$ 61,884,991	$ 58,107,781	$ 61,345,861	$ 3,238,080	5.6 %	$ 57,851,042	$ 61,006,835	$ 3,155,793	5.5 %

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	$ 10,154,986	$ 10,156,455	$ 1,469	0.0 %	$ 10,097,114	$ 10,097,662	$ 548	0.0 %
Tourism	4,808,627	4,844,816	36,189	0.8	4,799,389	4,835,415	36,026	0.8
Law Enforcement	7,068,924	7,308,572	239,648	3.4	7,009,593	7,247,996	238,403	3.4
Parks	12,082,955	12,385,205	302,250	2.5	12,000,010	12,300,565	300,555	2.5
Fish & Wildlife	25,687,078	26,179,889	492,811	1.9	25,557,438	26,047,037	489,599	1.9
Grants	1,410,000	1,410,000	0	0.0	1,410,000	1,410,000	0	0.0
Debt Service	133,291	128,315	(4,976)	(3.7)	133,291	128,315	(4,976)	(3.7)
TOTAL	$ 61,345,861	$ 62,413,252	$ 1,067,391	1.7 %	$ 61,006,835	$ 62,066,990	$ 1,060,155	1.7 %
By Major Object of Expenditure:								
Salaries and Wages	$ 31,059,859	$ 32,369,287	$ 1,309,428	4.2 %	$ 30,720,833	$ 32,023,125	$ 1,302,292	4.2 %
Contractual Services	19,017,941	19,044,053	26,112	0.1	19,017,941	19,044,053	26,112	0.1
Commodities	6,735,324	6,715,792	(19,532)	(0.3)	6,735,324	6,715,792	(19,532)	(0.3)
Capital Outlay	2,777,479	2,582,737	(194,742)	(7.0)	2,777,479	2,582,737	(194,742)	(7.0)
Debt Service	133,291	128,315	(4,976)	(3.7)	133,291	128,315	(4,976)	(3.7)
Subtotal - Operations	$ 59,723,894	$ 60,840,184	$ 1,116,290	1.9 %	$ 59,384,868	$ 60,494,022	$ 1,109,154	1.9 %
Aid to Local Units	1,350,000	1,350,000	0	0.0	1,350,000	1,350,000	0	0.0
Other Assistance	271,967	223,068	(48,899)	(18.0)	271,967	223,068	(48,899)	(18.0)
TOTAL	$ 61,345,861	$ 62,413,252	$ 1,067,391	1.7 %	$ 61,006,835	$ 62,067,090	$ 1,060,255	1.7 %
Financing:								
State General Fund	$ 1,651,441	$ 1,651,441	$ 0	0.0 %	$ 0	$ 0	$ 0	0.0 %
EDIF	5,771,485	5,771,277	(208)	(0.0)	5,227,856	5,226,836	(1,020)	(0.0)
Parks Fee Fund	6,859,855	7,405,302	545,447	8.0	7,324,939	7,869,674	544,735	7.4
Wildlife Fee Fund	24,050,378	24,772,048	721,670	3.0	23,864,163	24,581,832	717,669	3.0
Wildlife Restoration	7,128,375	7,179,688	51,313	0.7	7,109,956	7,160,840	50,884	0.7
All Other Funds	15,884,327	15,633,496	(250,831)	(1.6)	17,479,921	17,227,908	(252,013)	(1.4)
TOTAL	$ 61,345,861	$ 62,413,252	$ 1,067,391	1.7 %	$ 61,006,835	$ 62,067,090	$ 1,060,255	1.7 %

A. FY 2015 – Current Year

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	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	68,974,781	69,124,781	150,000	68,868,042	(106,739)
TOTAL	$ 68,974,781	$ 69,124,781	$ 150,000	$ 68,868,042	$ (106,739)
FTE Positions	412.5	416.5	4.0	416.5	4.0

The **agency** requests FY 2015 expenditures of $69.1 million, an increase of $150,000, or 0.2 percent, above the amount approved by the 2014 Legislature. The increase is entirely attributable to a supplemental request for vehicles.

The request includes the following items.

- **Salaries and Wages** expenditures of $29.9 million to fund 416.5 FTE and 43.0 non-FTE positions. The budget includes a decrease of 4.0 non-FTE positions and a corresponding increase of 4.0 FTE positions.

- **Contractual Services** expenditures of $18.5 million. The largest expenditures within this category include advertising and marketing within the Tourism program, land rental in the Fish & Wildlife program, and utilities payments in the Parks program.

- **Commodities** expenditures of $5.7 million. The largest expenditures within this category are for gasoline.

- **Capital Outlay** expenditures of $2.2 million. The largest expenditures within this category are trucks ($1.1 million), agricultural equipment and machinery ($282,700), and computer equipment ($171,523).

- **Aid to Local Units** expenditures of $1.4 million, which is largely comprised of the distribution of federal grants.

The **Governor** recommends FY 2015 expenditures of $68.9 million, a decrease of $256,739, or 0.4 percent, below the agency request. The recommendation includes no funding from the State General Fund and $5.6 million from the Economic Development Initiatives Fund.

The Governor concurs with the agency request with the following exceptions.

- Reduction of $256,739, all from special revenue funds, as a result of the Governor's allotment plan 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.

- Reduction of $500,000, all from the Economic Development Initiatives Fund, offset by an increase of $500,000 from the Parks Fee Fund.

- Transfer of $1.0 million from the Department Access Roads Fund to the State General Fund.

- Transfer of $400,000 from the Bridge Maintenance Fund to the State General Fund.

Supplemental Detail

FY 2015 SUPPLEMENTALS

	Agency Estimate			Governor's Recommendation		
Supplementals	SGF	All Funds	FTE	SGF	All Funds	FTE
Vehicle replacement	$ 0	$ 150,000	0.0	$ 0	$ 150,000	0.0
TOTAL	**$ 0**	**$ 150,000**	**0.0**	**$ 0**	**$ 150,000**	**0.0**

The **agency** estimates FY 2015 supplemental expenditures of $150,000, all from the Parks Fee Fund, for six vehicle replacements in the Parks division in FY 2015. The agency indicates that all six vehicles will exceed the mileage requirement at time of replacement.

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

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 61,345,861	$ 61,006,835	$ (339,026)
FTE Positions	416.5	416.5	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 1,651,441	$ 0	
All Other Funds	1,586,639	3,155,793	
TOTAL	$ 3,238,080	$ 3,155,793	
Percent Change:			
State General Fund	-- %	0.0 %	
All Other Funds	2.7	5.5	
TOTAL	5.6 %	5.5 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 expenditures of $61.3 million, an increase of $3.2 million, or 5.6 percent, above the FY 2015 revised estimate. This amount includes $1.7 million from the State General Fund; previously the agency had not been funded by the State General Fund. The FY 2016 request also includes $5.8 million from the Economic Development Initiatives Fund, a decrease of $14,930, or 0.3 percent, below the FY 2015 revised estimate. The request includes increases in salaries and wages, contractual services, commodities, and capital outlay. The request also includes 416.5 FTE positions and 43.0 non-FTE positions, which is unchanged from the FY 2015 revised estimate.

The agency requests FY 2016 capital improvement expenditures of $9.5 million, including no funding from the State General Fund and $10,395 from the Economic Development

Initiatives Fund. This request is a decrease of $1.5 million, or 13.9 percent, below the FY 2015 revised estimate.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of $31.1 million, an increase of $1.2 million, or 4.0 percent, above the FY 2015 revised estimate. This amount also includes $1.7 million from the State General Fund and $4.0 million from the Economic Development Initiatives Fund. The agency did not request any funding from the State General Fund in FY 2015. The agency indicates that park staff permanent salaries have recently been funded with Kansas Department of Transportation road repair funds, and requests changing the funding source for these salaries to the State General Fund to increase transparency. The primary increase is attributable to budgeting for temporary salaries and unfreezing salaries from the cap imposed by the 2013 Legislature, continued through FY 2015 by the Secretary of Wildlife, Parks & Tourism.

- **Contractual Services.** The agency requests FY 2016 contractual services expenditures of $19.0 million, an increase of $487,140, or 2.6 percent, above the FY 2015 revised estimate. This increase is attributable to parks upkeep, computer software, advertising and marketing, and aligning utilities expenditures with usage and cost projections.

- **Commodities.** The agency requests FY 2016 commodities expenditures of $6.7 million, an increase of $1.0 million, or 17.8 percent, above the FY 2015 revised estimate. This increase is attributable to gasoline expenditures, equipment parts, and materials for repairs and maintenance.

- **Capital Outlay.** The agency requests FY 2016 capital outlay expenditures of $2.8 million, an increase of $429,173 over the FY 2015 revised estimate. This increase is largely attributable to replacement of trucks and other machinery and equipment.

The **Governor** recommends FY 2016 expenditures of $61.0 million, a decrease of $339,026, or 0.6 percent, below the agency request. The recommendation includes no funding from the State General Fund, a decrease of 100.0 percent below the agency request, and $5.2 million from the Economic Development Initiatives Fund, a decrease of $543,629, or 9.4 percent, below the agency request.

The Governor concurs with the agency request with the following exceptions.

- Reduction of $1.7 million, all from the State General Fund, offset by increases in the Department Access Road Fund, to continue funding park staff permanent salaries from special revenue funds.

- Reduction of $339,026, including $43,629 from the Economic Development Initiatives Fund, due to a reduced employer contribution rate for state employee health insurance.

- Reduction of $500,000, all from the Economic Development Initiatives Fund, offset by an increase from the Parks Fee Fund.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 62,413,252	$ 62,067,090	$ (346,162)
FTE Positions	416.5	416.5	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ 0	$ 0	
All Other Funds	1,067,391	1,060,255	
TOTAL	$ 1,067,391	$ 1,060,255	
Percent Change:			
State General Fund	0.0 %	0.0 %	
All Other Funds	1.8	1.7	
TOTAL	1.7 %	1.7 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 expenditures of $62.4 million, an increase of $1.1 million, or 1.7 percent, above the FY 2016 request. This amount includes $1.7 million from the State General Fund which is unchanged from the FY 2016 request. The FY 2017 request also includes $5.8 million from the Economic Development Initiatives Fund, a decrease of $208 below the FY 2016 request. The all funds increase is primarily attributable to increased salaries and wages. The salaries and wages increase is largely due to the 27th pay period which occurs in FY 2017 for all state agencies. The request also includes 416.5 FTE positions and 43.0 non-FTE positions, which is unchanged from the FY 2016 request.

The agency requests FY 2017 capital improvement expenditures of $9.2 million, including no funding from the State General Fund and $11,385 from the Economic Development

Initiatives Fund. This request is a decrease of $266,000, or 2.8 percent, below the FY 2016 request.

The **Governor** recommends FY 2017 expenditures of $62.1 million, a decrease of $346,162, or 0.6 percent, below the agency request. The recommendation includes no funding from the State General Fund, a decrease of 100.0 percent below the agency request, and $5.2 million from the Economic Development Initiatives Fund, a decrease of $544,441, or 9.4 percent, below the agency request.

The Governor concurs with the agency request with the following exceptions.

- Reduction of $1.7 million, all from the State General Fund, offset by increases in the Department Access Road Fund, to continue funding park staff permanent salaries from special revenue funds.

- Reduction of $346,162, including $44,441 from the Economic Development Initiatives Fund, due to a reduced employer contribution rate for state employee health insurance.

- Reduction of $500,000, all from the Economic Development Initiatives Fund, offset by an increase from the Parks 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 $124,639, all from special revenue funds, and affects 401 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 $174,517, all from special revenue funds, and FY 2017 longevity payments total $190,325, all from special revenue funds.**

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 $339,026, all from special revenue funds, for FY 2016. This is a reduction of $346,162, all from special revenue funds, 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	2.7 %	0.0 %	2.6 %	0.0 %
EDIF	9.4	7.5	9.2	7.4
Parks Fee Fund	11.2	12.2	11.9	12.8
Wildlife Fee Fund	39.2	37.4	39.7	37.7
Federal Funds	23.3	23.2	23.0	23.0
All Other Funds	14.2	19.7	13.5	19.1
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

Parks Fee Fund

The Park Fee Fund is the depository for moneys received from state park permit fees, tolls, rentals, and charges derived from the use, lease or operation of state parks. The Department establishes fees for the use of state parks by rules and regulations and upon review by the Kansas Wildlife, Parks and Tourism Commission.

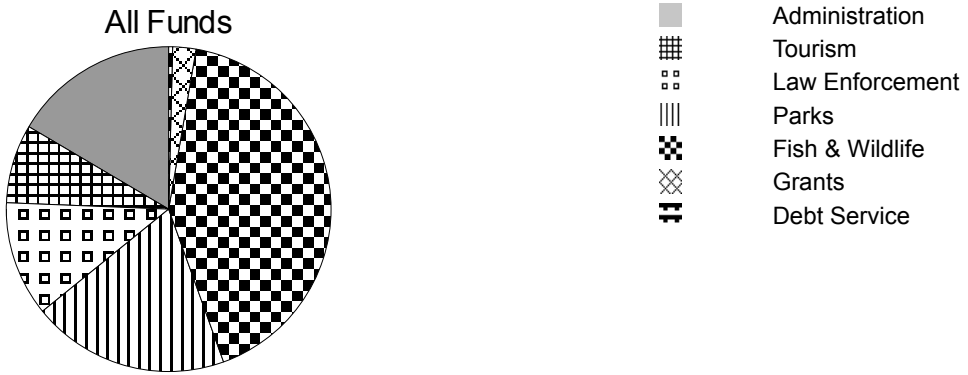
Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 1,481,372	$ 2,407,191	$ 2,407,191	$ 3,507,467	$ 3,038,877	$ 2,775,088	$ 1,841,414
Revenue	6,903,578	7,352,676	7,352,676	7,352,676	7,352,676	7,352,676	7,357,814
Transfers in	320,362	0	0	0	0	0	0
Total Funds Available	$ 8,705,312	$ 9,759,867	$ 9,759,867	$ 10,860,143	$ 10,391,553	$ 10,127,764	$ 9,199,228
Less: Expenditures	5,662,061	6,252,400	6,720,990	8,085,055	8,550,139	8,632,902	9,097,274
Transfers Out	636,055	0	0	0	0	0	0
Off Budget Expenditures	5	0	0	0	0	0	0
Ending Balance	$ 2,407,191	$ 3,507,467	$ 3,038,877	$ 2,775,088	$ 1,841,414	$ 1,494,862	$ 101,954
Ending Balance as Percent of Expenditures	42.5%	56.1%	45.2%	34.3%	21.5%	17.3%	1.1%

Wildlife Fee Fund

The major sources of receipts to the Wildlife Fee Fund are from the sale of hunting, fishing, and trapping licenses. The fees to be collected from the issuance of such licenses are established by the Kansas Wildlife, Parks and Tourism Commission through the approval of rules and regulations submitted by the Secretary of the Department.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 9,085,185	$ 5,316,771	$ 5,316,771	$ 4,398,627	$ 4,552,047	$ 3,148,974	$ 3,488,609
Revenue	23,178,159	24,034,000	24,034,000	24,034,000	24,034,000	24,034,000	24,034,000
Transfers in	878,935	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funds Available	$ 33,142,279	$ 30,350,771	$ 30,350,771	$ 29,432,627	$ 29,586,047	$ 28,182,974	$ 28,522,609
Less: Expenditures	26,032,950	25,952,144	25,798,724	26,283,653	26,097,438	26,919,655	26,729,439
Transfers Out	1,792,558	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	$ 5,316,771	$ 4,398,627	$ 4,552,047	$ 3,148,974	$ 3,488,609	$ 1,263,319	$ 1,793,170
Ending Balance as Percent of Expenditures	20.4%	16.9%	17.6%	12.0%	13.4%	4.7%	6.7%

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	$ 10,097,114	16.5 %	$ 0	0.0 %
Tourism	4,799,389	7.9	0	0.0
Law Enforcement	7,009,593	11.5	0	0.0
Parks	12,000,010	19.6	0	0.0
Fish & Wildlife	25,557,438	41.8	0	0.0
Grants	1,410,000	2.3	0	0.0
Debt Service	238,291	0.4	0	0.0
TOTAL	$ 61,111,835	100.0 %	$ 0	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	73.0	74.5	74.5	74.5	74.5	74.5	74.5
Tourism	9.0	11.0	11.0	11.0	11.0	11.0	11.0
Law Enforcement	76.0	82.0	82.0	82.0	82.0	82.0	82.0
Parks	93.0	112.0	112.0	112.0	112.0	112.0	112.0
Fish & Wildlife	112.0	137.0	137.0	137.0	137.0	137.0	137.0
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	363.0	416.5	416.5	416.5	416.5	416.5	416.5

A. Administration

The Administration program includes the Office of the Secretary and is divided between Topeka and Pratt, with each location supervised by an assistant secretary. The Topeka office includes planning, legal, budget, and engineering sections. The Pratt office includes operations, environmental services, human resources, information technology, and education sections. The program also includes the Wildlife and Parks Commission. The Pratt office also includes support services of aircraft operations, accounting, business management, licensing and permitting, purchasing, and facility maintenance operations.

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	$ 4,528,327	$ 6,308,855	$ 6,250,166	$ 5,174,758	$ 5,116,886	$ 5,403,197	$ 5,344,404
Contractual Services	3,011,072	4,585,953	4,590,852	3,391,649	3,391,649	3,420,338	3,420,338
Commodities	280,161	736,073	736,073	471,432	471,432	391,372	391,372
Capital Outlay	916,971	1,132,406	1,132,406	1,089,575	1,089,575	939,033	939,033
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 8,736,531	$ 12,763,287	$ 12,709,497	$ 10,127,414	$ 10,069,542	$ 10,153,940	$ 10,095,147
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	59,060	0	0	27,572	27,572	2,515	2,515
TOTAL	$ 8,795,591	$ 12,763,287	$ 12,709,497	$ 10,154,986	$ 10,097,114	$ 10,156,455	$ 10,097,662
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	8,795,591	12,763,287	12,709,497	10,154,986	10,097,114	10,156,455	10,097,662
TOTAL	$ 8,795,591	$ 12,763,287	$ 12,709,497	$ 10,154,986	$ 10,097,114	$ 10,156,455	$ 10,097,662
FTE Positions	73.0	74.5	74.5	74.5	74.5	74.5	74.5
Non-FTE Uncl. Perm. Pos.	7.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	80.0	78.5	78.5	78.5	78.5	78.5	78.5

The **agency** requests FY 2016 expenditures of $10.2 million for the Administration program, all from special revenue funds. The request is a decrease of $2.6 million, or 20.7 percent, below the FY 2015 revised estimate. This decrease is attributable to salaries and wages and contractual services due to budgeting the Ecological Service and Education sections under the Fish and Wildlife program. Previously, these two sections were located within the Fish and Wildlife program for reporting and organization purposes, but the budget was considered part of the Administration program.

- **Salaries and Wages.** The agency requests $5.2 million for salaries and wages in the Administration program, a decrease of $1.1 million, or 18.0 percent, below the FY 2015 revised estimate. This decrease is attributable to budgeting the Ecological Service and Education

sections under the Fish and Wildlife program in order to increase transparency.

- **Contractual Services**. The agency requests $3.4 million for contractual services in the Administration program, a decrease of $1.2 million, or 26.0 percent, below the FY 2015 revised estimate. This decrease is attributable to budgeting the Ecological Service and Education sections under the Fish and Wildlife program in order to increase transparency.

The **Governor** recommends FY 2016 expenditures of $10.1 million, a decrease of $57,872, or 0.6 percent, below the agency request. The Governor concurs with the agency request with the following adjustment.

- Reduction of $57,872, including $13,021 from the Economic Development Initiatives Fund, due to a reduced employer contribution rate for state employee health insurance.

The **agency** requests FY 2017 expenditures of $10.2 million for the Administration program, all from special revenue funds. The request is an increase of $1,469, or less than 0.1 percent, above the FY 2016 request. This increase is attributable to salaries and wages.

- **Salaries and Wages.** The agency requests FY 2017 salaries and wages expenditures of $5.4 million, an increase of $228,439, or 4.4 percent, above the FY 2016 request. This increase is attributable to the 27th pay period that occurs in FY 2017 for all state agencies.

- **Capital Outlay.** The agency requests FY 2017 capital outlay expenditures of $939,033, a decrease of $150,542, or 13.8 percent, below the FY 2016 agency request. The decrease is attributable to decreased expenditures on trucks.

The **Governor** recommends FY 2017 expenditures of $10.1 million, a decrease of $58,793, or 0.6 percent, below the agency request. The Governor concurs with the agency request with the following adjustment.

- Reduction of $58,793, including $13,228 from the Economic Development Initiatives Fund, due to a reduced employer contribution rate for state employee health insurance.

B. Tourism

The Tourism Division promotes Kansas to travel media, groups, tour market, leisure travelers, and the international travel community. The division uses marketing initiatives, creates opportunities for leveraging limited marketing dollars, and supports numerous state and local tourism promotion efforts. This is all done in an effort to increase Kansas tourism and travel. The division administers the Belle Plaine and Goodland Travel Information Centers. This division operates the Attraction Development Grant program and Marketing Grant program. The division has also worked extensively with group and international tour operators to attract tours to Kansas and has created the Flint Hills Development Initiative to help realize the tourism potential of the Flint Hills. The division maintains the official State of Kansas tourism website, produces the Kansas Visitor's Guide, Calendar of Events, and KANSAS! Magazine.

TOURISM
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	$ 716,491	$ 821,744	$ 814,321	$ 818,675	$ 809,437	$ 854,864	$ 845,463
Contractual Services	3,281,578	3,795,642	3,790,743	3,788,952	3,788,952	3,778,952	3,778,952
Commodities	84,312	60,310	60,310	52,000	52,000	62,000	62,000
Capital Outlay	51,658	6,000	6,000	6,000	6,000	6,000	6,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 4,134,039	$ 4,683,696	$ 4,671,374	$ 4,665,627	$ 4,656,389	$ 4,701,816	$ 4,692,415
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	128,000	128,000	143,000	143,000	143,000	143,000
TOTAL	$ 4,134,039	$ 4,811,696	$ 4,799,374	$ 4,808,627	$ 4,799,389	$ 4,844,816	$ 4,835,415
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	4,134,039	4,811,696	4,799,374	4,808,627	4,799,389	4,844,816	4,835,415
TOTAL	$ 4,134,039	$ 4,811,696	$ 4,799,374	$ 4,808,627	$ 4,799,389	$ 4,844,816	$ 4,835,415
FTE Positions	9.0	11.0	11.0	11.0	11.0	11.0	11.0
Non-FTE Uncl. Perm. Pos.	0.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	9.0	13.0	13.0	13.0	13.0	13.0	13.0

The **agency** requests FY 2016 expenditures of $4.8 million for the Tourism program, all from special revenue funds. The request is a decrease of $3,069, or 0.1 percent, below the FY 2015 revised estimate. The request includes $1.7 million from the Economic Development Initiatives Fund, which is an increase of $7,543, or less than 0.1 percent, above the FY 2015 revised estimate. This decrease is attributable to decreases in salaries and wages, contractual services, and commodities, offset in part by an increase of $15,000 from the Economic Development Initiatives Fund for Attraction Development Grants. These grants provide funds to support new or enhanced tourist attractions and events.

Salaries and Wages - The agency requests $818,675 for FY 2016 salaries and wages expenditures, which is a decrease of $3,069, or 0.4 percent, below the amount requested for FY 2015.

Contractual Services - The agency requests $3.8 million for FY 2016 contractual services expenditures, which is a decrease of $6,690, or 0.2 percent, below the FY 2015 revised estimate.

Commodities - The agency requests $52,000 for FY 2016 commodities expenditures, which is a decrease of $8,310, or 13.8 percent, below the FY 2015 revised estimate. This decrease is attributable to a decreased request for office supplies.

The **Governor** recommends FY 2016 expenditures of $4.8 million, a decrease of $9,238, or 0.2 percent, below the agency request. The Governor concurs with the agency request with the following adjustment:

- Reduction of $9,238, including $7,309 from the Economic Development Initiatives Fund, due to a reduced employer contribution rate for state employee health insurance.

The **agency** requests FY 2017 expenditures of $4.8 million for the Tourism program, all from special revenue funds. The request is an increase of $36,189, or 0.8 percent, above the FY 2016 request. The FY 2017 request also includes $1.7 million from the Economic Development Initiatives Fund, which is a decrease of $20,007, or 1.2 percent, below the FY 2016 request. This increase is attributable to salaries and wages and is expenditures for the 27th pay period that occurs in FY 2017 for all state agencies.

The **Governor** recommends FY 2017 expenditures of $4.8 million, a decrease of $9,401, or 0.2 percent, below the FY 2016 agency request. The Governor concurs with the agency request with the following adjustment:

- Reduction of $9,401, including $7,438 from the Economic Development Initiatives Fund, due to a reduced employer contribution rate for state employee health insurance.

C. Law Enforcement

The Law Enforcement program is responsible for statewide enforcement of both state and federal fish and wildlife laws, boating laws, and regulation of public lands. The program is comprised of Natural Resource Officers who are sworn law enforcement personnel with jurisdiction on public and private lands. These officers also provide assistance to other federal, state, and local law enforcement agencies when requested.

LAW ENFORCEMENT
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	$ 5,137,683	$ 5,157,746	$ 5,109,515	$ 5,321,538	$ 5,262,207	$ 5,561,186	$ 5,500,610
Contractual Services	530,495	489,622	489,622	551,537	551,537	551,637	551,637
Commodities	714,356	665,215	665,215	807,200	807,200	816,475	816,475
Capital Outlay	370,676	570,700	570,700	379,449	379,449	376,749	376,749
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 6,753,210	$ 6,883,283	$ 6,835,052	$ 7,059,724	$ 7,000,393	$ 7,306,047	$ 7,245,471
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	22,646	0	0	9,200	9,200	2,525	2,525
TOTAL	$ 6,775,856	$ 6,883,283	$ 6,835,052	$ 7,068,924	$ 7,009,593	$ 7,308,572	$ 7,247,996
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	6,775,856	6,883,283	6,835,052	7,068,924	7,009,593	7,308,572	7,247,996
TOTAL	$ 6,775,856	$ 6,883,283	$ 6,835,052	$ 7,068,924	$ 7,009,593	$ 7,308,572	$ 7,247,996
FTE Positions	76.0	82.0	82.0	82.0	82.0	82.0	82.0
Non-FTE Uncl. Perm. Pos.	0.0	1.0	1.0	1.0	1.0	1.0	1.0
TOTAL	76.0	83.0	83.0	83.0	83.0	83.0	83.0

The **agency** requests FY 2016 expenditures of $7.1 million for the Law Enforcement program, all from special revenue funds. The request is an increase of $185,641, or 2.7 percent, above the FY 2015 revised estimate. This increase is attributable to salaries and wages and commodities, offset in part by decreases in capital outlay.

- **Salaries and Wages.** The agency requests $5.3 million for salaries and wages in the Law Enforcement program, an increase of $163,792, or 3.2 percent, above the FY 2015 revised estimate. This increase is attributable to classified temporary salaries.

- **Commodities.** The agency requests $807,200 for commodities in the Law Enforcement program, an increase of $141,985 or 21.3 percent, above the FY 2015 revised estimate. This increase is attributable to budgeting for fuel costs, uniform allocations, and law enforcement equipment.

- **Capital Outlay.** The agency requests $379,449 for capital outlay expenditures in the Law Enforcement program, a decrease of $191,251, or 33.5 percent, below the FY 2015 request. The decrease is attributable to computer expenditures.

The **Governor** recommends FY 2016 expenditures of $7.0 million, a decrease of $59,331, or 0.8 percent, below the agency request. The Governor concurs with the agency request with the following adjustment:

- Reduction of $59,331, all from special revenue funds, due to a reduced employer contribution rate for state employee health insurance.

The **agency** requests FY 2017 expenditures of $7.3 million for the Law Enforcement program, all from special revenue funds. The request is an increase of $239,648, or 3.4 percent, above the FY 2016 request. This increase is attributable to the 27th pay period that occurs in FY 2017 for all state agencies.

The **Governor** recommends FY 2017 expenditures of $7.2 million for the Law Enforcement program, a decrease of $60,576, or 0.8 percent, below the agency request. The Governor concurs with the agency request with the following adjustment:

- Reduction of $60,576, all from special revenue funds, due to a reduced employer contribution rate for state employee health insurance.

D. Parks

The State Parks program manages the 25 state parks and the Prairie Spirit Rail Trail. The following parks have been designated as part of the state park system: (1) Mushroom Rock State Park (Ellsworth Co.); (2) Cross Timbers State Park at Toronto Lake (Woodson Co.); (3) Fall River State Park (Greenwood Co.); (4) Cedar Bluff State Park (Trego Co.); (5) Tuttle Creek State Park (Pottawatomie Co. and Riley Co.); (6) Pomona State Park (Osage Co.); (7) Cheney State Park (Kingman Co. and Reno Co.); (8) Lake Crawford State Park (Crawford Co.); (9) Lovewell State Park (Jewell Co.); (10) Lake Meade State Park (Meade Co.); (11) Prairie Dog State Park (Norton Co.); (12) Webster State Park (Rooks Co.); (13) Wilson State Park (Russell Co.); (14) Milford State Park (Geary Co.); (15) Lake Scott State Park (Scott Co.); (16) Elk City State Park (Montgomery Co.); (17) Perry State Park (Jefferson Co.); (18) Glen Elder State Park (Mitchell Co.); (19) El Dorado State Park (Butler Co.); (20) Eisenhower State Park (Osage Co.); (21) Clinton State Park (Douglas Co.); (22) Sand Hills State Park (Reno Co.); (23) Hillsdale State Park (Miami Co.); (24) Kaw River State Park (Shawnee Co.); and (25) Kanopolis State Park (Ellsworth Co.).

PARKS
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	$ 6,837,839	$ 7,574,999	$ 7,517,069	$ 7,643,094	$ 7,560,149	$ 7,948,515	$ 7,863,875
Contractual Services	2,946,177	2,707,711	2,707,711	2,914,717	2,914,717	2,899,446	2,899,446
Commodities	1,216,293	1,228,979	1,228,979	1,375,144	1,375,144	1,387,244	1,387,244
Capital Outlay	617,232	150,000	150,000	150,000	150,000	150,000	150,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 11,617,541	$ 11,661,689	$ 11,603,759	$ 12,082,955	$ 12,000,010	$ 12,385,205	$ 12,300,565
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	10,551	0	0	0	0	0	0
TOTAL	$ 11,628,092	$ 11,661,689	$ 11,603,759	$ 12,082,955	$ 12,000,010	$ 12,385,205	$ 12,300,565
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 1,651,441	$ 0	$ 1,651,441	$ 0
All Other Funds	11,628,092	11,661,689	11,603,759	10,431,514	12,000,010	10,733,764	12,300,565
TOTAL	$ 11,628,092	$ 11,661,689	$ 11,603,759	$ 12,082,955	$ 12,000,010	$ 12,385,205	$ 12,300,565
FTE Positions	93.0	112.0	112.0	112.0	112.0	112.0	112.0
Non-FTE Uncl. Perm. Pos.	0.0	4.0	4.0	4.0	4.0	4.0	4.0
TOTAL	93.0	116.0	116.0	116.0	116.0	116.0	116.0

The **agency** requests FY 2016 expenditures of $12.1 million for the Parks program, including $1.7 million from the State General Fund. The request is an increase of $421,266, or 3.6 percent, above the FY 2015 revised estimate. In addition, the agency did not request any funding from the State General Fund in FY 2015, so the entirety of the State General Fund request for FY 2016 is an increase. This increase is primarily attributable to salaries and wages, contractual services, and commodities.

- **Salaries and Wages**. The agency requests $7.6 million for FY 2016 salaries and wages expenditures, an increase of $68,095, or 0.9 percent, above the FY 2015 revised estimate. This also includes a change in funding source; the agency is requesting funding from the State General Fund for park staff salaries. The change in funding arises because recently park staff had

been funded by road repair funds from the Kansas Department of Transportation and the agency believes that state general funding would increase transparency.

- **Contractual Services**. The agency requests $2.9 million for contractual services in the Parks program, an increase of $207,006, or 7.6 percent, above the FY 2015 revised estimate. This increase is attributable to repairs for aging small equipment, utilities, and storm damage repairs.

- **Commodities**. The agency requests $1.4 million for commodities in the Parks program, an increase of $146,165, or 11.9 percent, above the FY 2015 revised estimate. This increase is attributable to gasoline and equipment parts.

The **Governor** recommends FY 2016 expenditures of $12.0 million, a decrease of $82,945, or 0.7 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $60,576, all from special revenue funds, due to a reduced employer contribution rate for state employee health insurance.

- Reduction of $1.7 million, all from State General Fund, for salaries and wages for park staff and replaced with funding from the Department Access Roads Fund.

- Reduction of $523,299, all from the Economic Development Initiatives Fund, and replaced with funding from the Parks Fee Fund.

The **agency** requests FY 2017 expenditures of $12.4 million for the Parks program, including $1.7 million from the State General Fund. The request is an all funds increase of $302,250, or 2.5 percent, above the FY 2016 request. This increase is attributable to the 27th pay period that occurs in FY 2017 for all state agencies.

The **Governor** recommends FY 2017 expenditures of $12.3 million, a decrease of $84,640, or 0.7 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $84,640, all from special revenue funds, due to a reduced employer contribution rate for state employee health insurance.

- Reduction of $1.7 million, all from State General Fund, for salaries and wages for park staff and replaced with funding from the Department Access Roads Fund.

- Reduction of $523,775, all from the Economic Development Initiatives Fund, and replaced with funding from the Parks Fee Fund.

E. Fish and Wildlife

The Fish and Wildlife program is divided into three sections: Fisheries, Wildlife, and Public Lands. The Fisheries section is responsible for three activities: fish culture, fisheries management, and fisheries research and surveys. The Wildlife section conducts research, surveys, and wildlife management. The Public Lands section is responsible for the habitat management of 373,000 acres of public land and water.

FISH AND WILDLIFE
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	$ 11,397,383	$ 10,014,495	$ 9,930,029	$ 12,101,794	$ 11,972,154	$ 12,601,525	$ 12,468,773
Contractual Services	11,374,756	6,951,873	6,951,873	8,371,086	8,371,086	8,393,680	8,393,680
Commodities	3,870,317	3,029,442	3,029,442	4,029,548	4,029,548	4,058,701	4,058,701
Capital Outlay	2,351,916	489,200	489,200	1,152,455	1,152,455	1,110,955	1,110,955
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 28,994,372	$ 20,485,010	$ 20,400,544	$ 25,654,883	$ 25,525,243	$ 26,164,861	$ 26,032,109
Aid to Local Units	0	0	0	10,000	10,000	10,000	10,000
Other Assistance	112,413	0	0	22,195	22,195	5,028	5,028
TOTAL	$ 29,106,785	$ 20,485,010	$ 20,400,544	$ 25,687,078	$ 25,557,438	$ 26,179,889	$ 26,047,137
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	29,106,785	20,485,010	20,400,544	25,687,078	25,557,438	26,179,889	26,047,137
TOTAL	$ 29,106,785	$ 20,485,010	$ 20,400,544	$ 25,687,078	$ 25,557,438	$ 26,179,889	$ 26,047,137
FTE Positions	112.0	137.0	137.0	137.0	137.0	137.0	137.0
Non-FTE Uncl. Perm. Pos.	0.0	32.0	32.0	32.0	32.0	32.0	32.0
TOTAL	112.0	169.0	169.0	169.0	169.0	169.0	169.0

The **agency** requests FY 2016 expenditures of $25.7 million for the Fish and Wildlife program, all from special revenue funds. The request is an increase of $5.2 million, or 25.4 percent, above the FY 2015 revised estimate. This increase is

primarily attributable to budgeting the Ecological Service and Education divisions within the Fish and Wildlife program for increased transparency, which resulted in requested expenditure increases in all major categories.

- **Salaries and Wages.** The agency requests $12.1 million for FY 2016 salaries and wages expenditures, an increase of $2.1 million, or 20.8 percent, above the FY 2015 revised estimate.

- **Contractual Services.** The agency requests $8.4 million for FY 2016 contractual services expenditures, an increase of $1.4 million, or 20.4 percent, above the FY 2015 revised estimate.

- **Commodities**. The agency requests $4.0 million for FY 2016 commodities expenditures, an increase of $1.0 million, or 33.0 percent, above the FY 2015 revised estimate.

- **Capital Outlay**. The agency requests $1.2 million for FY 2016 capital outlay expenditures, an increase of $663,255, or 135.6 percent, above the FY 2015 revised estimate.

The **Governor** recommends $25.6 million, a decrease of $129,640, or 0.5 percent, below the agency request. The Governor concurs with the agency request with the following adjustment.

- Reduction of $129,640, all from special revenue funds, due to a reduced employer contribution rate for state employee health insurance.

The **agency** requests FY 2017 expenditures of $26.2 million for the Fish and Wildlife program, all from special revenue funds. The request is an increase of $499,731, or 4.1 percent, above the FY 2016 request. This increase is attributable to the 27th pay period that occurs in FY 2017 for all state agencies.

The **Governor** recommends $26.0 million, a decrease of $132,752 below the agency request. The Governor concurs with the agency request with the following adjustment.

- Reduction of $132,752, all from special revenue funds, due to a reduced employer contribution rate for state employee health insurance.

F. Grants

The Grants program administers a number of local aid and assistance programs to encourage local units of government to improve outdoor recreation opportunities. There are two federal grant programs, the National Rails to Trails Grant program and the Land and Water Conservation Fund Grant program. The Grants program also administers four state grant programs: Community Lake Assistance program; Outdoor Wildlife Learning Sites; Shooting Ranges; and Boating Access. The Grants program includes funding for projects and programs for local units of government and for organizations. The agency serves as the entity administering the distribution of state and federal funds related to wildlife, parks, and recreation.

GRANTS
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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contractual Services	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Aid to Local Units	1,113,228	1,365,000	1,365,000	1,340,000	1,340,000	1,340,000	1,340,000
Other Assistance	202,947	0	0	70,000	70,000	70,000	70,000
TOTAL	$ 1,316,175	$ 1,365,000	$ 1,365,000	$ 1,410,000	$ 1,410,000	$ 1,410,000	$ 1,410,000
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	1,316,175	1,365,000	1,365,000	1,410,000	1,410,000	1,410,000	1,410,000
TOTAL	$ 1,316,175	$ 1,365,000	$ 1,365,000	$ 1,410,000	$ 1,410,000	$ 1,410,000	$ 1,410,000
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The **agency** requests FY 2016 expenditures of $1.4 million for the Grants program, all from special revenue funds. The request is an increase of $45,000, or 3.3 percent, above the FY 2015 revised estimate. This increase is primarily attributable to education grants.

The **Governor** concurs with the agency request for FY 2016.

The **agency** requests FY 2017 expenditures of $1.4 million for the Grants program, all from special revenue funds. The request is unchanged from the FY 2016 request.

The **Governor** concurs with the agency request for FY 2017.

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
Land Acquisition	$ 300,000	$ 300,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000
Cabin Site Preparation	300,000	300,000	300,000	0	300,000	300,000
Trails Development	400,000	400,000	400,000	400,000	400,000	400,000
Shooting Range Development	250,000	250,000	250,000	250,000	250,000	250,000
River Access	100,000	100,000	100,000	100,000	100,000	100,000
Wetlands Acquisition/Development	660,000	660,000	650,000	650,000	650,000	650,000
Federally Mandated Boating Access	1,100,000	1,100,000	1,490,000	1,490,000	1,398,000	1,398,000
State and Federal Ag Funds	747,000	747,000	999,000	999,000	775,000	775,000
Coast Guard	200,000	200,000	200,000	200,000	200,000	200,000
Land and Water Conservation Development	375,000	375,000	375,000	0	375,000	0
Rehabilitation and Repair	6,480,000	6,480,000	4,220,000	4,220,000	4,260,000	4,260,000
Bond Principal	105,000	105,000	105,000	105,000	115,000	115,000
TOTAL	$ 11,017,000	$ 11,017,000	$ 9,489,000	$ 8,814,000	$ 9,223,000	$ 8,848,000
Financing:						
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	11,017,000	11,017,000	9,489,000	8,814,000	9,223,000	8,848,000
TOTAL	$ 11,017,000	$ 11,017,000	$ 9,489,000	$ 8,814,000	$ 9,223,000	$ 8,848,000

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates $11.0 million for capital improvements expenditures in FY 2015. This includes the following projects.

- **Land Acquisition**. The agency estimates $300,000 for land acquisition for outdoor

recreation as well as for habitat management and preservation.

- **Cabin Site Preparation**. The agency estimates $300,000 for construction of foundations for cabins as well as connecting utilities to those cabins.

- **Trails Development.** The agency estimates $400,000 for increasing and improving trails.

- **Shooting Range Development**. The agency estimates $250,000 for development of shooting ranges.

- **River Access.** The agency estimates $100,000 for increasing access to rivers.

- **Wetlands Acquisition/Development.** The agency estimates $660,000 for acquisition and development of wetlands acreage.

- **Federally Mandated Boating Access.** The agency estimates $1.1 million in federal funds for motorboat access projects as directed by the USFWS.

- **State and Federal Agriculture Funds.** The agency estimates $747,000, all from the sale of crops on agricultural land managed by the agency, for the improvement of the same land.

- **Coast Guard**. The agency estimates $200,000 for construction of boat storage related to law enforcement on the water.

- **Land and Water Conservation Development.** The agency estimates $375,000 for increasing and improving outdoor development and acquisition for recreation activities in the state.

- **Rehabilitation and Repair.** The agency requests $6.5 million for rehabilitation and repair.

Current Year Governor Recommendation

The **Governor** concurs with the agency request in FY 2015.

Budget Year Agency Request

FY 2016 – Budget Year. The agency requests $9.5 million for capital improvements expenditures for FY 2016. This includes the following projects.

- **Land Acquisition**. The agency estimates $400,000 for land acquisition for outdoor recreation as well as for habitat management and preservation.

- **Cabin Site Preparation**. The agency estimates $300,000 for construction of foundations for

cabins as well as connecting utilities to those cabins.

- **Trails Development.** The agency estimates $400,000 for increasing and improving trails.
- **Shooting Range Development**. The agency estimates $250,000 for development of shooting ranges.
- **River Access**. The agency estimates $100,000 for increasing access to rivers.
- **Wetlands Acquisition/Development.** The agency estimates $650,000 for acquisition and development of wetlands acreage.
- **Federally Mandated Boating Access**. The agency estimates $1.5 million in federal funds for motorboat access projects as directed by the USFWS.
- **State and Federal Agriculture Funds**. The agency estimates $999,000, all from the sale of crops on agricultural land managed by the agency, for the improvement of the same land.
- **Coast Guard**. The agency estimates $200,000 for construction of boat storage related to law enforcement on the water.
- **Land and Water Conservation Development.** The agency estimates $375,000 for increasing and improving outdoor development and acquisition for recreation activities in the state.
- **Rehabilitation and Repair.** The agency requests $4.2 million for rehabilitation and repair.

Budget Year Governor Recommendation

The **Governor** concurs with the agency request for FY 2016 with the following adjustments.

- Reduction of $300,000 for cabin site preparation due to projected plans for cabin development.
- Reduction of $375,000 for land and water conservation development.

Budget Year Agency Request

FY 2017 – Budget Year. The agency requests $9.2 million for capital improvements expenditures for FY 2017. This includes the following projects.

- **Land Acquisition**. The agency estimates $400,000 for land acquisition for outdoor recreation as well as for habitat management and preservation.

- **Cabin Site Preparation**. The agency estimates $300,000 for construction of foundations for cabins as well as connecting utilities to those cabins.

- **Trails Development.** The agency estimates $400,000 for increasing and improving trails.

- **Shooting Range Development**. The agency estimates $250,000 for development of shooting ranges.

- **River Access.** The agency estimates $100,000 for increasing access to rivers.

- **Wetlands Acquisition/Development**. The agency estimates $650,000 for acquisition and development of wetlands acreage.

- **Federally Mandated Boating Access.** The agency estimates $1.4 million in federal funds for motorboat access projects as directed by the USFWS.

- **State and Federal Agriculture Funds.** The agency estimates $775,000, all from the sale of crops on agricultural land managed by the agency, for the improvement of the same land.

- **Coast Guard**. The agency estimates $200,000 for construction of boat storage related to law enforcement on the water.

- **Land and Water Conservation Development.** The agency estimates $375,000 for increasing and improving outdoor development and acquisition for recreation activities in the state.

- **Rehabilitation and Repair.** The agency requests $4.3 million for rehabilitation and repair.

Budget Year Governor Recommendation

The **Governor** concurs with the agency request for FY 2017 with the following adjustment.

- Reduction of $375,000 for land and water conservation development.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of new wildlife habitat projects reviewed	2,100	2,000	2,000	2,200	2,400
Number of students certified through education programs in hunting	10,250	10,550	10,750	10,750	10,750
Number of students certified through education programs in boating	2,000	1,737	1,800	1,800	1,800
Number of students certified through education programs in furharvester	1,500	1,751	1,500	1,550	1,500
Number of teachers trained for Archery in Schools	125	110	125	125	125
Kansas Wildlife & Parks magazine circulation	24,000	23,000	24,000	25,000	25,000
Kansas! magazine circulation	29,500	29,732	29,500	30,000	30,000
Grants awarded	5	6	5	5	5
Travel Information Center visitation	250,000	240,000	250,000	250,000	250,000
Magazine circulation and advertising revenue	$720,000	$618,783	$720,000	$730,000	$730,000
Number of public contacts	51,100	41,300	43,800	43,800	43,800
Number of wildlife license, boating safety, and registration checks per conservation officer	700	618	600	600	600
Compliance rate with laws and regulations for wildlife	90.0%	96.2%	90.0%	90.0%	90.0%
Compliance rate with laws and regulations for boating	60.0%	57.0%	65.0%	70.0%	75.0%
Percent of campers satisfied with overall camping experience	75.0%	75.0%	75.0%	75.0%	75.0%
Percent of campers satisfied with overall day use experience	80.0%	75.0%	75.0%	75.0%	75.0%
Percent of campsites utilized	78.0%	78.0%	78.0%	80.0%	85.0%
Number of days parks open	340	321	330	335	335
Number of volunteer hours	55,000	55,000	55,000	55,800	56,000
Number of surveys conducted (including wildlife population, hunter, landowner, angler)	58	50	52	55	55
Percent of deer hunters satisfied with management program	80.0%	71.0%	80.0%	80.0%	80.0%
Percent of landowners satisfied with management program (deer)	50.0%	50.0%	50.0%	60.0%	70.0%
Percent of turkey hunters satisfied with management program	85.0%	81.0%	85.0%	85.0%	85.0%
Percent of landowners satisfied with management program (turkey)	65.0%	60.0%	65.0%	65.0%	70.0%
Percent of anglers satisfied with management program	87.0%	78.0%	70.0%	75.0%	70.0%
Number of acres affected by Upland Gamebird Habitat Program	75,000	50,000	75,000	95,000	115,000
Number of acres in Walk-in Hunting Program	1,200,000	1,000,000	1,200,000	1,300,000	1,300,000

Kansas State Fair

	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	$ 247,751	$ 312,700	$ 312,700	$ 285,950	$ 285,950	$ 263,550	$ 263,550
Other Funds	5,576,739	4,957,825	4,941,525	5,024,918	4,863,068	5,101,715	4,936,147
TOTAL	$ 5,824,490	$ 5,270,525	$ 5,254,225	$ 5,310,868	$ 5,149,018	$ 5,365,265	$ 5,199,697
Capital Improvements:							
State General Fund	$ 155,000	$ 535,000	$ 535,000	$ 7,396,410	$ 560,000	$ 585,000	$ 585,000
Other Funds	14,925	255,000	255,000	240,000	240,000	536,000	536,000
TOTAL	$ 169,925	$ 790,000	$ 790,000	$ 7,636,410	$ 800,000	$ 1,121,000	$ 1,121,000
GRAND TOTAL	**$ 5,994,415**	**$ 6,060,525**	**$ 6,044,225**	**$ 12,947,278**	**$ 5,949,018**	**$ 6,486,265**	**$ 6,320,697**
Percentage Change:							
Operating Expenditures							
State General Fund	36.0 %	26.2 %	26.2 %	(8.6) %	(8.6) %	(7.8) %	(7.8) %
All Funds	8.4	(9.5)	(9.8)	0.8	(2.0)	1.0	1.0
FTE Positions	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Non-FTE Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	25.0	25.0	25.0	25.0	25.0	25.0	25.0

AGENCY OVERVIEW

The mission of the Kansas State Fair is to promote and showcase Kansas agriculture, industry, and culture; create opportunity for commercial activity; and provide an educational and entertaining experience that is the pride of all Kansans. The annual State Fair is organized and administered by the 13-member State Fair Board. The State Fairgrounds are located in Reno County, within the City of Hutchinson. The Fairgrounds consist of approximately 280 acres, with 75 buildings and nearly 24 acres under roof. The State Fair starts on the Friday following Labor Day in September and runs for 10 days. This makes the State Fair the state's largest single event, attracting more than 350,000 people, plus an estimated 200,000 people to the nearly 400 non-fair events held throughout the year on the Fairgrounds. The agency operates with 25.0 full-time employees, 551 part-time and temporary employees, in addition to contract plumbers and electricians, and inmate labor from the Hutchinson Correctional Facility.

MAJOR ISSUES FROM PRIOR YEARS

The **2003** and **2004 Legislatures** suspended the statutory transfer from the State General Fund to the State Fair Capital Improvements Fund for FY 2004 and FY 2005, respectively.

The **2006 Legislature** added $2,375,727 from the State General Fund in FY 2007 for the construction of a sheep and swine barn.

The **2007 Legislature** added funding from the Economic Development Initiatives Fund (EDIF) in FY 2008 for marketing and promotion of the State Fair ($50,000), an economic impact and demographic study of the State Fair and all non-fair activities taking place on the State Fairgrounds ($40,000), and competitive exhibit premiums ($20,000). In addition, the Legislature added $25,000 from the State General Fund to add electrical sub-metering equipment in order to monitor electrical use at individual buildings on the State Fairgrounds.

The **2008 Legislature** added funding from the EDIF in FY 2009 for marketing and promotion of the State Fair ($50,000) and competitive exhibit premiums ($20,000). In addition, the Legislature added $20,792, all from the State Fair Fee Fund, to increase part-time seasonal employees' wages. The Legislature also converted 1.0 non-FTE position to a 1.0 FTE position.

The **2009 Legislature** did not add funding from the EDIF in FY 2010 for marketing and promotion of the State Fair or for competitive exhibit premiums. In addition, the Legislature suspended the statutory transfer from the State General Fund to the State Fair Capital Improvements Fund in FY 2010.

The **2010 Legislature** deleted the transfer of $300,000 from the State General Fund to the State Fair Capital Improvements Fund for FY 2010 and FY 2011. The Legislature also transferred an additional $50,000 from the State Fair Fee Fund to the State Fair Capital Improvements Fund for FY 2011 and to make the transfer on or before March 1, 2011. The State Fair Capital Improvements Fund is used to pay the agency's debt service payments and to fund general maintenance and repair at the State Fairgrounds in Hutchinson.

The **2011 Legislature** added 1.0 FTE position and $39,749, all from special revenue funds, for an administrative assistant position in the Competitive Exhibits department and also added $376,950, all from special revenue funds, for roof replacement projects. The Legislature also made reductions totaling $23,130, all from special revenue funds, for cell phone expenditures, information technology expenditures, a death and disability moratorium, and an across the board reduction.

The **2012 Legislature** added $25,000 all from the Economic Development Initiatives Fund, for FY 2013, for enhanced marketing of the State Fair's Centennial celebration which was subsequently vetoed by the Governor. The Legislature also approved adding $11,182,256, all from the Expanded Lottery and Revenue Fund, for increasing debt service payments to call the bonds for debt service for FY 2013, which will reduce future payments for future debt service.

The **2013 Legislature** added $250,000, all from the State General Fund, for the state's statutorily required match to the State Fair Capital Improvements Fund for FY 2014. The match was not to be made for FY 2015.

The **2014 Legislature** added $400,000, all from the State Fair Capital Improvements Fund, for capital improvement projects.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates FY 2015 operating expenditures of $5.3 million, including $312,700 from the State General Fund. This amount is unchanged from the amount approved by the 2014 Legislature.

The agency requests $790,000 for capital improvement expenditures, including $535,000 from the State General Fund. This amount is an all funds decrease of $290,000, or 53.2 percent, below the amount approved for capital improvements by the 2014 Legislature.

FY 2015 Governor Recommendation

The **Governor** recommends FY 2015 operating expenditures of $5.3 million, including $312,700 from the State General Fund. The recommendation is a decrease of $16,300, or 0.3 percent, below the agency request. The Governor concurs with the agency request with the following adjustment.

- Reduction of $16,300, all from the State Fair Fee Fund, as a result of the Governor's allotment plan 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.

The Governor concurs with the agency request for capital improvement expenditures of $790,000, including $535,000 from the State General Fund.

FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of $5.3 million, an increase of $40,343, or 0.8 percent, above the FY 2015 request. This request includes $285,950 from the State General Fund, a decrease of $26,750, or 8.6 percent, below the FY 2015 request, and $100,000 from the Economic Development Initiatives Fund, which provided no funding to the agency in FY 2015. The all funds increase is attributable to the enhancement request for wage increases and marketing and promotion.

The agency requests $7.6 million for capital improvements expenditures, an increase of $6.9 million, or 866.7 percent, for FY 2016. The requested increase is funded by the State General Fund. The increase is attributable to an enhancement request for matching funds for the state fair capital improvements fund and replacement of the Expo Center.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 operating expenditures of $5.1 million, including $285,950 from the State General Fund. The recommendation is a decrease of $161,850, or 3.0 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $46,107 to not recommend the agency enhancement for full-time state fair employee wage increases.

- Reduction of $100,000 to not recommend the agency enhancement for advertising and marketing.

- Reduction of $15,743 to reduce employer contributions for state employee health insurance.

The Governor recommends FY 2016 capital improvement expenditures of $800,000, including $560,000 from the State General Fund. The Governor concurs with the agency request for capital improvement expenditures with the following adjustments.

- Reduction of $1.3 million to eliminate a transfer from the State General Fund to the State Fair Capital Improvements Fund.

- Reduction of $5.6 million to not recommend construction of a new Expo Center.

FY 2017 Agency Request

The **agency** requests FY 2017 operating expenditures of $5.4 million, an increase of $54,397, or 1.0 percent, above the amount requested for FY 2016. This request includes $263,550 from the State General Fund, a decrease of $22,400, or 7.8 percent, below the amount requested for FY 2016, and $100,000 from the Economic Development Initiatives Fund, which is unchanged from the FY 2016 request. The all funds increase is attributable to expenses related to the 27th pay period that occurs in FY 2017 for all agencies, as well as enhancements for wage increases, marketing and promotion, and matching funds for the State Fair Capital Improvements Fund.

The agency requests $1.1 million for capital improvements expenditures, an decrease of $6.5 million, or 85.3 percent, for FY 2017. The requested amount includes $585,000 from the State General Fund, a decrease of $6.8 million, or 92.1 percent, below the amount requested for FY 2016. The decrease is attributable to the one-time replacement of the Expo Center requested in FY 2016.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 operating expenditures of $5.2 million, a decrease of $165,568, or 3.1 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

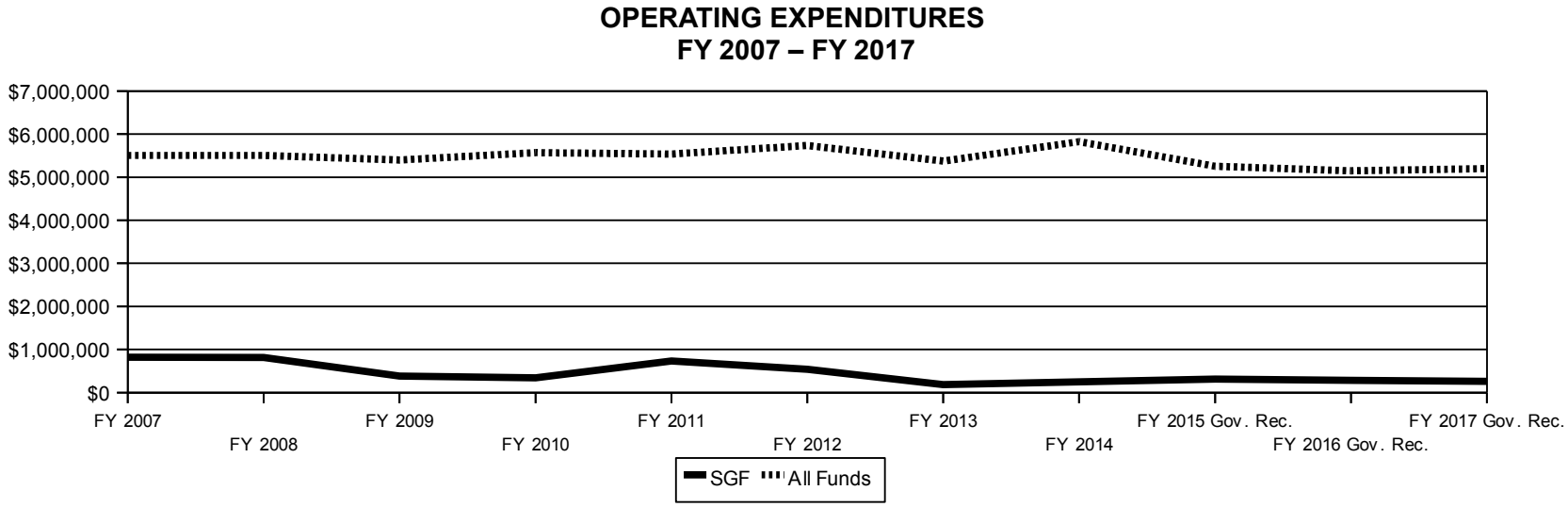
- Reduction of $49,507 to not recommend the agency enhancement for full-time state fair employee wage increases.

- Reduction of $100,000 to not recommend the agency enhancement for advertising and marketing.

- Reduction of $16,061 to reduce employer contributions for state employee health insurance.

The Governor recommends FY 2016 capital improvement expenditures of $1.1 million, including $585,000 from the State General Fund. The Governor concurs with the agency request for capital improvement expenditures.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 820,158	3.5 %	$ 5,505,380	6.5 %	23.0
2008	814,993	(0.6)	5,505,480	0.0	24.0
2009	383,980	(52.9)	5,400,457	(1.9)	24.0
2010	341,861	(11.0)	5,570,115	3.1	24.0
2011	734,711	114.9	5,537,889	(0.6)	24.0
2012	540,422	(26.4)	5,736,223	3.6	25.0
2013	182,165	(66.3)	5,374,945	(6.3)	25.0
2014	247,751	36.0	5,824,490	8.4	25.0
2015 Gov. Rec.	312,700	26.2	5,254,225	(9.8)	25.0
2016 Gov. Rec.	285,950	(8.6)	5,149,018	(2.0)	25.0
2017 Gov. Rec.	263,550	(7.8)	5,199,697	1.0	25.0
Eleven-Year Change	$ (556,608)	(67.9)%	$ (305,683)	(5.6)%	2.0

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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	$ 3,797,302	$ 3,487,090	$ 3,544,919	$ 57,829	1.7 %	$ 3,476,343	$ 3,411,027	$ (65,316)	(1.9)%
Physical Plant/Central Services	1,779,437	1,470,735	1,479,999	9,264	0.6	1,465,182	1,452,041	(13,141)	(0.9)
Debt Service	247,751	312,700	285,950	(26,750)	(8.6)	312,700	285,950	(26,750)	(8.6)
TOTAL	$ 5,824,490	$ 5,270,525	$ 5,310,868	$ 40,343	0.8 %	$ 5,254,225	$ 5,149,018	$ (105,207)	(2.0)%
By Major Object of Expenditure:									
Salaries and Wages	$ 1,801,920	$ 1,835,237	$ 1,888,418	$ 53,181	2.9 %	$ 1,818,937	$ 1,826,568	$ 7,631	0.4 %
Contractual Services	3,179,490	2,662,642	2,711,898	49,256	1.8	2,662,642	2,611,898	(50,744)	(1.9)
Commodities	592,857	359,946	374,602	14,656	4.1	359,946	374,602	14,656	4.1
Capital Outlay	2,472	100,000	50,000	(50,000)	(50.0)	100,000	50,000	(50,000)	(50.0)
Debt Service	247,751	312,700	285,950	(26,750)	(8.6)	312,700	285,950	(26,750)	(8.6)
Subtotal - Operations	$ 5,824,490	$ 5,270,525	$ 5,310,868	$ 40,343	0.8 %	$ 5,254,225	$ 5,149,018	$ (105,207)	(2.0)%
Aid to Local Units	0	0	0	0	0.0	0	0	0	0.0
Other Assistance	0	0	0	0	0.0	0	0	0	0.0
TOTAL	$ 5,824,490	$ 5,270,525	$ 5,310,868	$ 40,343	0.8 %	$ 5,254,225	$ 5,149,018	$ (105,207)	(2.0)%
Financing:									
State General Fund	$ 247,751	$ 312,700	$ 285,950	$ (26,750)	(8.6) %	$ 312,700	$ 285,950	$ (26,750)	(8.6)%
EDIF	0	0	100,000	100,000	0.0	0	0	0	0.0
State Fair Capital Improvements Fund	456,337	0	0	0	0.0	0	0	0	0.0
State Fair Fee Fund	5,120,402	4,957,825	4,924,918	(32,907)	(0.7)	4,941,525	4,863,068	(78,457)	(1.6)
TOTAL	$ 5,824,490	$ 5,270,525	$ 5,310,868	$ 40,343	0.8 %	$ 5,254,225	$ 5,149,018	$ (105,207)	(2.0)%

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	$ 3,544,919	$ 3,580,080	$ 35,161	1.0 %	$ 3,411,027	$ 3,444,327	$ 33,300	1.0 %
Physical Plant/Central Services	1,479,999	1,521,635	41,636	2.8	1,452,041	1,491,820	39,779	2.7
Debt Service	285,950	263,550	(22,400)	(7.8)	285,950	263,550	(22,400)	(7.8)
TOTAL	$ 5,310,868	$ 5,365,265	$ 54,397	1.0 %	$ 5,149,018	$ 5,199,697	$ 50,679	1.0 %
By Major Object of Expenditure:								
Salaries and Wages	$ 1,888,418	$ 1,951,174	$ 62,756	3.3 %	$ 1,826,568	$ 1,885,606	$ 59,038	3.2 %
Contractual Services	2,711,898	2,725,939	14,041	0.5	2,611,898	2,625,939	14,041	0.5
Commodities	374,602	374,602	0	0.0	374,602	374,602	0	0.0
Capital Outlay	50,000	50,000	0	0.0	50,000	50,000	0	0.0
Debt Service	285,950	263,550	(22,400)	(7.8)	285,950	263,550	(22,400)	(7.8)
Subtotal - Operations	$ 5,310,868	$ 5,365,265	$ 54,397	1.0 %	$ 5,149,018	$ 5,199,697	$ 50,679	1.0 %
Aid to Local Units	0	0	0	0.0	0	0	0	0.0
Other Assistance	0	0	0	0.0	0	0	0	0.0
TOTAL	$ 5,310,868	$ 5,365,265	$ 54,397	1.0 %	$ 5,149,018	$ 5,199,697	$ 50,679	1.0 %
Financing:								
State General Fund	$ 285,950	$ 263,550	$ (22,400)	(7.8) %	$ 285,950	$ 263,550	$ (22,400)	(7.8)%
EDIF	100,000	100,000	0	0.0	0	0	0	0.0
State Fair Capital Improvements Fund	0	0	0	0.0	0	0	0	0.0
State Fair Fee Fund	4,924,918	5,001,715	76,797	1.6	4,863,068	4,936,147	73,079	1.5
TOTAL	$ 5,310,868	$ 5,365,265	$ 54,397	1.0 %	$ 5,149,018	$ 5,199,697	$ 50,679	1.0 %

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of $847,700 for the Kansas State Fair Board in FY 2015. No adjustments have subsequently been made to that amount.

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	$ 847,700	$ 847,700	$ 0	$ 847,700	$ 0
All Other Funds	5,502,825	5,212,825	(290,000)	5,196,525	(306,300)
TOTAL	$ 6,350,525	$ 6,060,525	$ (290,000)	$ 6,044,225	$ (306,300)
FTE Positions	25.0	25.0	0.0	25.0	0.0

The **agency** estimates FY 2015 operating expenditures of $5.3 million, including $312,700 from the State General Fund. This amount is unchanged from the amount approved by the 2014 Legislature.

- **Salaries and Wages** - The agency requests FY 2015 expenditures of $1.8 million for salaries and wages, 34.8 percent of the overall operating budget request. This amount includes expenditures for both full-time state fair staff and for the 550 seasonal employees hired for operation of the fair.

- **Contractual Services** - The agency requests $2.7 million for contractual services, the largest expenditure category in the request. This amount is 50.5 percent of the overall operating budget request and includes expenditures to pay entertainers ($812,603) and advertising and marketing ($200,000).

The agency requests $790,000 for capital improvement expenditures, including $535,000 from the State General Fund. This amount is an all funds decrease of $290,000, or 53.2 percent, below the amount approved for capital improvements by the 2014 Legislature.

The **Governor** recommends FY 2015 operating expenditures of $5.3 million, including $312,700 from the State General Fund. The recommendation is a decrease of $16,300, or 0.3 percent, below the FY 2015 agency request. The Governor concurs with the agency request with the following adjustment.

- Reduction of $16,300, all from the State Fair Fee Fund, as a result of the Governor's allotment plan 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.

The **Governor** concurs with the agency request for capital improvement expenditures of $790,000, including $535,000 from the State General Fund.

B. FY 2016 – BUDGET YEAR

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 5,310,868	$ 5,149,018	$ (161,850)
FTE Positions	25.0	25.0	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ (26,750)	$ (26,750)	
All Other Funds	67,093	(78,457)	
TOTAL	$ 40,343	$ (105,207)	
Percent Change:			
State General Fund	(8.6) %	(8.6) %	
All Other Funds	1.4	(1.6)	
TOTAL	0.8 %	(2.0) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of $5.3 million, an increase of $40,343, or 0.8 percent, above the FY 2015 request. This request includes $285,950 from the State General Fund, a decrease of $26,750, or 8.6 percent, below the FY 2015 request. The all funds increase is attributable to the enhancement request for $46,107, all from the State Fair Fee Fund, for salary and wage increases for full time State Fair employees and $100,000, all from the Economic Development Initiatives Fund, for enhanced marketing and promotion of the State Fair.

The agency requests $7.6 million for capital improvements expenditures, an increase of $6.9 million, or 866.7 percent, for FY 2016. The requested increase is funded by the State General Fund. The increase is attributable to enhancement

requests to replace the Expo Center and to match State Fair funds.

The **Governor** recommends FY 2016 operating expenditures of $5.1 million, including $285,950 from the State General Fund. The recommendation is a decrease of $161,850, or 3.0 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $46,107 to not recommend the agency enhancement for full-time state fair employee wage increases.
- Reduction of $100,000 to not recommend the agency enhancement for advertising and marketing.
- Reduction of $15,743 to reduce employer contributions for state employee health insurance.

The Governor recommends FY 2016 capital improvement expenditures of $800,000, including $560,000 from the State General Fund. The Governor concurs with the agency request for capital improvement expenditures with the following adjustments.

- Reduction of $1.3 million to eliminate a transfer from the State General Fund to the State Fair Capital Improvements Fund.
- Reduction of $5.6 million to not recommend construction of a new Expo Center.

Enhancements Detail

FY 2016 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Wage Increases for Full-Time Fair Employees	$ 0	$ 46,107	0.0	$ 0	$ 0	0.0
Marketing and Promotion	0	100,000	0.0	0	0	0.0
Matching Funds for State Fair Capital Improvements Fund	1,283,793	1,283,793	0.0	0	0	0.0
Expo Center Replacement	5,552,617	5,552,617	0.0	0	0	0.0
TOTAL	**$ 6,836,410**	**$ 6,982,517**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests $7.0 million in enhancements for FY 2016, including $6.8 million from the State General Fund and $100,000 from the Economic Development Initiatives Fund (EDIF).

- **Wage Increases.** The agency requests $46,107, all from the State Fair Fee Fund, for salary and wage increases for full time State Fair employees.

- **Marketing and Promotion.** The agency requests $100,000, all from EDIF, for enhanced marketing and promotion of the State Fair.

- **Matching Funds for State Fair Capital Improvements.** The agency requests $1.3 million, all from the State General Fund, to match funds from the State Fair Capital Improvement Fund. The agency indicates that this enhancement is intended to pay for contributions that were not made to the State Fair Capital Improvements Fund in five of the past eleven years.

- **Replacement of the Expo Center.** The agency requests $5.6 million, all from the State General Fund, for replacement of the Expo Center, the Fair's horse facility. The agency indicates that the facility requires remediation of a number of issues, including a roof replacement, moisture and corrosion issues, and restroom renovations. After reviewing a contractor's proposal and an engineer's report, the agency believes replacement is the best and most cost-effective option.

The **Governor** does not recommend any of the requested enhancements.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 5,365,265	$ 5,199,697	$ (165,568)
FTE Positions	25.0	25.0	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ (22,400)	$ (22,400)	
All Other Funds	76,797	73,079	
TOTAL	$ 54,397	$ 50,679	
Percent Change:			
State General Fund	(7.8) %	(7.8) %	
All Other Funds	1.5	1.5	
TOTAL	1.0 %	1.0 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of $5.4 million, an increase of $54,397, or 1.0 percent, above the amount requested for FY 2016. This request includes $263,550 from the State General Fund, a decrease of $22,400, or 7.8 percent, below the amount requested for FY 2016, and $100,000 from EDIF, which is unchanged from the amount requested for FY 2016. The all funds increase is attributable to expenses related to the 27th pay period that occurs in FY 2017 for all agencies, as well as increased costs for utilities.

The agency requests $1.1 million for capital improvements expenditures, a decrease of $6.5 million, or 85.3 percent, for FY 2017. The requested amount includes $585,000 from the State General Fund, a decrease of $6.8 million, or 92.1 percent, below the amount requested for FY 2016. The decrease is

attributable to the one-time replacement of the Expo Center requested in FY 2016.

The **Governor** recommends FY 2017 operating expenditures of $5.2 million, a decrease of $165,568, or 3.1 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $49,507 to not recommend the agency enhancement for full-time state fair employee wage increases.
- Reduction of $100,000 to not recommend the agency enhancement for advertising and marketing.
- Reduction of $16,061 to reduce employer contributions for state employee health insurance.

The Governor recommends FY 2017 capital improvement expenditures of $1.1 million, including $585,000 from the State General Fund. The Governor concurs with the agency request for capital improvement expenditures.

Enhancements Detail

FY 2017 ENHANCEMENTS

	Agency Request			Governor's Recommendation		
Enhancements	SGF	All Funds	FTE	SGF	All Funds	FTE
Wage Increases for Full-Time Fair Employees	$ 0	$ 49,507	0.0	$ 0	$ 0	0.0
Marketing and Promotion	0	100,000	0.0	0	0	0.0
TOTAL	**$ 0**	**$ 149,507**	**0.0**	**$ 0**	**$ 0**	**0.0**

The **agency** requests $149,507 in enhancements for FY 2017, including $49,507 from the State Fair Fee fund and $100,000 from the Economic Development Initiatives Fund (EDIF).

- **Wage Increases.** The agency requests $49,507, all from the State Fair Fee Fund, for salary and wage increases for full time State Fair employees.
- **Marketing and Promotion.** The agency requests $100,000, all from the EDIF, for enhanced marketing and promotion of the State Fair.

The **Governor** does not recommend any of the enhancement requests.

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 $7,520, all from special revenue funds, and affects 24 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 $6,640, all from special revenue funds, and FY 2017 longevity payments total $8,280, all from special revenue funds.**

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 $15,743, all from special revenue funds for FY 2016. This is a reduction of $16,061, all from special revenue funds, 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	59.3 %	14.2 %	13.1 %	13.4 %
Economic Development Initiatives Fund	0.8	0.0	1.5	0.0
State Fair Capital Improvements Fund	1.9	4.0	8.3	8.5
State Fair Fee Fund	38.0	81.7	77.1	78.1
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

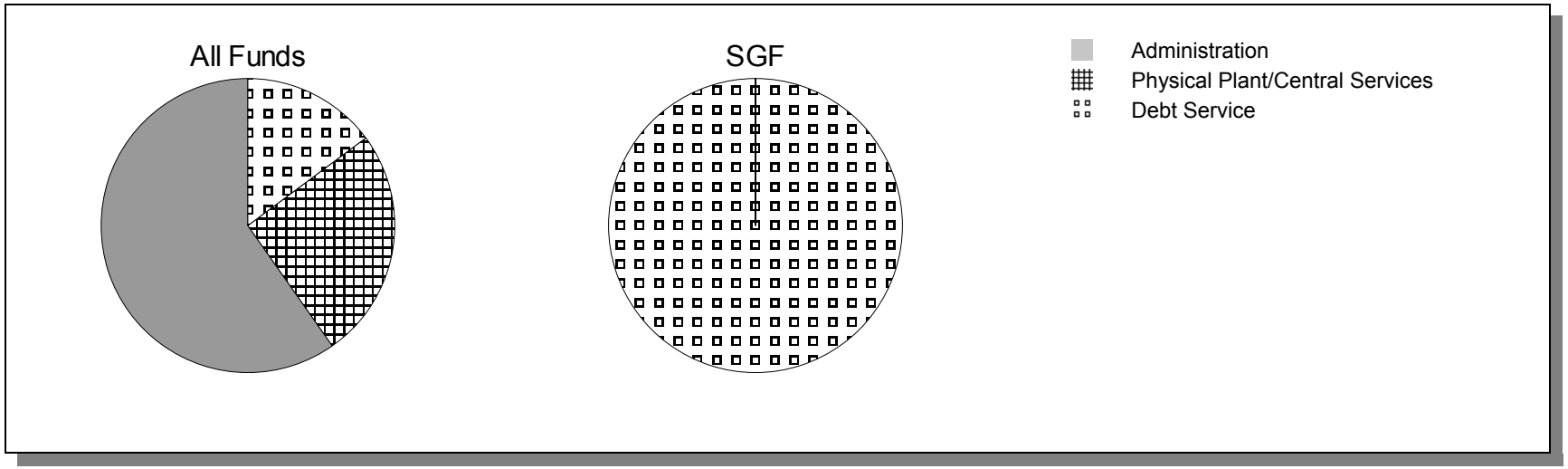
Note: Percentages may not add due to rounding.

State Fair Fee Fund

Revenues for the agency come from both State Fair and non-fair activities on the State Fairgrounds and are deposited into the State Fair Fee Fund. Revenue sources include admission fees to the State Fair and grandstand entertainment, premium book advertising, building rentals, sales and concessions, and parking fees. The State Fair generates over 90.0 percent of the agency's total receipts. The State estimates total non-Fair use of the State Fairgrounds at nearly 400 events throughout the year.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	$ 458,946	$ 323,156	$ 323,156	$ 48,961	$ 65,261	$ 0	$ 78,150
Revenue	5,166,710	5,148,799	5,148,799	5,337,691	5,337,691	5,465,470	5,465,470
Transfers in	0	0	0	0	0	0	0
Total Funds Available	$ 5,625,656	$ 5,471,955	$ 5,471,955	$ 5,386,652	$ 5,402,952	$ 5,465,470	$ 5,543,620
Less: Expenditures	5,120,402	4,957,825	4,941,525	4,924,918	4,863,068	5,001,715	4,936,147
Transfers Out	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Off Budget Expenditures	(117,902)	165,169	165,169	161,734	161,734	163,755	163,755
Ending Balance	$ 323,156	$ 48,961	$ 65,261	$ 0	$ 78,150	$ 0	$ 143,718
Ending Balance as Percent of Expenditures	6.3%	1.0%	1.3%	0.0%	1.6%	0.0%	2.9%

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	$ 3,411,027	59.7 %	$ 0	0.0 %
Physical Plant/Central Services	1,452,041	25.4	0	0.0
Debt Service	845,950	14.8	285,950	100.0
TOTAL	$ 5,709,018	100.0 %	$ 285,950	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	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Physical Plant/Central Services	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	25.0	25.0	25.0	25.0	25.0	25.0	25.0

A. Administration

The Administration program of the Kansas State Fair provides for the administration of the agency as well as the planning, marketing, and advertising of the State Fair. The Administration program also markets non-Fair use of the State Fairgrounds in Hutchinson.

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	$ 1,184,550	$ 1,188,952	$ 1,178,205	$ 1,212,687	$ 1,178,795	$ 1,247,848	$ 1,212,095
Contractual Services	2,294,722	2,038,775	2,038,775	2,082,607	1,982,607	2,082,607	1,982,607
Commodities	315,558	224,363	224,363	224,625	224,625	224,625	224,625
Capital Outlay	2,472	35,000	35,000	25,000	25,000	25,000	25,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 3,797,302	$ 3,487,090	$ 3,476,343	$ 3,544,919	$ 3,411,027	$ 3,580,080	$ 3,444,327
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 3,797,302	$ 3,487,090	$ 3,476,343	$ 3,544,919	$ 3,411,027	$ 3,580,080	$ 3,444,327
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	3,797,302	3,487,090	3,476,343	3,544,919	3,411,027	3,580,080	3,444,327
TOTAL	$ 3,797,302	$ 3,487,090	$ 3,476,343	$ 3,544,919	$ 3,411,027	$ 3,580,080	$ 3,444,327
FTE Positions	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	13.0	13.0	13.0	13.0	13.0	13.0	13.0

The **agency** requests FY 2016 expenditures of $3.5 million for the Administration program, an increase of $57,829, or 1.7 percent, above the FY 2015 request. The increase is primarily attributable to the enhancement of $100,000, all from the Economic Development Initiatives Fund, for marketing and advertising of the Fair off set by a decrease in funding from the State Fair Fee Fund arising from decreased expenditures on entertainers.

The **Governor** recommends FY 2016 expenditures of $3.4 million for the Administration program, a decrease of $133,892, or 3.8 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $25,863 to not recommend the agency enhancement for full-time state fair employees wage increases.

- Reduction of $100,000 to not recommend the agency enhancement for advertising and marketing.

- Reduction of $8,029 to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $3.6 million for the Administration program, an increase of $35,161, or 1.0 percent, above the FY 2016 request. The increase is entirely attributable to the 27th pay period that occurs in FY 2017 for all state agencies.

The **Governor** recommends FY 2017 expenditures of $3.4 million for the Administration program, a decrease of $135,753, or 3.8 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $27,563 to not recommend the agency enhancement for full-time state fair employees wage increases.

- Reduction of $100,000 to not recommend the agency enhancement for advertising and marketing.

- Reduction of $8,190 to reduce employer contributions for state employee health insurance.

B. Physical Plant/Central Services

The Physical Plant and Central Services program of the Kansas State Fair works to provide convenient, safe, and attractive buildings and grounds to patrons of the State Fair and non-fair activities on the State Fairgrounds. The Maintenance program is staffed by 12.0 FTE positions, along with contract plumbers and electricians and inmate labor from the Hutchinson Correctional Facility that includes painting, cleaning, mowing, carpentry projects, and other maintenance jobs.

PHYSICAL PLANT/CENTRAL SERVICES PROGRAM
SUMMARY OF EXPENDITURES FY 2014 – 2017

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	$ 617,370	$ 646,285	$ 640,732	$ 675,731	$ 647,773	$ 703,326	$ 673,511
Contractual Services	884,768	623,867	623,867	629,291	629,291	643,332	643,332
Commodities	277,299	135,583	135,583	149,977	149,977	149,977	149,977
Capital Outlay	0	65,000	65,000	25,000	25,000	25,000	25,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 1,779,437	$ 1,470,735	$ 1,465,182	$ 1,479,999	$ 1,452,041	$ 1,521,635	$ 1,491,820
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	$ 1,779,437	$ 1,470,735	$ 1,465,182	$ 1,479,999	$ 1,452,041	$ 1,521,635	$ 1,491,820
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	1,779,437	1,470,735	1,465,182	1,479,999	1,452,041	1,521,635	1,491,820
TOTAL	$ 1,779,437	$ 1,470,735	$ 1,465,182	$ 1,479,999	$ 1,452,041	$ 1,521,635	$ 1,491,820
FTE Positions	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	12.0	12.0	12.0	12.0	12.0	12.0	12.0

The **agency** requests FY 2016 expenditures of $1.5 million for the Physical Plant/Central Services program, an increase of $9,264, or 0.6 percent, above the FY 2015 request. The all funds increase is primarily attributable to salaries and wages and commodities expenditures.

- **Salaries and Wages.** The agency requests FY 2016 salaries and wages expenditures of $675,731 for the Physical Plant/Central Services program, an increase of $29,446, or 2.0 percent, above the amount requested in FY 2015. This increase is attributable to the enhancement request for wage increases for full-time State Fair employees.

- **Capital Outlay.** The agency requests FY 2016 capital outlay expenditures of $25,000 for the Physical Plant/Central Services program, a decrease of $40,000, or 61.5 percent, below the FY 2015 request. The decline is attributable to decreased purchases for trucks.

The **Governor** recommends FY 2016 expenditures of $1.5 million for the Physical Plant/Central Services program, a decrease of $27,958, or 1.9 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $20,244 to not recommend the agency enhancement for full-time state fair employees wage increases.

- Reduction of $7,714 to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 expenditures of $1.5 million for the Physical Plant/Central Services program, an increase of $27,595, or 4.1 percent, above the FY 2016 request. The increase is attributable to the 27th pay period that occurs in FY 2017 for all state agencies.

The **Governor** recommends FY 2017 expenditures of $1.5 million for the Physical Plant/Central Services program, a decrease of $29,815, or 2.0 percent, below the agency request. The Governor concurs with the agency request with the following adjustments.

- Reduction of $21,944 to not recommend the agency enhancement for full-time state fair employees wage increases.

- Reduction of $7,871 to reduce employer contributions for state employee health insurance.

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
Capital Maintenance and Repair	$ 150,000	$ 150,000	$ 200,000	$ 200,000	$ 280,000	$ 280,000
Expo Center Replacement	0	0	5,552,617	0	0	0
Asphalt Repairs	40,000	40,000	40,000	40,000	40,000	40,000
Scout Buildings Exteriors	50,000	50,000	0	0	0	0
Ad Astra Pavilion Lighting Upgrade	15,000	15,000	0	0	0	0
Pride of Kansas Building Roof Replacement	0	0	0	0	216,000	216,000
SGF Transfer to State Fair Capital Improvements Fund	0	0	1,283,793	0	0	0
Debt Service Principal	535,000	535,000	560,000	560,000	585,000	585,000
TOTAL	$ 790,000	$ 790,000	$ 7,636,410	$ 800,000	$ 1,121,000	$ 1,121,000
Financing:						
State General Fund	$ 535,000	$ 535,000	$ 7,396,410	$ 560,000	$ 585,000	$ 585,000
All Other Funds	255,000	255,000	240,000	240,000	536,000	536,000
TOTAL	$ 790,000	$ 790,000	$ 7,636,410	$ 800,000	$ 1,121,000	$ 1,121,000

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates FY 2015 capital improvements expenditures of $790,000, a decrease of $290,000 below the FY 2015 approved amount. The capital improvements projects included in the budget for FY 2015 are:

- **Capital Maintenance and Repair.** The agency estimates $150,000 in FY 2015 for maintaining the physical plant in an adequate, safe, and usable condition, which includes HVAC repair and replacement.

- **Asphalt Repairs.** The agency estimates $40,000 in FY 2015 for asphalt repairs.

- **Scout Building Exteriors.** The agency estimates $50,000 in FY 2015 to upgrade the exterior siding from the original wood siding on the buildings used to showcase the work and achievements of Kansas Boy and Girl Scouts as well as for a number of non-fair events.

- **Ad Astra Pavilion Lighting Upgrade.** The agency estimates $15,000 for upgrading the lighting in the Ad Astra Pavilion in anticipation of hosting the Kansas Energy Expo.

Current Year Governor Recommendation

The **Governor** concurs with the agency capital improvements request in FY 2015.

Budget Year Agency Request

FY 2016 – Budget Year. The agency requests FY 2016 capital improvements expenditures of $7.6 million, an increase of $6.8 million, or 866.7 percent, above the FY 2015 request. The request includes $7.4 million from the State General Fund, an increase of $6.9 million, or 1,282.5 percent, above the FY 2015 request from the State General Fund. The capital improvements projects included in the budget for FY 2016 are:

- **Capital Maintenance and Repair.** The agency estimates $200,000 in FY 2016 for maintaining the physical plant in an adequate, safe, and usable condition, which includes HVAC repair and replacement.

- **Asphalt Repairs.** The agency estimates $40,000 in FY 2016 for asphalt repairs.

- **Expo Center Replacement.** The agency requests $5.6 million, all from the State General Fund, for replacement of the Expo Center, the Fair's horse facility. The agency indicates that the facility requires remediation of a number of issues, including a roof replacement, moisture and corrosion issues, and restroom renovations. After reviewing a contractor's proposal and an engineer's report, the agency believes replacement is the best and most cost-effective option.

- **State General Fund Transfer to State Fair Capital Improvements Fund.** The agency requests $1.3 million, all from the State General Fund, as a transfer into the State Fair Capital Improvements Fund for FY 2016. The agency indicates that this amount would fill a funding gap left from when some past statutory transfers from the State General Fund were not made to the State Fair Capital Improvements Fund.

Budget Year Governor Recommendation

The **Governor** concurs with the agency capital improvements request for FY 2016 with the following adjustments.

- Reduction of $1.3 million to eliminate a transfer from the State General Fund to the State Fair Capital Improvements Fund.
- Reduction of $5.6 million to not recommend construction of a new Expo Center.

Budget Year Agency Request

FY 2017 – Budget Year. The agency requests FY 2017 capital improvements expenditures of $1.1 million, a decrease of $6.5 million, or 85.3 percent, below the FY 2016 request. The request includes $585,000 from the State General Fund for debt service principal, a decrease of $6.8 million, or 92.1 percent, below the FY 2016 request from the State General Fund due to the one-time requested replacement of the Expo Center in FY 2016. The capital improvements projects included in the budget for FY 2017 are:

- **Capital Maintenance and Repair**. The agency estimates $280,000 in FY 2016 for maintaining the physical plant in an adequate, safe, and usable condition, which includes HVAC repair and replacement.
- **Asphalt Repairs**. The agency estimates $40,000 in FY 2016 for asphalt repairs.
- **Pride of Kansas Building Roof Replacement.** The agency requests $216,000 for replacement of the roof on the Pride of Kansas Building.

Budget Year Governor Recommendation

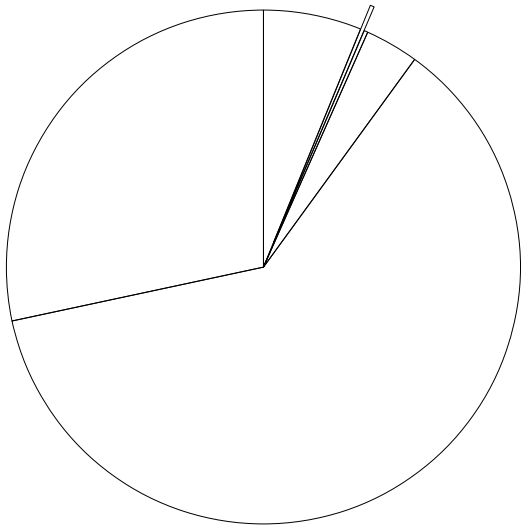
The **Governor** concurs with the agency request for capital improvements for FY 2017.

PERFORMANCE MEASURES

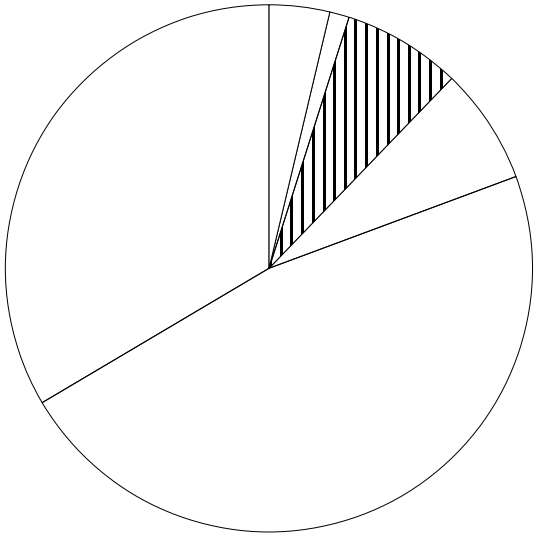
Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Grandstand attendance	50,910	48,162	48,030	30,000	30,000
Fair week attendance	340,795	340,795	355,329	346,538	346,538
Non-fair activities: number of events	425	414	420	420	420
Non-fair activities: number of event days	750	806	780	780	780

TRANSPORTATION

State General Fund



All Funds



Transportation includes the Department of Transportation (KDOT) which has responsibility for construction and maintenance of highways and other transportation functions.

The Governor's FY 2016 recommendation for the Transportation function totals $1.1 billion from all funding sources. The Governor's FY 2017 recommendation for the Transportation function totals $1.6 billion from all funding sources. The FY 2017 recommendation represents an all funds increase of 38.6 percent or $433.4 million from FY 2016 recommendation.

Agencies in this Function:

Kansas Department of Transportation.....799

A total of 2,139.5 FTE positions are recommended by the Governor for the Transportation function for FY 2016 and FY 2017. This is no change from the Governor's FY 2015 recommendation. Of all state FTE positions, 5.8 percent are in this function.

Agencies in this function comprise 7.3 percent of expenditures from all funding sources for FY 2016, and 9.9 percent for FY 2017.

Kansas Department of Transportation

	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	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	642,879,804	644,113,493	635,894,658	625,048,333	615,977,587	620,421,389	615,867,845
TOTAL	$ 642,879,804	$ 644,113,493	$ 635,894,658	$ 625,048,333	$ 615,977,587	$ 620,421,389	$ 615,867,845
Capital Improvements:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Funds	1,020,990,976	745,203,260	694,203,260	987,576,574	489,818,042	965,063,516	923,363,073
TOTAL	$ 1,020,990,976	$ 745,203,260	$ 694,203,260	$ 987,576,574	$ 489,818,042	$ 965,063,516	$ 923,363,073
Non-reportable Expenditures	$ 339,739,123	$ 504,185,486	$ 504,185,486	$ 186,682,355	$ 446,326,260	$ 168,453,341	$ 179,240,258
GRAND TOTAL	**$ 2,003,609,903**	**$ 1,893,502,239**	**$ 1,834,283,404**	**$ 1,799,307,262**	**$ 1,552,121,889**	**$ 1,753,938,246**	**$ 1,718,471,176**
Percentage Change:							
Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	25.7	0.2	(1.1)	(3.0)	(3.1)	(0.7)	(0.0)
FTE Positions	2,302.5	2,139.5	2,139.5	2,139.5	2,139.5	2,139.5	2,139.5
Non-FTE Perm.Uncl.Pos.	435.0	598.0	598.0	598.0	598.0	598.0	598.0
TOTAL	2,737.5	2,737.5	2,737.5	2,737.5	2,737.5	2,737.5	2,737.5

The Kansas Department of Transportation (KDOT) is a cabinet-level agency headed by a Secretary appointed by the Governor. The purpose of KDOT is to coordinate the planning, development, and operation of the various modes and systems of transportation within the state. KDOT has administrative and planning responsibilities for aviation, highways, public transportation, railroads, and waterways. However, the agency's efforts focus primarily on approximately 10,000 of the state highway system's 140,000 miles of public roads and highways. KDOT has four programs: Administration and Transportation Planning, Local Support, Maintenance, and Construction.

Reportable and Non-reportable Expenditures

In order to gauge the full magnitude of spending by KDOT, a number of tables include non-reportable expenditures including: bond payments (largest), inter-agency transfers, inter-agency motor fuel sales, payments for the Rail Loan program, and leasing of radios and tower space as part of KDOT's inter-operable 800 MHz communication system. However, for state budgeting and accounting purposes, an expenditure is categorized as reportable only when it is initially spent to avoid double counting. Consequently, when reviewing KDOT's budget, most tabular data (including those in the Governor's Budget Report) reflect reportable expenditures and exclude spending of non-reportable money. The magnitude of non-reportable spending by KDOT is significant: estimated at $504.2 million in FY 2015, $186.7 million for FY 2016, and $168.5 million for FY 2017.

State Operations and Capital Improvements

In a state agency budget, state operations include agency operating costs for salaries and wages and other operating expenditures. Other operating expenditures include contractual services, commodities, and capital outlay. Agency budgets also include separate categories for aid to local units, other assistance, and capital improvements. The KDOT budget differs from other agency budgets in that expenditures typically considered state operations are included with budgeted capital improvements expenditures. For example, the Construction program includes capital improvements expenditures, but also contains expenditures classified as state operations.

MAJOR ISSUES FROM PRIOR YEARS

Comprehensive Transportation Program

The **1999 Legislature** enacted a 10-year Comprehensive Transportation Program (CTP) for FY 2000 through FY 2009. The CTP included maintenance and substantial maintenance; construction and reconstruction, with major modifications and priority bridges; system enhancement projects; and a highway demonstration project to evaluate pavement guarantees by the contractor. The CTP also provided enhanced assistance to local units of government and programs for other transportation elements, including rail, air, and public transit.

Total CTP expenditures of $12.9 billion were proposed in 1999, with total revenues estimated at $12.7 billion. To fund the

program, the Legislature included revenue enhancements totaling $2.3 billion from motor fuels taxes, a State General Fund sales tax transfer, interest on funds, and bonds. With the completion of the CTP, actual revenues and expenditures from FY 2000 to FY 2009 totaled $13.3 billion.

Adjustments made to the 1999 Comprehensive Transportation Program:

Beginning in the **2001 Session**, the Legislature made a series of adjustments to the financing of the CTP. The following describes the major revenue sources of the CTP, the original funding mechanisms, and the changes adopted by subsequent Sessions of the Legislature.

- **Motor Fuels Taxes.** The **1999 Legislature** authorized a four-cents-per-gallon increase in motor fuel taxes. The tax was implemented in phases, with a two-cent increase on July 1, 1999, a one cent increase on July 1, 2001, and the remaining one cent increase on July 1, 2003. The 2002 Legislature increased the motor fuel tax an additional two cents per gallon beginning on July 1, 2002, for a total increase of six cents between 1999 and July 1, 2003. The additional two-cent increase in 2002 was estimated to generate an additional $253.7 million for the CTP from FY 2003 to FY 2009.

- **State General Fund Sales Tax Transfer.** Beginning in 1983, a portion of sales tax receipts were transferred from the State General Fund to the State Highway Fund. The 1999 Legislature approved the transfer of 7.628 percent of sales tax receipts from the State General Fund to the State Highway Fund for FY 2000 and FY 2001. The original intent was to increase the transfer over the next five fiscal years to a rate of 12.0 percent in FY 2005 and subsequent fiscal years.

- The **2000 Legislature** reduced the transfers in FY 2000 and FY 2001 by $27.2 million and $39.2 million, respectively. The 2001 Legislature approved a further reduction of $3.0 million in the FY 2001 transfer and reduced the FY 2002 transfer by $20.0 million. The 2002 Legislature eliminated the FY 2003 sales tax transfer, estimated at $149.0 million. The 2003 Legislature eliminated the estimated $128.0 million sales tax transfer in FY 2004. The sales tax transfer was eliminated for the remainder of the CTP by the 2004 Legislature.

- **Sales and Compensating Use Tax Direct Deposit.** In 1989, the Legislature increased the sales and compensating use tax from 4.0 percent to 4.25 percent, and directed that the additional 0.25 percent go to the State Highway Fund; the State Highway Fund also received a direct deposit attributable to this portion of all sales and use tax receipts. The 2004 Legislature increased the sales and use tax direct deposit to 0.38 percent beginning in FY 2007 and to 0.65 percent in FY 2008 and subsequent fiscal years.

- **Motor Vehicle Registration Fees.** Motor vehicle registration fees are deposited in the State Highway Fund. The 2002 Legislature increased motor vehicle registration fees for passenger automobiles and pickup trucks by $5, and for other trucks in amounts ranging from $2 to $10, beginning July 1, 2002. The increases were

estimated to generate an additional $84.6 million for the CTP from FY 2003 to FY 2009.

- **Federal Construction Reimbursement.** The 2004 Legislature included an estimated additional $250.0 million in federal aid from FY 2005 to FY 2009.

- **Bonding Authority.** The 1999 Legislature authorized the issuance of CTP bonds of $995.0 million, backed by the State Highway Fund. The 2001 Legislature authorized additional bond authority of $277.0 million for the CTP. This additional bonding was authorized to offset the reduction in the sales tax transfer approved by the 2001 Legislature. To compensate for the elimination of the sales tax transfer, the 2004 Legislature authorized the issuance of $150.0 million in State General Fund backed bonds with the proceeds deposited in the State Highway Fund. In addition, the 2004 Legislature authorized the issuance of up to an additional $60.0 million in State General Fund bonds if the Federal Highway Trust Fund did not generate an additional $50.0 million annually for the CTP. The agency reports that all the authorized CTP and State General Fund bonds have been issued. The debt service for the $210.0 million in State General Fund bonds appears in the Department of Administration's budget.

- **Other Adjustments.** The 2002 Legislature transferred $94.6 million from the State Highway Fund to the State General Fund. This funding was equal to the FY 2002 sales tax transfer amount and was considered a loan with repayment scheduled in FY 2003. The 2003 Legislature delayed repayment until FY 2007 with the repayment to be spread over four fiscal years.

- The **2003 Legislature** transferred $28.9 million from the State Highway Fund to the State General Fund to finance the Kansas Highway Patrol in FY 2004. This transfer was considered to be a loan with repayment scheduled each year from FY 2007 to FY 2010. The 2003 Legislature also transferred $1.6 million from the State Highway Fund to the State General Fund to finance a portion of the Department of Revenue's Division of Vehicles. This loan was scheduled for repayment in FY 2007.

- The **2006 Legislature** approved a $32.5 million transfer in FY 2007 from the State General Fund to the State Highway Fund for loan repayments. Payments of $31.9 million annually were scheduled in fiscal years 2008, 2009, and 2010 (as noted later, Governor and Legislative action canceled both the FY 2009 and FY 2010 loan repayments to the State Highway Fund).

Other Major Issues

KDOT Communications System Project. The 2004 Legislature authorized KDOT to purchase, for lease to public safety, governmental, and non-governmental entities, communications equipment, including access to radio communication towers. The Legislature added 4.0 FTE positions and transferred $385,184 from the State Highway Fund to the newly established Communication System

Revolving Fund for the program in FY 2005. Due to the nature of the fund, the Communications System Revolving Fund was considered "off-budget" for budgetary and accounting purposes. Federal funding for the project is considered "on-budget."

On June 1, 2005, the agency began a project to upgrade its existing statewide 800 MHz communication system. The upgrade had two basic purposes. One was to provide statewide "interoperability" to public safety agencies and first responders. "Interoperability" would allow communications between various types of 800 MHz and non-800 MHz radio systems. The second purpose was to provide a "trunked" system which would allow seamless communication ability for KDOT, the Kansas Highway Patrol, first responders, and other emergency response and public safety agencies as they traveled from the area of one radio tower to the next. The system would utilize the 76 towers already owned and operated by KDOT.

The project was divided into several phases. Phase I involved 17 counties in southeast Kansas. Both interoperability and trunking have been completed in Phase I. Phase II was originally scheduled over a three-year period, with Phase II-A including towers along the Turnpike corridor and the tower north of Salina in Ottawa County; Phase II-B including the remaining towers in Northeast Kansas and the tower in Finney County; and Phase II-C including the remaining towers in South-central Kansas. Interoperability and trunking have been completed in all of the Phase II radio towers.

Phase III initially covered the remainder of Northwest Kansas, Phase IV, Southwest Kansas, and Phase V, North-central Kansas. Funding for these areas was not identified at the beginning of the project, so completion of sites in Phase III, Phase IV, and Phase V has been accomplished as funds have become available. This partial funding has come from federal monies received from the Public Safety Interoperable Communications (PSIC) Grant program, American Recovery and Reinvestment Act (ARRA) funding, and Regional Homeland Security Grants, as well as from KDOT radio maintenance budgets for FY 2010 and 2011. To date, all tower sites in all of the remaining phases have been upgraded for interoperability, so, as of September 30, 2010, Kansas has achieved statewide interoperability for KDOT, the Kansas Highway Patrol, first responders, and other emergency response and public safety agencies. As part of Phase III, there were also an additional 16 of the 42 tower sites which were converted to the 800 MHz trunked radio system.

In FY 2011, Phase IV consisted of an additional eight tower sites that were converted to the 800 MHz trunked radio system. At the end of FY 2011, there were 14 tower sites remaining in both Northwest Kansas and Southwest Kansas that needed to be converted to the 800 MHz trunked radio system to complete the entire project statewide. The agency states that the project has been completed, and now the only ongoing expenditures are for continued operation and maintenance.

Subarea Shop Purchasing Contracts. Beginning in FY 2005, the Legislature authorized a proviso allowing KDOT subarea shops to opt out of existing purchasing contracts in those cases when the vendor's prescribed in the existing state purchasing contracts are not located within the five-digit zip code of the shop.

Railroad Regulation. The 2005 Legislature transferred all powers, duties, and functions related to the regulation of railroads from the Kansas Corporation Commission to KDOT.

Affordable Airfare Fund. The 2006 Legislature created the State Affordable Airfare Fund in the Department of Commerce, funded through a transfer of $5.0 million from the State Highway Fund annually from FY 2007 to FY 2011. In FY 2012 and FY 2013, this transfer was made from the Economic Development Initiatives Fund (EDIF), but is set to continue as a transfer from the State Highway Fund in FY 2014 and FY 2015.

Traffic Records Enhancement Fund. The 2007 Legislature created the Traffic Records Enhancement Fund in FY 2008 and directed the agency to report to the House Appropriations and Senate Ways and Means Committees on expenditures from the fund.

The **2008 Legislature** authorized in 2008 SB 359, up to $1.0 million in FY 2009 and FY 2010 from the North Central Kansas Air Passenger Service Support Fund for the Manhattan, Kansas regional airport to secure passenger service, with reimbursements for any expenditures to be paid from the Economic Development Initiatives Fund in subsequent fiscal years.

The **2009 Legislature** approved the transfer of $25,287,150, all from the State Highway Fund, to the State General Fund to reimburse the State General Fund in FY 2009 and FY 2010 for Comprehensive Transportation Plan bond payments.

The **2010 Legislature** approved expenditure reductions and transfers from the State Highway Fund to the State General Fund which totaled $143.3 million in FY 2010, and included: (1) $108.0 million captured through reductions to agency operations, preservation lettings, and existing State Highway Fund balance; (2) $25.3 million transferred to reimburse the State General Fund for debt service principal and interest payments on Comprehensive Transportation Plan (CTP) bonds (as part of 2009 Senate Sub. for HB 2373); and (3) $10.0 million transferred as part of $11.0 million in federal funding the agency is eligible to receive as part of the passage of HB 2130, the primary safety belt law.

In addition, the **2010 Legislature** approved expenditure reductions and transfers from the State Highway Fund to the State General Fund totaling $149.3 million in FY 2011, which included: (1) $124.3 million captured through reductions to agency operations, preservation lettings, and existing State Highway Fund balance; and (2) $25.0 million to reimburse the State General Fund for debt service principal and interest payments on Comprehensive Transportation Plan (CTP) bonds.

The **2010 Legislature** also approved cancellation of the transfer of $10.1 million from the State General Fund to the Special City and County Highway Fund in FY 2011.

The **2010 Legislature** also approved cancellation of the FY 2011 loan repayment from the State General Fund to the State Highway Fund of $30,896,209. The amount was originally delayed from FY 2010 to FY 2011.

In addition, the **2010 Legislature** added language that would repay the five previously underpaid counties a total of $11.1 million from FY 2012 to FY 2016 from the Special City and County Highway Fund. The payments are deducted from the quarterly distributions from the Special City and County Highway Fund for five years from the 100 remaining counties that were overpaid from FY 2000 to FY 2009.

The **2010 Legislature** also enacted the ten-year T-WORKS transportation program (2010 Senate Sub. for Senate Sub. for HB 2650) for the period of FY 2011 to FY 2020. Expenditures for the period are estimated at $8.2 billion. New revenue enhancements of $2.7 billion during the period are authorized, including authority to issue new bonds up to an 18.0 percent debt service bonding cap (such that debt service on agency bonds owed in a year cannot exceed 18.0 percent of expected State Highway Fund revenues). It is estimated that $1.7 billion in bonds will be issued over the 10-year period.

The **2011 Legislature** transferred $205.0 million from the State Highway Fund to the State General Fund in FY 2012. In order to capture the necessary savings for the FY 2012 transfer, preservation projects were reduced by $22.0 million in both FY 2011 and FY 2012. The additional $5.0 million was to capture administrative savings experienced by the agency in FY 2011.

The **2013 Legislature** transferred $3.5 million from the State Highway Fund to the new Municipal University Forensic Laboratory Fund in FY 2014 and added language to provide that the transfer shall be repaid in full by Washburn University before the end of FY 2015. And then added $3.5 million, all from the new Municipal University Forensic Laboratory Fund in FY 2014, to provide funding for a new forensic science laboratory at Washburn University for use by the Kansas Bureau of Investigation.

The **2013 Legislature** (1) transferred $6,751,952 from the State Highway Fund to the Department of Revenue's Division of Vehicles Modernization Fund in FY 2013; (2) transferred $893,036 from the State Highway Fund to the Department of Education in FY 2013, $143.5 million in FY 2014, and $107.5 million in FY 2015; and (3) increased the transfer from the State Highway Fund to the Kansas Highway Patrol Operations Fund by $315,986 in FY 2013.

The **2013 Legislature** deleted $25,000 in FY 2013, $321,267 and 3.0 FTE positions in FY 2014, and $305,161 and 3.0 FTE positions in FY 2015, all from special revenue funds, to transfer certain emergency response responsibilities from the Department of Transportation to the Adjutant General.

The **2013 Legislature** approved direct transfers from the State Highway Fund to the Highway Patrol operations fund totaling $55.1 million in FY 2014, and $56.5 million for FY 2015, to support the operations of the Highway Patrol.

The **2013 Legislature** reduced the sales tax to 6.15 percent, effective July 1, 2013. This change in sales tax also led to a recalculation of the amount that the State Highway Fund receives, in order to keep them whole. It was estimated that KDOT would receive sales tax in the amount of $478.5 million in FY 2014, and $510.3 million in FY 2015.

The **2013 Legislature** enacted HB 2234 which names the Secretary of Transportation (Secretary) as the director of operations of the Kansas Turnpike Authority (KTA). The director of operations is responsible for the daily administration of the toll roads, bridges, structures and facilities constructed, maintained, or operated by the KTA and the director or the director's designee would have such powers as are necessary to carry out those responsibilities. This provision will expire July 1, 2016.

The bill provided that the KTA cannot use KTA toll or other revenue in ways other than those established in existing law: maintaining, repairing, and operating turnpike projects; paying principal and interest on bonds and creating reserves for the same; fixing and collecting tolls; and entering into certain types of contracts.

The bill changed authority for contracting between KTA and the Kansas Department of Transportation (KDOT) for three years. The bill adds an effective date of July 1, 2016, to provisions in existing law regarding contracting between the KTA and KDOT (generally, allowing KTA to contract with KDOT for use of KDOT resources for certain types of work related to KTA projects).

In a new section, the bill stated the KTA retains its separate identity, powers, and duties as an instrumentality of the state; however, the bill in this new section requires duplication of effort, facilities, and equipment between KDOT and the KTA be minimized in operation and maintenance of turnpikes and highways in the state. The KTA and the Secretary are authorized to take actions including the temporary transfer of personnel, property and equipment from the KTA to the Secretary and from the Secretary to the KTA. Further, the bill requires the integrity of the bonded indebtedness be maintained through the actions of the KTA. The provisions of this new section will expire July 1, 2016.

The **2014 Legislature** deleted $4.8 million in FY 2014 and $10.5 million in FY 2015 in debt service expenditures, based on the most recent estimates from the Highway Revenue Estimating Group.

The **2014 Legislature** deleted $1.4 million in FY 2014 and $1.7 million in FY 2015 in Special City and County Highway Fund expenditures, based on the most recent estimates from the Highway Revenue Estimating Group.

The **2014 Legislature** deleted $3.5 million, all from the Municipal University Forensic Laboratory Fund, to reflect expenditures not made from the fund in FY 2014. These funds were later transferred to the State General Fund as part of 2014 HB 2506.

The **2014 Legislature** transferred $7.5 million, all from the State Highway Fund to the State General Fund, to provide for statehouse grounds renovation and repair payments in FY 2014.

The **2014 Legislature** transferred $20.0 million, all from the State Highway Fund to the Statehouse Debt Service account of the Department of Administration, to pay for Statehouse debt service payments for FY 2015.

The **2014 Legislature** added $20,800, all from the State Highway Fund, from Sub. for 2014 HB 2424 which allows the agency to expend gifts and donations for designations and memorial signage for FY 2015.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency's** revised reportable estimate for FY 2015 totals $1.4 billion, all from special revenue funds, which is an increase of $76.2 million, or 5.8 percent, above the FY 2015 approved amount. The agency notes that the increase is largely due to ongoing projects that were delayed from FY 2014 into FY 2015. The agency states that this is the 5th year of the T-WORKS program, and that fluctuations in its funding request are due to its best estimate at a given point in time as to projects being let, and subsequent funding streams for projects. The revised request includes 2,139.5 FTE positions, which is a decrease of 163.0 FTE positions from the number approved by the 2014 Legislature, but also includes a corresponding increase of 163.0 non-FTE positions. The agency states that it allowed several different classifications within the agency to go unclassified, which attributes for the shift from FTE to non-FTE positions, while still remaining at the approved positions level.

FY 2015 Governor Recommendation

The **Governor** recommends a reportable FY 2015 budget totaling $1.3 billion, all from special revenue funds, which is a decrease of $59.2 million, or 4.3 percent, below the agency's FY 2015 revised estimate. The difference from the agency's FY 2015 revised estimate, which was submitted before the December Allotment, is due to the following recommended adjustments: 1) a reduction of $1,446,486, all from special revenue funds, reducing the Kansas Public Employer Regular

and School Member employer contribution rate, 2) a reduction of $58.8 million, all from special revenue funds, which includes: a) $51.0 million in reductions to capital improvements projects, b) $7.8 million for a 3.0 percent allotment to expenditures, and 3) a transfer of $103,479,087, from the State Highway Fund to the State General Fund, in FY 2015. The Governor's recommendation also includes an increase of $1.0 million to FY 2015 State Highway Fund revenues estimated by the November 2014 Highway Consensus Revenue Estimating group.

FY 2016 Agency Request

The **agency** requests a FY 2016 reportable budget of $1.6 billion, all from special revenue funds, an increase of $223.3 million, or 16.1 percent, above the FY 2015 revised estimate. The agency's FY 2016 budget reflects this being the 6th year of the T-WORKS program and the continuation of current and planned project expenditures, and reflects the agency's best estimate as to project expenditure schedules.

The FY 2016 request includes operating expenditures totaling $625.0 million, which is a decrease of $19.1 million, or 3.0 percent, below the FY 2015 revised operating budget. The FY 2016 request includes salaries and wages expenditures totaling $159.5 million, which is an increase of $173,571, or 0.1 percent, above the FY 2015 revised estimate. The agency states that the FY 2016 budget reflects a number of operating increases made to reflect increases for employee fringe benefits, Office of Information Technology Services expenditures, and inflation. The FY 2016 request includes 2,139.5 FTE and 598.0 non-FTE positions, which is no change from the FY 2015 revised estimate.

The agency's FY 2016 budget includes Federal and Local Aid reimbursement estimates totaling $356.2 million. This is an increase of $29.2 million, or 8.9 percent, above the FY 2015 revised estimate.

FY 2016 Governor Recommendation

The **Governor** recommends FY 2016 reportable operating expenditures totaling $1.1 billion, all from special revenue funds, which is a decrease of $506.8 million, or 31.4 percent, below the agency's FY 2016 request. The difference from the agency's FY 2016 request is due to the following recommended adjustments: 1) a reduction of $1,784,965 to reduce employer contributions for state employee health insurance; 2) $491.0 million in budget reductions, 3) $13.3 million for a 5.0 percent allotment to expenditures, 4) a reduction of $1.8 million in building projects from the agency's FY 2016 request. The Governor's recommendation also includes an increase of $1.0 million to FY 2016 State Highway Fund revenues estimated by the November 2014 Highway Consensus Revenue Estimating group.

FY 2017 Agency Request

The **agency** requests a FY 2017 reportable budget of $1.6 billion, all from special revenue funds, a decrease of $27.1 million, or 1.7 percent, below the FY 2016 request. The agency's FY 2017 budget reflects this being the 7th year of the T-WORKS program and the continuation of current and planned project expenditures, and reflects the agency's best estimate as to project expenditure schedules.

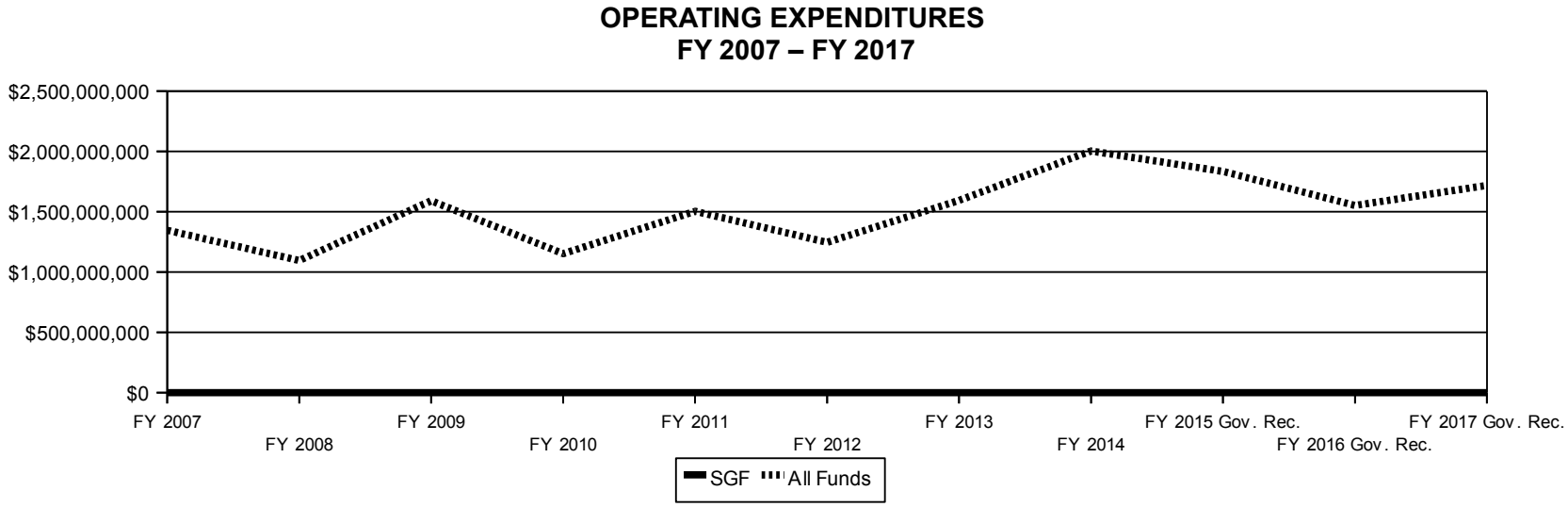
The FY 2017 request includes operating expenditures totaling $620.4 million, which is a decrease of $4.6 million, or 0.7 percent, below the FY 2016 requested reportable operating budget. The FY 2017 request includes salaries and wages expenditures totaling $166.5 million, which is an increase of $7.0 million, or 4.4 percent, above the FY 2016 request. The agency states that the FY 2017 budget reflects a number of operating increases made to reflect increases for employee fringe benefits, Office of Information Technology Services expenditures, and the 27 payroll period which occurs in that fiscal year. The FY 2017 request includes 2,139.5 FTE and 598.0 non-FTE positions, which is no change from the FY 2016 request.

The agency's budget submission notes Federal and Local Aid reimbursement estimates within the FY 2017 request totaling $337.3 million. This is a decrease of $19.0 million, or 5.3 percent, below the FY 2016 request.

FY 2017 Governor Recommendation

The **Governor** recommends FY 2017 reportable operating expenditures totaling $1.5 billion, all from special revenue funds, which is a decrease of $46.3 million, or 2.9 percent, below the agency's FY 2017 request. The difference from the agency's FY 2017 request is due to the following recommended adjustments: 1) a reduction of $1,820,706 to reduce employer contributions for state employee health insurance, 2) $30.0 million in budget reductions, 3) $13.8 million for a 5.0 percent allotment to expenditures, 4) a reduction of $1.7 million in buildings projects from the agency's FY 2017 request. The Governor's recommendation also includes an increase of $1.0 million to FY 2017 State Highway Fund revenues estimated by the November 2014 Highway Consensus Revenue Estimating group.

BUDGET TRENDS



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	$ 0	- -%	$ 1,346,322,290	(1.0)%	3,220.5
2008	0	- -	1,095,844,109	(18.6)	3,201.5
2009	0	- -	1,590,886,908	45.2	3,113.5
2010	0	- -	1,152,389,464	(27.6)	3,113.5
2011	0	- -	1,503,382,472	30.5	3,113.5
2012	0	- -	1,246,526,150	(17.1)	2,916.5
2013	0	- -	1,593,683,724	27.9	2,829.5
2014	0	- -	2,003,609,903	25.7	2,302.5
2015 Gov. Rec.	0	- -	1,834,283,404	(8.5)	2,139.5
2016 Gov. Rec.	0	- -	1,552,121,889	(15.4)	2,139.5
2017 Gov. Rec.	0	- -	1,718,471,176	10.7	2,139.5
Eleven-Year Change	$ 0	- -%	$ 372,148,886	27.6 %	(1,081.0)

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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 & Transportation Planning	$ 48,741,880	$ 54,282,727	$ 61,388,868	$ 7,106,141	13.1 %	$ 53,491,052	$ 58,972,021	$ 5,480,969	10.2 %
Local Support	215,125,458	238,889,647	218,602,946	(20,286,701)	(8.5)	239,815,915	219,277,719	(20,538,196)	(8.6)
Maintenance	138,338,850	141,047,643	142,064,438	1,016,795	0.7	139,255,596	134,854,101	(4,401,495)	(3.2)
Construction	1,261,664,592	955,096,736	1,190,568,655	235,471,919	24.7	897,535,355	692,691,788	(204,843,567)	(22.8)
TOTAL - Reportable	$ 1,663,870,780	$ 1,389,316,753	$ 1,612,624,907	$ 223,308,154	16.1 %	$ 1,330,097,918	$ 1,105,795,629	$ (224,302,289)	(16.9)%
Administration & Transportation Planning	$ 83,247	$ 7,250,500	$ 250,500	$ (7,000,000)	(96.5) %	$ 7,250,500	$ 250,500	$ (7,000,000)	(96.5)%
Local Support	3,200,152	8,105,297	1,588,442	(6,516,855)	(80.4)	8,105,297	1,588,442	(6,516,855)	(80.4)
Maintenance	2,342,211	2,305,161	2,000,000	(305,161)	(13.2)	2,305,161	2,000,000	(305,161)	(13.2)
Construction	72,204,834	1,050,000	1,000,000	(50,000)	(4.8)	1,050,000	1,000,000	(50,000)	(4.8)
Transfers	261,908,679	485,474,528	181,843,413	(303,631,115)	(62.5)	485,474,528	441,487,318	(43,987,210)	(9.1)
TOTAL - Non-Reportable	$ 339,739,123	$ 504,185,486	$ 186,682,355	$ (317,503,131)	(63.0) %	$ 504,185,486	$ 446,326,260	$ (57,859,226)	(11.5)%
GRAND TOTAL	$ 2,003,609,903	$ 1,893,502,239	$ 1,799,307,262	$ (94,194,977)	(5.0) %	$ 1,834,283,404	$ 1,552,121,889	$ (282,161,515)	(15.4)%
By Major Object of Expenditure:									
Salaries and Wages	$ 147,648,007	$ 159,335,078	$ 159,508,649	$ 173,571	0.1 %	$ 150,095,162	$ 144,400,073	$ (5,695,089)	(3.8)%
Contractual Services	165,613,745	117,973,893	116,975,981	(997,912)	(0.8)	117,973,893	116,975,981	(997,912)	(0.8)
Commodities	40,936,350	40,533,516	41,292,277	758,761	1.9	40,533,516	41,292,277	758,761	1.9
Capital Outlay	16,630,470	15,490,387	16,593,537	1,103,150	7.1	15,490,387	16,593,537	1,103,150	7.1
Debt Service	60,417,707	78,010,845	77,366,204	(644,641)	(0.8)	78,010,845	82,366,204	4,355,359	5.6
Subtotal - Operations	$ 431,246,279	$ 411,343,719	$ 411,736,648	$ 392,929	0.1 %	$ 402,103,803	$ 401,628,072	$ (475,731)	(0.1)%
Aid to Local Units	187,329,856	194,949,666	189,471,764	(5,477,902)	(2.8)	195,970,747	190,509,594	(5,461,153)	(2.8)
Other Assistance	24,303,669	37,820,108	23,839,921	(13,980,187)	(37.0)	37,820,108	23,839,921	(13,980,187)	(37.0)
Capital Improvements	1,020,990,976	745,203,260	987,576,574	242,373,314	32.5	694,203,260	489,818,042	(204,385,218)	(29.4)
TOTAL - Reportable	$ 1,663,870,780	$ 1,389,316,753	$ 1,612,624,907	$ 223,308,154	16.1 %	$ 1,330,097,918	$ 1,105,795,629	$ (224,302,289)	(16.9)%
TOTAL - Non-Reportable	339,739,123	504,185,486	186,682,355	(317,503,131)	(63.0)	504,185,486	446,326,260	(57,859,226)	(11.5)
GRAND TOTAL	$ 2,003,609,903	$ 1,893,502,239	$ 1,799,307,262	$ (94,194,977)	(5.0) %	$ 1,834,283,404	$ 1,552,121,889	$ (282,161,515)	(15.4)%

Summary of Operating Budget FY 2014 - FY 2016

		Agency Estimate				Governor's Recommendation			
	Actual 2014	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
Financing:									
State Highway Fund	$ 1,332,501,053	$ 1,004,130,927	$ 1,261,846,592	$ 257,715,665	25.7 %	$ 943,891,011	$ 748,979,484	$ (194,911,527)	(20.6)%
All Other Funds	331,369,727	385,185,826	350,778,315	(34,407,511)	(8.9)	386,206,907	356,816,145	(29,390,762)	(7.6)
Total - Reportable	$ 1,663,870,780	$ 1,389,316,753	$ 1,612,624,907	$ 223,308,154	16.1 %	$ 1,330,097,918	$ 1,105,795,629	$ (224,302,289)	(16.9)%
State Highway Fund	$ 181,297,089	$ 196,783,434	$ 184,426,155	$ (12,357,279)	(6.3) %	$ 196,783,434	$ 194,070,060	$ (2,713,374)	(1.4)%
All Other Funds	158,442,034	307,402,052	2,256,200	(305,145,852)	(99.3)	307,402,052	252,256,200	(55,145,852)	(17.9)
TOTAL - Non-Reportable	$ 339,739,123	$ 504,185,486	$ 186,682,355	$ (317,503,131)	(63.0) %	$ 504,185,486	$ 446,326,260	$ (57,859,226)	(11.5)%
GRAND TOTAL	$ 2,003,609,903	$ 1,893,502,239	$ 1,799,307,262	$ (94,194,977)	(5.0) %	$ 1,834,283,404	$ 1,552,121,889	$ (282,161,515)	(15.4)%

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 & Transportation Planning	$ 61,388,868	$ 63,026,890	$ 1,638,022	2.7 %	$ 58,972,021	$ 60,526,586	$ 1,554,565	2.6 %
Local Support	218,602,946	218,596,724	(6,222)	(0.0)	219,277,719	219,256,619	(21,100)	(0.0)
Maintenance	142,064,438	146,597,679	4,533,241	3.2	134,854,101	139,197,694	4,343,593	3.2
Construction	1,190,568,655	1,157,263,612	(33,305,043)	(2.8)	692,691,788	1,120,250,019	427,558,231	61.7
TOTAL - Reportable	$ 1,612,624,907	$ 1,585,484,905	$ (27,140,002)	(1.7) %	$ 1,105,795,629	$ 1,539,230,918	$ 433,435,289	39.2 %
Administration & Transportation Planning	$ 250,500	$ 250,500	$ 0	0.0 %	$ 250,500	$ 250,500	$ 0	0.0 %
Local Support	1,588,442	4,342,242	2,753,800	173.4	1,588,442	4,342,242	2,753,800	173.4
Maintenance	2,000,000	2,000,000	0	0.0	2,000,000	2,000,000	0	0.0
Construction	1,000,000	1,000,000	0	0.0	1,000,000	1,000,000	0	0.0
Transfers	181,843,413	160,860,599	(20,982,814)	(11.5)	441,487,318	171,647,516	(269,839,802)	(61.1)
TOTAL - Non-Reportable	$ 186,682,355	$ 168,453,341	$ (18,229,014)	(9.8) %	$ 446,326,260	$ 179,240,258	$ (267,086,002)	(59.8)%
GRAND TOTAL	$ 1,799,307,262	$ 1,753,938,246	$ (45,369,016)	(2.5) %	$ 1,552,121,889	$ 1,718,471,176	$ 166,349,287	10.7 %
By Major Object of Expenditure:								
Salaries and Wages	$ 159,508,649	$ 166,517,730	$ 7,009,081	4.4 %	$ 144,400,073	$ 150,926,355	$ 6,526,282	4.5 %
Contractual Services	116,975,981	108,047,229	(8,928,752)	(7.6)	116,975,981	108,047,229	(8,928,752)	(7.6)
Commodities	41,292,277	42,601,152	1,308,875	3.2	41,292,277	42,601,152	1,308,875	3.2
Capital Outlay	16,593,537	16,658,738	65,201	0.4	16,593,537	16,658,738	65,201	0.4
Debt Service	77,366,204	73,288,790	(4,077,414)	(5.3)	82,366,204	83,288,790	922,586	1.1
Subtotal - Operations	$ 411,736,648	$ 407,113,639	$ (4,623,009)	(1.1) %	$ 401,628,072	$ 401,522,264	$ (105,808)	(0.0)%
Aid to Local Units	189,471,765	189,908,954	437,189	0.2	190,509,594	190,946,785	437,191	0.2
Other Assistance	23,839,921	23,398,796	(441,125)	(1.9)	23,839,921	23,398,796	(441,125)	(1.9)
Capital Improvements	987,576,574	965,063,516	(22,513,058)	(2.3)	489,818,042	923,363,073	433,545,031	88.5
Total - Reportable	$ 1,612,624,908	$ 1,585,484,905	$ (27,140,003)	(1.7) %	$ 1,105,795,629	$ 1,539,230,918	$ 433,435,289	39.2 %
Total - Non-Reportable	186,682,355	168,453,341	(18,229,014)	(9.8)	446,326,260	179,240,258	(267,086,002)	(59.8)
GRAND TOTAL	$ 1,799,307,263	$ 1,753,938,246	$ (45,369,017)	(2.5) %	$ 1,552,121,889	$ 1,718,471,176	$ 166,349,287	10.7 %

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
Financing:								
State Highway Fund	$ 1,261,846,592	$ 1,236,556,814	$ (25,289,778)	(2.0) %	$ 748,979,484	$ 1,179,264,996	$ 430,285,512	57.4 %
All Other Funds	350,778,315	348,928,091	(1,850,224)	(0.5)	356,816,145	359,965,922	3,149,777	0.9
Total - Reportable	$ 1,612,624,907	$ 1,585,484,905	$ (27,140,002)	(1.7) %	$ 1,105,795,629	$ 1,539,230,918	433,435,289	39.2 %
State Highway Fund	$ 184,426,155	$ 163,443,341	$ (20,982,814)	(11.4) %	194,070,060	174,230,258	(19,839,802)	(10.2)%
All Other Funds	2,256,200	5,010,000	2,753,800	122.1	252,256,200	5,010,000	(247,246,200)	(98.0)
TOTAL - Non-Reportable	$ 186,682,355	$ 168,453,341	$ (18,229,014)	(9.8) %	$ 446,326,260	$ 179,240,258	$ (267,086,002)	(59.8)%
GRAND TOTAL	$ 1,799,307,262	$ 1,753,938,246	$ (45,369,016)	(2.5) %	$ 1,552,121,889	$ 1,718,471,176	$ 166,349,287	10.7 %

A. FY 2015 – Current Year

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 Highway Fund	$ 956,223,801	$ 1,004,130,927	$ 47,907,126	$ 943,891,011	$ (12,332,790)
All Other Funds	356,942,611	385,185,826	28,243,215	386,206,907	29,264,296
TOTAL	$ 1,313,166,412	$ 1,389,316,753	$ 76,150,341	$ 1,330,097,918	$ 16,931,506
FTE Positions	2,302.5	2,139.5	(163.0)	2,139.5	(163.0)

The **agency's** revised reportable estimate for FY 2015 totals $1.4 billion, all from special revenue funds, which is an increase of $76.2 million, or 5.8 percent, above the FY 2015 approved amount. The agency notes that the increase is largely due to ongoing projects that were delayed from FY 2014 into FY 2015. The agency states that this is the 5th year of the T-WORKS program, and that fluctuations in its funding request are due to its best estimate at a given point in time as to projects being let, and subsequent funding streams for projects. The revised request includes 2,139.5 FTE positions, which is a decrease of 163.0 FTE positions from the number approved by the 2014 Legislature, but also includes a corresponding increase of 163.0 non-FTE positions. The agency states that it allowed several different classifications within the agency to go unclassified, which attributes for the shift from FTE to non-FTE positions, while still remaining at the approved positions level.

The **Governor** recommends a reportable FY 2015 budget totaling $1.3 billion, all from special revenue funds, which is a decrease of $59.2 million, or 4.3 percent, below the agency's FY 2015 revised estimate. The difference from the agency's FY 2015 revised estimate, which was submitted before the December Allotment, is due to the following recommended adjustments.

- A reduction of $1,446,486, all from special revenue funds, reducing the Kansas Public Employer Regular and School Member employer contribution rate.

- A reduction of $58.8 million, all from special revenue funds, which includes: a) $51.0 million in reductions to capital improvements projects, b) $7.8 million for a 3.0 percent allotment to expenditures.

- A transfer of $103,479,087, from the State Highway Fund to the State General Fund, in FY 2015.

The Governor's recommendation also includes an increase of $1.0 million to FY 2015 State Highway Fund revenues estimated by the November 2014 Highway Consensus Revenue Estimating group.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 1,612,624,907	$ 1,105,795,629	$ (506,829,278)
FTE Positions	2,139.5	2,139.5	0.0
Change from FY 2015:			
Dollar Change:			
State General Fund	$ 0	$ 0	
All Other Funds	223,308,154	(224,302,289)	
TOTAL	$ 223,308,154	$ (224,302,289)	
Percent Change:			
State General Fund	-- %	-- %	
All Other Funds	16.1	(16.9)	
TOTAL	16.1 %	(16.9) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests a FY 2016 reportable budget of $1.6 billion, all from special revenue funds, an increase of $223.3 million, or 16.1 percent, above the FY 2015 revised estimate. The agency's FY 2016 budget reflects this being the 6th year of the T-WORKS program and the continuation of current and

planned project expenditures, and reflects the agency's best estimate as to project expenditure schedules.

The FY 2016 request includes operating expenditures totaling $625.0 million, which is a decrease of $19.1 million, or 3.0 percent, below the FY 2015 revised operating budget. The FY 2016 request includes salaries and wages expenditures totaling $159.5 million, which is an increase of $173,571, or 0.1 percent, above the FY 2015 revised estimate. The agency states that the FY 2016 budget reflects a number of operating increases made to reflect increases for employee fringe benefits, Office of Information Technology Services expenditures, and inflation. The FY 2016 request includes 2,139.5 FTE and 598.0 non-FTE positions, which is no change from the FY 2015 revised estimate.

The agency's FY 2016 budget includes Federal and Local Aid reimbursement estimates totaling $356.2 million. This is an increase of $29.2 million, or 8.9 percent, above the FY 2015 revised estimate.

Adjustments by program include the following.

Administration and Transportation Planning - an increase of $7.1 million, or 13.1 percent, above the FY 2015 revised estimate. Most of the increase ($4.7 million, or 25.1 percent) is in contractual services, followed by ($2.4 million, or 7.9 percent) in salaries and wages.

Local Support - a decrease of $20.3 million, or 8.5 percent, below the FY 2015 revised estimate. This decrease occurs within other assistance ($14.0 million), aid to locals ($5.5 million), contractual services ($1.3 million) and commodities ($538,595), partially offset by lesser increases in capital outlay ($395,013) and salaries and wages ($161,043).

Maintenance - an increase of $1.0 million, or 0.7 percent, above the FY 2015 revised estimate. This increase occurs within commodities ($993,066), capital outlay ($920,117), and contractual services ($191,165), partially offset by a decrease in salaries and wages ($1.1 million).

Construction - an increase of $235.5 million, or 24.7 percent, above the FY 2015 revised estimate. This increase primarily occurs within capital improvements ($242.4 million), partially offset by decreases in salaries and wages ($1.3 million) and contractual services ($4.6 million).

The **Governor** recommends FY 2016 operating expenditures totaling $1.1 billion, all from special revenue funds, which is a decrease of $506.8 million, or 31.4 percent, below the agency's FY 2016 request. The difference from the agency's FY 2016 request is due to the following recommended adjustments.

- A reduction of $1,784,965 to reduce employer contributions for state employee health insurance.
- $491.0 million in budget reductions.
- $13.3 million for a 5.0 percent allotment to expenditures.
- A reduction of $1.8 million in buildings projects from the agency's FY 2016 request.

The Governor's recommendation also includes an increase of $1.0 million to FY 2016 State Highway Fund revenues estimated by the November 2014 Highway Consensus Revenue Estimating group.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY

	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	$ 1,585,484,905	$ 1,539,230,918	$ (46,253,987)
FTE Positions	2,139.5	2,139.5	0.0
Change from FY 2016:			
Dollar Change:			
State General Fund	$ --	$ --	
All Other Funds	(27,140,002)	433,435,289	
TOTAL	$ (27,140,002)	$ 433,435,289	
Percent Change:			
State General Fund	-- %	-- %	
All Other Funds	(1.7)	39.2	
TOTAL	(1.7) %	39.2 %	
Change in FTE Positions	0.0	0.0	

The **agency** requests a FY 2017 reportable budget of $1.6 billion, all from special revenue funds, a decrease of $27.1 million, or 1.7 percent, below the FY 2016 request. The agency's FY 2017 budget reflects this being the 7th year of the T-WORKS program and the continuation of current and planned project expenditures, and reflects the agency's best estimate as to project expenditure schedules.

The FY 2017 request includes operating expenditures totaling $620.4 million, which is a decrease of $4.6 million, or 0.7 percent, below the FY 2016 requested reportable operating budget. The FY 2017 request includes salaries and wages expenditures totaling $166.5 million, which is an increase of $7.0 million, or 4.4 percent, above the FY 2016 request. The agency states that the FY 2017 budget reflects a number of operating increases made to reflect increases for employee

fringe benefits, Office of Information Technology Services expenditures, and the 27 payroll period. The FY 2017 request includes 2,139.5 FTE and 598.0 non-FTE positions, which is no change from the FY 2016 request.

The agency's budget submission notes Federal and Local Aid reimbursements estimates within the FY 2017 request totaling $337.3 million. This is a decrease of $19.0 million, or 5.3 percent, below the FY 2016 request.

Adjustments by program include the following.

Administration and Transportation Planning - an increase of $1.6 million, or 2.7 percent, above the FY 2016 request. Most of the increase ($1.5 million, or 4.6 percent) is in salaries and wages.

Local Support - a decrease of $6,222, or less than 0.1 percent, below the FY 2016 request. This decrease occurs in capital outlay ($400,475) and other assistance ($441,125), partially offset by increases in salaries and wages ($172,123), contractual services ($125,960), commodities ($100,105) and aid to local units ($437,190).

Maintenance - an increase of $4.5 million, or 3.2 percent, above the FY 2016 request. This increase occurs in salaries and wages ($3.0 million, or 4.3 percent) and commodities ($1.2 million, 3.0 percent).

Construction - a decrease of $33.3 million, or 2.8 percent, below the FY 2016 request. This decrease primarily occurs within capital improvements ($22.5 million), and contractual services ($9.2 million). These decreases are partially offset by an increase to salaries and wages ($2.3 million) and capital outlay ($128,434).

The **Governor** recommends FY 2017 reportable operating expenditures totaling $1.5 billion, all from special revenue funds, which is a decrease of $46.3 million, or 2.9 percent, below the agency's FY 2017 request. The difference from the agency's FY 2017 request is due to the following recommended adjustments: 1) A reduction of $1,820,706 to reduce employer contributions for state employee health insurance; 2) $30.0 million in budget reductions, 3) $13.8 million for a 5.0 percent allotment to expenditures, 4) a reduction of $1.7 million in buildings projects from the agency's FY 2017 request. The Governor's recommendation also includes an increase of $1.0 million to FY 2017 State Highway Fund revenues estimated by the November 2014 Highway Consensus Revenue Estimating group.

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 $709,612, and affects 2,282 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 $1,158,158, and FY 2017 longevity payments total $1,235,853.**

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 $1,784,965, for FY 2016. This is a reduction of $1,820,706, 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.

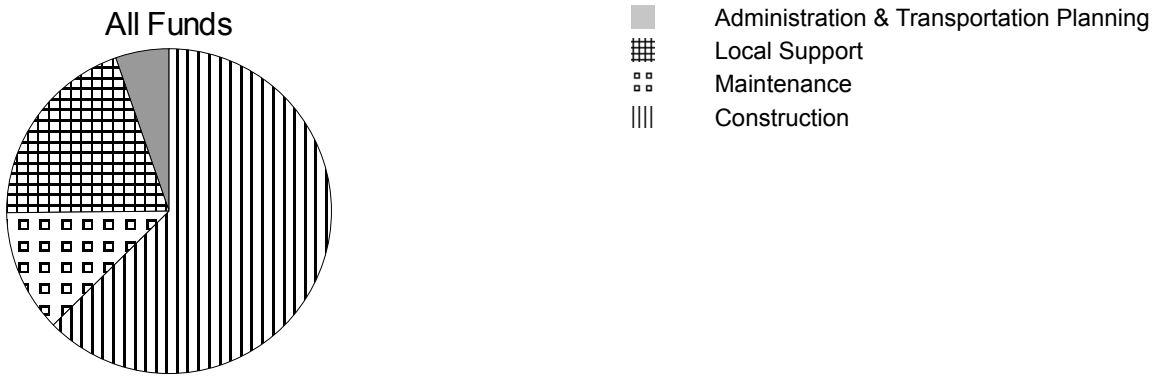
The Governor further proposes offering $1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution 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

Reportable Funding Sources	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 Highway Fund	78.2 %	67.7 %	78.0 %	76.6 %
Highway Bonds Fund Debt Service	11.2	16.8	11.5	12.4
Special City and County Highway Fund	8.9	13.0	9.0	9.4
Coordinated Public Transportation Assistance	0.7	1.0	0.7	0.7
Rail Service Improvement Fund	0.3	0.5	0.1	0.1
All Other Funds	0.7	1.0	0.7	0.7
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

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 & Transportation Planning	$ 58,972,021	5.3 %	$ 0	-- %
Local Support	219,277,719	19.8	0	--
Maintenance	134,854,101	12.2	0	--
Construction	692,691,788	62.6	0	--
TOTAL	$ 1,105,795,629	100.0 %	$ 0	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 & Transportation Planning	304.5	223.0	223.0	223.0	223.0	223.0	223.0
Local Support	31.0	26.0	26.0	26.0	26.0	26.0	26.0
Maintenance	1,258.0	1,230.0	1,230.0	1,230.0	1,230.0	1,230.0	1,230.0
Construction	709.0	660.5	660.5	660.5	660.5	660.5	660.5
TOTAL	2,302.5	2,139.5	2,139.5	2,139.5	2,139.5	2,139.5	2,139.5

A. Administration & Transportation Planning

The goal of the Administration and Transportation Planning program is to "provide the direction, planning, coordination, communication, and administrative support that foster an integrated, multimodal transportation system to meet the needs of Kansas." Management planning and goal and policy direction are included in this program. The program also provides administrative and management functions for the agency such as financial and human resource management, information technology, and inventory and procurement support. KDOT maintains a central office with the state divided into six districts. This program is responsible for mapping and transportation data collection and analysis. The program includes planning support for highways, railroads, public transit, and general aviation. In addition, this program coordinates public outreach through media, legislative, and intergovernmental relations. To achieve these goals, the management program is comprised of the following subprograms: Administration; Office of the Secretary; Roads, Rail, and Water; Aviation Planning; and Operations Support.

ADMINISTRATION & TRANSPORTATION PLANNING
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	$ 30,112,476	$ 30,655,283	$ 29,863,608	$ 33,085,951	$ 30,669,104	$ 34,604,982	$ 32,104,678
Contractual Services	14,085,000	18,803,408	18,803,408	23,518,088	23,518,088	23,421,968	23,421,968
Commodities	594,045	820,810	820,810	806,437	806,437	823,827	823,827
Capital Outlay	1,508,246	3,403,226	3,403,226	3,378,392	3,378,392	3,576,113	3,576,113
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 46,299,767	$ 53,682,727	$ 52,891,052	$ 60,788,868	$ 58,372,021	$ 62,426,890	$ 59,926,586
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	2,442,113	600,000	600,000	600,000	600,000	600,000	600,000
Capital Improvements	0	0	0	0	0	0	0
Reportable Expenditures	$ 48,741,880	$ 54,282,727	$ 53,491,052	$ 61,388,868	$ 58,972,021	$ 63,026,890	$ 60,526,586
Non-reportable Exp.	83,247	7,250,500	7,250,500	250,500	250,500	250,500	250,500
TOTAL	$ 48,825,127	$ 61,533,227	$ 60,741,552	$ 61,639,368	$ 59,222,521	$ 63,277,390	$ 60,777,086
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	48,741,880	54,282,727	53,491,052	61,388,868	58,372,021	63,026,890	60,526,586
Reportable Expenditures	$ 48,741,880	$ 54,282,727	$ 53,491,052	$ 61,388,868	$ 58,372,021	$ 63,026,890	$ 60,526,586
Non-reportable Exp.	83,247	7,250,500	7,250,500	250,500	250,500	250,500	250,500
TOTAL	$ 48,825,127	$ 61,533,227	$ 60,741,552	$ 61,639,368	$ 58,622,521	$ 63,277,390	$ 60,777,086
FTE Positions	304.5	223.0	223.0	223.0	223.0	223.0	223.0
Non-FTE Uncl. Perm. Pos.	152.0	240.0	240.0	240.0	240.0	240.0	240.0
TOTAL	456.5	463.0	463.0	463.0	463.0	463.0	463.0

* Includes non-reportable expenditures of $7.0 million for capitol restoration in the FY 2015 revised estimate.

The **agency** requests FY 2016 operating expenditures totaling $61.4 million, all from special revenue funds, for the Administration and Transportation Planning program. This is an all funds increase of $7.1 million, or 13.1 percent, above the FY 2015 revised estimate. Most of the increase ($4.7 million, or 25.1 percent) is in contractual services, followed by ($2.4 million, or 7.9 percent) in salaries and wages.

- **Salaries and Wages.** The agency requests expenditures of $33.1 million, all from special revenue funds, to fund 223.0 FTE and 240.0 non-FTE positions for FY 2016. The request is an all funds increase of $2.4 million, or 7.9 percent, above the FY 2015 revised estimate. Increases from the FY 2015 revised estimate include: unclassified temporary pay ($3.4 million), employer contributions to public employee retirement ($497,740), group health and hospitalization ($340,760), and medicare ($116,315). These increases are partially offset by a decrease in classified regular pay ($1.8 million).

- **Contractual Services.** The agency requests expenditures of $23.5 million, all from special revenue funds, for FY 2016. This request is an increase of $4.7 million, or 25.1 percent, above the FY 2015 revised estimate. Increases from the FY 2015 revised estimate include: accountants and auditors ($3.4 million), state buildings operating charges ($635,156), information systems consulting ($328,511), other rentals ($302,784), and job related training and conference regulations ($190,165).

- **Commodities.** The agency requests expenditures of $806,437, all from special revenue funds, for FY 2016. This request is a decrease of $14,373, or 1.8 percent, below the FY 2015 revised estimate. Particular decreases from the FY 2015 revised estimate are in the categories of buildings and grounds materials ($23,504), partially offset by increases in stationery and office supplies ($6,064), and data processing supplies ($3,380).

- **Capital Outlay.** The agency requests expenditures of $3.4 million, all from special revenue funds, for FY 2016. This request is a decrease of $24,834, or 0.7 percent, below the FY 2015 revised estimate. Particular decreases from the FY 2015 revised estimate are in the categories of passenger cars ($143,478), microcomputers equipment ($121,374), partially offset by increases in software expenditures ($244,050).

- **Other Assistance.** The agency requests $600,000, all from the State Highway Fund, for expenditures for property damage or loss claims for FY 2016.

- **Non-reportable expenditures.** The agency requests expenditures of $250,500, which comes from two sources, expenditures from the conference fees account ($250,000), and the remittance of collected sales tax ($500).

The **Governor** recommends FY 2016 operating expenditures totaling $59.0 million, all from special revenue funds, for the Administration and Transportation Planning

program. This is a decrease of $2.4 million, or 3.9 percent, below the agency's FY 2016 request. The difference from the agency's FY 2016 request is due to the following recommended adjustments.

- A reduction of $325,080 to reduce employer contributions for state employee health insurance.

- $2.1 million in budget reductions.

The **agency** requests FY 2017 operating expenditures totaling $63.0 million, all from special revenue funds, for the Administration and Transportation Planning program. This is an all funds increase of $1.6 million, or 2.7 percent, above the FY 2016 request. Most of the increase ($1.5 million, or 4.6 percent) is in salaries and wages.

- **Salaries and Wages.** The agency requests expenditures of $34.6 million, all from special revenue funds, to fund 223.0 FTE and 240.0 non-FTE positions for FY 2017. The request is an all funds increase of $1.5 million, or 4.6 percent, above the FY 2016 request. Increases from the FY 2016 request include: unclassified temporary pay ($541,819), employer contributions to public employee retirement ($408,811), classified regular pay ($305,676), group health and hospitalization ($76,579), and medicare ($68,609).

- **Contractual Services.** The agency requests expenditures of $23.4 million, all from special revenue funds, for FY 2017. This request is a decrease of $96,120, or 0.4 percent, below the FY 2016 request. Increases in other freight and express ($192,469) are partially offset by decreases in accountants and auditors ($395,000) and information systems consulting ($26,703).

- **Commodities.** The agency requests expenditures of $823,827, all from special revenue funds, for FY 2017. This request is an increase of $17,390, or 2.2 percent, above the FY 2016 request. Particular increases from the FY 2016 request are in the categories of stationery and office supplies ($6,605), data processing supplies ($6,425), and gasoline ($4,278).

- **Capital Outlay.** The agency requests expenditures of $3.6 million, all from special revenue funds, for FY 2017. This request is an increase of $197,721, or 5.9 percent, above the FY 2016 request. Changes from the FY 2016 request are in the category of professional and scientific equipment ($200,000), partially offset by a decrease in telecommunications termination equipment ($12,500).

- **Other Assistance.** The agency requests $600,000, all from the State Highway Fund, for expenditures for property damage or loss claims for FY 2017.

- **Non-reportable expenditures.** The agency requests expenditures of $250,500, which are from two sources, expenditures from the conference fees account ($250,000), and the remittance of collected sales tax ($500).

The **Governor** recommends FY 2017 operating expenditures totaling $60.5 million, all from special revenue funds, for the Administration and Transportation Planning program. This is a decrease of $2.5 million, or 4.0 percent, below the agency's FY 2017 request. The difference from the agency's FY 2017 request is due to the following recommended adjustments.

- A reduction of $331,588 to reduce employer contributions for state employee health insurance.

- $2.2 million in budget reductions.

B. Local Support

The goal of the Local Support program is to "assist in providing safe, efficient, and reliable local multimodal transportation systems." This program provides planning and financial assistance to local governments and administers both state and federal funding for city and county roads, street, and bridge improvements, rural public transportation planning and assistance, transportation for the elderly and disabled, and highway safety plans and programs. The Local Support program includes aid to local units of government through the Special City and County Highway Fund (SCCHF). The SCCHF receives funding from motor fuel taxes and motor carrier property taxes. The funds are distributed quarterly, with 57.0 percent distributed to counties and 43.0 percent distributed to cities. Each county receives a base allocation of $5,000 with the remainder distributed on a formula based on motor vehicle registration fees, average daily vehicle miles traveled, and total road miles within each county. The city distribution is based on population. This program includes safety programs targeting seat belt usage, drunk driving, underage drinking, and community awareness such as the "Click It or Ticket," and "You Drink, You Drive, You Lose," media campaigns. To achieve these goals, the local support program is comprised of the following subprograms: Special City and County Highway Aid; Traffic Safety; Local Projects; Public Transportation Assistance; and Categorical Aid.

LOCAL SUPPORT
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	$ 3,388,831	$ 3,547,938	$ 3,453,125	$ 3,708,981	$ 3,345,924	$ 3,881,104	$ 3,503,168
Contractual Services	4,644,951	5,720,215	5,720,215	4,428,010	4,428,010	4,553,970	4,553,970
Commodities	243,777	631,058	631,058	538,595	538,595	638,700	638,700
Capital Outlay	269,128	180,662	180,662	575,675	575,675	175,200	175,200
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 8,546,687	$ 10,079,873	$ 9,985,060	$ 9,251,261	$ 8,888,204	$ 9,248,974	$ 8,871,038
Aid to Local Units	184,717,215	191,589,666	192,610,747	186,111,764	187,149,594	186,548,954	187,586,785
Other Assistance	21,861,556	37,220,108	37,220,108	23,239,921	23,239,921	22,798,796	22,798,796
Capital Improvements	0	0	0	0	0	0	0
Reportable Expenditures	$ 215,125,458	$ 238,889,647	$ 239,815,915	$ 218,602,946	$ 219,277,719	$ 218,596,724	$ 219,256,619
Non-reportable Exp.	3,200,152	8,105,297	8,105,297	1,588,442	1,588,442	4,342,242	4,342,242
TOTAL	$ 218,325,610	$ 246,994,944	$ 247,921,212	$ 220,191,388	$ 220,866,161	$ 222,938,966	$ 223,598,861
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	215,125,458	238,889,647	239,815,915	218,602,946	219,277,719	218,596,724	219,256,619
Reportable Expenditures	$ 215,125,458	$ 238,889,647	$ 239,815,915	$ 218,602,946	$ 219,277,719	$ 218,596,724	$ 219,256,619
Non-reportable Exp.	3,200,152	8,105,297	8,105,297	1,588,442	1,588,442	4,342,242	4,342,242
TOTAL	$ 218,325,610	$ 246,994,944	$ 247,921,212	$ 220,191,388	$ 220,866,161	$ 222,938,966	$ 223,598,861
FTE Positions	31.0	26.0	26.0	26.0	26.0	26.0	26.0
Non-FTE Uncl. Perm. Pos.	20.0	25.0	25.0	25.0	25.0	25.0	25.0
TOTAL	51.0	51.0	51.0	51.0	51.0	51.0	51.0

The **agency** requests FY 2016 operating expenditures totaling $218.6 million, all from special revenue funds, for the Local Support program. This is an all funds decrease of $20.3 million, or 8.5 percent, below the FY 2015 revised estimate. This decrease occurs within other assistance ($14.0 million), aid to locals ($5.5 million), contractual services ($1.3 million) and commodities ($538,595), partially offset by lesser increases in capital outlay ($395,013) and salaries and wages ($161,043).

- **Salaries and Wages.** The agency requests expenditures of $3.7 million, all from special revenue funds, to fund 26.0 FTE and 25.0 non-FTE positions for FY 2016. The request is an all funds increase of $161,043, or 4.5 percent, above the FY 2015 revised estimate. Increases from the FY 2015 revised estimate primarily include: unclassified temporary pay ($185,070), and employer contributions to public employee retirement ($45,642). These increases are partially offset by decreases in classified regular pay ($64,967) and unclassified regular pay ($10,000).

- **Contractual Services.** The agency requests expenditures of $4.4 million, all from special revenue funds, for FY 2016. This request is a decrease of $1.3 million, or 22.6 percent, below the FY 2015 revised estimate. Decreases from the FY 2015 revised estimate include: other professional fees ($1.6 million), repair and service building ground ($330,000), partially offset by increases to computer software maintenance service ($632,000, and outsourced program administration ($77,629).

- **Commodities.** The agency requests expenditures of $538,595, all from special revenue funds, for FY 2016. This request is a decrease of $92,463, or 14.7 percent, below the FY 2015 revised estimate. The primary decrease from the FY 2015 revised estimate are in the category of other supplies and materials ($93,228).

- **Capital Outlay.** The agency requests expenditures of $575,675, all from special revenue funds, for FY 2016. This request is an increase of $395,013, or 218.6 percent, above the FY 2015 revised estimate. The primary increase from the FY 2015 revised estimate are in the category of software ($402,150), partially offset by decreases to microcomputer equipment ($5,137) and professional and scientific equipment ($3,000).

- **Aid to Local Units.** The agency requests expenditures of $186.1 million, all from special revenue funds, for expenditures for Special City and County Highway Aid ($145.4 million), State Aid ($36.0 million), and Federal Aid ($4.7 million) for FY 2016. The primary decreases from FY 2015 are in estimated State's Aid ($5.5 million), followed by Federal Aid ($685,000).

- **Other Assistance.** The agency requests $23.2 million, all from special revenue funds, for expenditures for State assistance ($5.0 million), and Federal assistance ($18.2 million) for FY 2016.

- **Non-reportable expenditures.** Non-reportable expenditures total $1.6 million, which include payments for the Rail Loan program and transfers to other state agencies for safety programs.

The **Governor** recommends FY 2016 operating expenditures totaling $219.3 million, all from special revenue funds, for the Local Support program. This is an increase of $674,773, or 0.3 percent, above the agency's FY 2016 request. The difference from the agency's FY 2016 request is due to the following recommended adjustments.

- A reduction of $32,386 to reduce employer contributions for state employee health insurance.

- $330,671 in budget reductions.

- An increase of $1,037,830 to FY 2016 Special City and County Highway Fund revenues estimated by the November 2014 Highway Consensus Revenue Estimating group.

The **agency** requests FY 2017 operating expenditures totaling $218.6 million, all from special revenue funds, for the Local Support program. This is an all funds decrease of $6,222, or less than 0.1 percent, below the FY 2016 request. This decrease occurs in capital outlay ($400,475) and other assistance ($441,125), partially offset by increases in salaries and wages ($172,123), contractual services ($125,960), commodities ($100,105) and aid to local units ($437,190).

- **Salaries and Wages.** The agency requests expenditures of $3.9 million, all from special revenue funds, to fund 26.0 FTE and 25.0 non-FTE positions for FY 2017. The request is an all funds increase of $172,123, or 4.6 percent, above the FY 2016 request. Increases from the FY 2016 request include: unclassified temporary pay ($54,330), employer contributions to public employee retirement ($46,863), classified regular pay ($46,756), medicare ($7,807), and group health and hospitalization ($7,631).

- **Contractual Services.** The agency requests expenditures of $4.6 million, all from special revenue funds, for FY 2017. This request is an increase of $125,960, or 2.8 percent, above the FY 2016 request. Increases from the FY 2016 request include: advertising and marketing ($123,928), and in-state meals and lodging ($1,532).

- **Commodities.** The agency requests expenditures of $638,700, all from special revenue funds, for FY 2017. This request is an increase of $100,105, or 18.6 percent, above the FY 2016 request. This increase from the FY 2016 request is primarily in the category of other supplies and materials ($100,016).

- **Capital Outlay.** The agency requests expenditures of $175,200, all from special revenue funds, for FY 2017. This request is a decrease of $400,475, or 69.6 percent, below the FY 2016 request. The primary decrease from the FY 2016 request are in the category of software ($402,675), partially offset by an increase in microcomputer equipment ($2,200).

- **Aid to Local Units.** The agency requests expenditures of $186.5 million, all from special revenue funds, for expenditures for Special City

and County Highway Aid ($145.9 million), State Aid ($36.0 million), and Federal Aid ($4.7 million) for FY 2017.

- **Other Assistance.** The agency requests $22.8 million, all from special revenue funds, for expenditures for State assistance ($2.2 million), and Federal assistance ($20.6 million) for FY 2017.

- **Non-reportable expenditures.** The agency requests expenditures of $4.3 million, which include payments for the Rail Loan program and transfers to other state agencies for safety programs.

The **Governor** recommends FY 2017 operating expenditures totaling $219.3 million, all from special revenue funds, for the Local Support program. This is an increase of $659,895, or 0.3 percent, above the agency's FY 2017 request. The difference from the agency's FY 2017 request is due to the following recommended adjustments.

- A reduction of $33,034 to reduce employer contributions for state employee health insurance.

- $344,902 in budget reductions, partially offset by an increase of $1,037,831 to FY 2017 Special City and County Highway Fund revenues estimated by the November 2014 Highway Consensus Revenue Estimating group.

C. Maintenance

The Maintenance program contains all regular highway and bridge maintenance functions performed by the state. Regular maintenance activities are designed to preserve, repair, and restore the roadway system to its designed or accepted standards. System elements include travel-way surfaces, shoulders, roadsides, drainage facilities, bridges, signs, and markings. Also included are such traffic services as lighting and signal operation, snow and ice removal, and operation of roadside rest areas.

Maintenance activities are undertaken to offset the effects of deterioration, damage, and vandalism. Deterioration includes the effects of aging, weather, material fatigue, and design and construction weaknesses. Activities also include repair of buildings and equipment essential to perform maintenance activities.

Funds are also provided to cities to assist in maintenance of routes designated as highway connecting links. Costs for maintenance of these links are apportioned between KDOT and the city as determined by agreement. KDOT reimburses cities and counties at the rate of $3,000 per lane-mile for links maintained.

In addition, funds are available for substantial maintenance on city connecting links, costs for maintenance of these links are apportioned between KDOT and the city as determined by agreement. When cities enter into an agreement for the city connecting links to be maintained by the state, KDOT then become responsible for all maintenance on the connecting link. Agency leasing expenditures are included as non-reportable expenditures while federal funds for the program are included as reportable expenditures. To achieve these goals, the local support program is comprised of the following subprograms: Regular Maintenance, and Communications System - On Budget.

MAINTENANCE
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	$ 64,667,962	$ 70,678,737	$ 68,886,690	$ 69,591,184	$ 62,380,847	$ 72,586,855	$ 65,186,870
Contractual Services	19,079,333	19,193,257	19,193,257	19,384,422	19,384,422	19,624,819	19,624,819
Commodities	37,930,286	37,530,229	37,530,229	38,523,295	38,523,295	39,680,947	39,680,947
Capital Outlay	14,048,513	10,285,420	10,285,420	11,205,537	11,205,537	11,345,058	11,345,058
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	$ 135,726,094	$ 137,687,643	$ 135,895,596	$ 138,704,438	$ 131,494,101	$ 143,237,679	$ 135,837,694
Aid to Local Units	2,612,641	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000	3,360,000
Other Assistance	0	0	0	0	0	0	0
Capital Improvements	115	0	0	0	0	0	0
Reportable Expenditures	$ 138,338,850	$ 141,047,643	$ 139,255,596	$ 142,064,438	$ 134,854,101	$ 146,597,679	$ 139,197,694
Non-reportable Exp.	2,342,211	2,305,161	2,305,161	2,000,000	2,000,000	2,000,000	2,000,000
TOTAL	$ 140,681,061	$ 143,352,804	$ 141,560,757	$ 144,064,438	$ 136,854,101	$ 148,597,679	$ 141,197,694
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	138,338,735	141,047,643	139,255,596	142,064,438	134,854,101	146,597,679	139,197,694
Reportable Expenditures	$ 138,338,850	$ 141,047,643	$ 139,255,596	$ 142,064,438	$ 134,854,101	$ 146,597,679	$ 139,197,694
Non-reportable Exp.	2,342,211	2,305,161	2,305,161	2,000,000	2,000,000	2,000,000	2,000,000
TOTAL	$ 140,681,061	$ 143,352,804	$ 141,560,757	$ 144,064,438	$ 136,854,101	$ 148,597,679	$ 141,197,694
FTE Positions	1,258.0	1,230.0	1,230.0	1,230.0	1,230.0	1,230.0	1,230.0
Non-FTE Uncl. Perm. Pos.	152.0	180.0	180.0	180.0	180.0	180.0	180.0
TOTAL	1,410.0	1,410.0	1,410.0	1,410.0	1,410.0	1,410.0	1,410.0

The **agency** requests FY 2016 operating expenditures totaling $142.1 million, all from special revenue funds, for the Maintenance program. This is an all funds increase of $1.0 million, or 0.7 percent, above the FY 2015 revised estimate. This increase occurs within commodities ($993,066), capital outlay ($920,117), and contractual services ($191,165), partially offset by a decrease in salaries and wages ($1.1 million).

- **Salaries and Wages.** The agency requests expenditures of $69.6 million, all from special revenue funds, to fund 1,230.0 FTE and 180.0 non-FTE positions for FY 2016. The request is an all funds decrease of $1.1 million, or 1.5 percent, below the FY 2015 revised estimate. Decreases from the FY 2015 revised estimate primarily include: classified regular pay ($1.4 million), group health and hospitalization ($528,516), unclassified regular pay ($301,000), and classified overtime pay ($121,903). These decreases are partially offset by increases in unclassified temporary pay ($824,624) and employer contributions to public employee retirement ($507,051).

- **Contractual Services.** The agency requests expenditures of $19.4 million, all from special revenue funds, for FY 2016. This request is an increase of $191,165, or 1.0 percent, above the FY 2015 revised estimate. Increases from the FY 2015 revised estimate include: other fees ($240,516), and electricity ($178,894). These increases are partially offset by decreases to surety bond and insurance premiums ($306,562), and computer software maintenance services ($195,673).

- **Commodities.** The agency requests expenditures of $38.5 million, all from special revenue funds, for FY 2016. This request is an increase of $993,066, or 2.6 percent, above the FY 2015 revised estimate. The primary increases from the FY 2015 revised estimate are in the categories of highway glass beads ($990,892), gasohol ($878,739), professional scientific supply ($592,956), highway signs ($538,746), gasoline federal excise tax ($397,305), and highway iron ($308,900). These increases are partially offset by decreases which include: highway asphalt concrete ($981,437), gasoline ($586,843), other vehicle parts and supplies ($544,794), diesel fuel ($506,408), and highway rock salt ($174,100).

- **Capital Outlay.** The agency requests expenditures of $11.2 million, all from special revenue funds, for FY 2016. This request is an increase of $920,117, or 8.9 percent, above the FY 2015 revised estimate. The primary increases from the FY 2015 revised estimate are in the categories of radio equipment fixed ($978,000), trucks ($575,079), shop and plant maintenance equipment ($170,804), partially offset by decreases to radio equipment portable ($515,000), self propelled equipment ($195,764), and telecommunications transmission equipment ($125,000).

- **Aid to Local Units.** The agency requests expenditures of $3.4 million, all from special revenue funds, for expenditures for highway to city connecting link maintenance for FY 2016.

- **Non-reportable expenditures.** Non-reportable expenditures total $2.0 million for FY 2016, and are for inter-agency transfers, including motor fuel sales and radio purchases.

The **Governor** recommends FY 2016 operating expenditures totaling $134.9 million, all from special revenue funds, for the Maintenance program. This is a decrease of $7.2 million, or 5.1 percent, below the agency's FY 2016 request. The difference from the agency's FY 2016 request is due to the following recommended adjustments.

- A reduction of $908,567 to reduce employer contributions for state employee health insurance.

- $6.3 million in budget reductions.

The **agency** requests FY 2017 operating expenditures totaling $146.6 million, all from special revenue funds, for the Maintenance program. This is an all funds increase of $4.5 million, or 3.2 percent, above the FY 2016 request. This increase occurs in salaries and wages ($3.0 million, or 4.3 percent) and commodities ($1.2 million, 3.0 percent).

- **Salaries and Wages.** The agency requests expenditures of $72.6 million, all from special revenue funds, to fund 1,230.0 FTE and 180.0 non-FTE positions for FY 2017. The request is an all funds increase of $3.0 million, or 4.3 percent, above the FY 2016 request. Increases from the FY 2016 request include: classified regular pay ($1.34 million), employer contributions to public employee retirement ($813,320), unclassified temporary pay ($322,928), group health and hospitalization ($214,037), and medicare ($131,591).

- **Contractual Services.** The agency requests expenditures of $19.6 million, all from special revenue funds, for FY 2017. This request is an increase of $240,397, or 1.2 percent, above the FY 2016 request. Increases from the FY 2016 request include: electricity ($54,952), repair and service weed spraying ($39,324), other professional fees ($39,166), repair and service building ground ($27,872), other contractual services ($25,001), surety bond and insurance premiums ($22,844) natural gas ($21,011), equipment rental ($14,328), self propeller repair ($11,200), and repair of traffic lightening ($10,310). These increases are partially offset by a decrease in other fees ($65,219).

- **Commodities.** The agency requests expenditures of $39.7 million, all from special revenue funds, for FY 2017. This request is an increase of $1.2 million, or 3.0 percent, above the FY 2016 request. This increase from the FY 2016 request comes primarily in the categories of highway rock salt ($197,978), highway aggregates ($177,207), highway asphaltic concrete ($165,457), among other materials, parts, supplies, and fuels increases ($617,011).

- **Capital Outlay.** The agency requests expenditures of $11.3 million, all from special revenue funds, for FY 2017. This request is an increase of $139,521, or 1.2 percent, above the FY 2016 request. The primary increases from the FY 2016 request are in the categories of radio

equipment portable ($124,000), internal equipment sales ($118,800), partially offset by a decrease to radio equipment fixed ($120,000).

- **Aid to Local Units.** The agency requests expenditures of $3.4 million, all from special revenue funds, for expenditures for highway to city connecting link maintenance for FY 2017.

- **Non-reportable expenditures.** Non-reportable expenditures total $2.0 million for FY 2017, and are for inter-agency transfers, including motor fuel sales and radio purchases.

The **Governor** recommends FY 2017 operating expenditures totaling $139.2 million, all from special revenue funds, for the Maintenance program. This is a decrease of $7.4 million, or 5.0 percent, below the agency's FY 2017 request. The difference from the agency's FY 2017 request is due to the following recommended adjustments.

- A reduction of $529,324 to reduce employer contributions for state employee health insurance.

- $6.5 million in budget reductions.

D. Construction

The Construction program includes functions and activities associated with constructing new highways and performing major renovations of existing state highways and facilities. The program is divided into seven subprograms: Debt Service, Design/Right of Way, Construction Inspection, State Projects, Buildings, Local Construction, and Preservation. Program activities include right-of-way purchase, design, construction supervision, materials testing, facilities construction and remodeling, debt service, and federal aid to local governments. Also included within this program are construction related transfers.

Highway construction projects are classified as Preservation, Modernization, and Expansion/Enhancement.

Preservation. This program includes maintenance activities completed by contract staff with selection based on statewide need, and includes the Priority Bridge program, which replaces or rehabilitates substandard bridges.

Modernization. The projects in this program are designed to improve the safety, and service of the existing roadway system by bringing it up to current design standards. Projects include widening or adding shoulders, flattening hills or removing curves in a road.

Expansion/Enhancement. This program is designed to improve safety, relieve congestion, improve access and enhance economic development. This includes corridor improvements, bypass construction, and interchange/separation improvements. The projects must be on the State Highway System or a logical addition to the State Highway System.

CONSTRUCTION
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	$ 49,478,738	$ 54,453,120	$ 47,891,739	$ 53,122,533	$ 48,004,198	$ 55,444,789	$ 50,131,639
Contractual Services	127,804,461	74,257,013	74,257,013	69,645,461	69,645,461	60,446,472	60,446,472
Commodities	2,168,242	1,551,419	1,551,419	1,423,950	1,423,950	1,457,678	1,457,678
Capital Outlay	804,583	1,621,079	1,621,079	1,433,933	1,433,933	1,562,367	1,562,367
Debt Service	60,417,707	78,010,845	78,010,845	77,366,204	82,366,204	73,288,790	83,288,790
Subtotal - Operations	$ 240,673,731	$ 209,893,476	$ 203,332,095	$ 202,992,081	$ 202,873,746	$ 192,200,096	$ 196,886,946
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
Capital Improvements	1,020,990,976	745,203,260	694,203,260	987,576,574	489,818,042	965,063,516	923,363,073
Reportable Expenditures	$ 1,261,664,707	$ 955,096,736	$ 897,535,355	$ 1,190,568,655	$ 692,691,788	$ 1,157,263,612	$ 1,120,250,019
Non-reportable Exp.	334,113,513	486,524,528	486,524,528	182,843,413	442,487,318	161,860,599	172,647,516
TOTAL	$ 1,595,778,220	$ 1,441,621,264	$ 1,384,059,883	$ 1,373,412,068	$ 1,135,179,106	$ 1,319,124,211	$ 1,292,897,535
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	1,261,664,592	955,096,736	897,535,355	1,190,568,655	692,691,788	1,157,263,612	1,120,250,019
Reportable Expenditures	$ 1,261,664,592	$ 955,096,736	$ 897,535,355	$ 1,190,568,655	$ 692,691,788	$ 1,157,263,612	$ 1,120,250,019
Non-reportable Exp.	334,113,513	486,524,528	486,524,528	182,843,413	442,487,318	161,860,599	172,647,516
TOTAL	$ 1,595,778,105	$ 1,441,621,264	$ 1,384,059,883	$ 1,373,412,068	$ 1,135,179,106	$ 1,319,124,211	$ 1,292,897,535
FTE Positions	709.0	660.5	660.5	660.5	660.5	660.5	660.5
Non-FTE Uncl. Perm. Pos.	111.0	153.0	153.0	153.0	153.0	153.0	153.0
TOTAL	820.0	813.5	813.5	813.5	813.5	813.5	813.5

The **agency** requests FY 2016 operating expenditures totaling $1.19 billion, all from special revenue funds, for the Construction program. This is an all funds increase of $235.5 million, or 24.7 percent, above the FY 2015 revised estimate. This increase primarily occurs within capital improvements ($242.4 million), partially offset by decreases in salaries and wages ($1.3 million) and contractual services ($4.6 million).

- **Salaries and Wages.** The agency requests expenditures of $53.1 million, all from special revenue funds, to fund 660.5 FTE and 153.0 non-FTE positions for FY 2016. The request is an all funds decrease of $1.3 million, or 2.4 percent, below the FY 2015 revised estimate. Decreases from the FY 2015 revised estimate primarily include: classified regular pay ($2.3 million), group health and hospitalization ($525,997), classified overtime pay ($188,800), and unclassified regular pay ($173,000). These decreases are partially offset by increases in unclassified temporary pay ($1.5 million), employer contributions to public employee retirement ($325,966), and classified temporary pay ($105,767).

- **Contractual Services.** The agency requests expenditures of $69.6 million, all from special revenue funds, for FY 2016. This request is a decrease of $4.6 million, or 3.9 percent, below the FY 2015 revised estimate. Decreases from the FY 2015 revised estimate primarily include: other professional fees ($3.2 million), architects and engineers ($1.0 million), and self prop repair other ($300,280).

- **Commodities.** The agency requests expenditures of $1.4 million, all from special revenue funds, for FY 2016. This request is a decrease of $127,469, or 8.2 percent, below the FY 2015 revised estimate. The primary decreases from the FY 2015 revised estimate are in the categories of highway signs ($170,000), and gasoline ($21,455). These decreases are partially offset by increases which include: professional scientific supply other ($54,896), and data processing supplies ($8,355).

- **Capital Outlay.** The agency requests expenditures of $1.4 million, all from special revenue funds, for FY 2016. This request is a decrease of $187,146, or 11.5 percent, below the FY 2015 revised estimate. The primary decreases from the FY 2015 revised estimate are in the categories of trucks ($287,075), and road/ microcomputer/equipment/software ($36,750). These decreases are primarily offset by increases to professional and scientific equipment ($122,043), and self propelled equipment ($27,275).

- **Capital Improvements.** The agency requests expenditures of $987.6 million, all from special revenue funds, for FY 2016. This request is an increase of $242.4 million, or 32.5 percent, above the FY 2015 revised estimate. This increase is primarily related to the shift of project expenditures between years.

- **Non-reportable expenditures.** The agency requests $182.8 million, all from special revenue

funds, for interfund transfers ($181.8 million), and traffic control expenditures for the Highway Patrol ($1.0 million) for FY 2016.

The **Governor** recommends FY 2016 operating expenditures totaling $692.7 million, all from special revenue funds, for the Construction program. This is a decrease of $497.9 million, or 41.8 percent, below the agency's FY 2016 request. The difference from the agency's FY 2016 request is due to the following recommended adjustments.

- A reduction of $518,932 to reduce employer contributions for state employee health insurance.

- $500.6 million in budget reductions.

- $1.8 million less in buildings expenditures, partially offset by an increase of $5.0 million to debt service interest expenditures related to the issuance of $250.0 million in new debt.

The **agency** requests FY 2017 operating expenditures totaling $1.16 billion, all from special revenue funds, for the Construction program. This is an all funds decrease of $33.3 million, or 2.8 percent, below the FY 2016 request. This decrease primarily occurs within capital improvements ($22.5 million), and contractual services ($9.2 million). These decreases are partially offset by an increase to salaries and wages ($2.3 million) and capital outlay ($128,434).

- **Salaries and Wages.** The agency requests expenditures of $55.4 million, all from special revenue funds, to fund 660.5 FTE and 153.0 non-FTE positions for FY 2017. The request is an all funds increase of $2.3 million, or 4.4 percent, above the FY 2016 request. Increases from the FY 2016 request primarily include: classified regular pay ($977,527), public employee retirement ($640,330), unclassified temporary pay ($340,594), group health and hospitalization ($122,258), and medicare expenditures ($104,758).

- **Contractual Services.** The agency requests expenditures of $60.4 million, all from special revenue funds, for FY 2017. This request is a decrease of $9.2 million, or 13.2 percent, below the FY 2016 request. The primary decrease from the FY 2016 request includes: architects and engineers ($9.5 million). This decrease is partially offset by increases in computer software rental ($189,000), and professional and other fees ($59,004).

- **Commodities.** The agency requests expenditures of $1.5 million, all from special revenue funds, for FY 2017. This request is an increase of $33,728, or 2.4 percent, above the FY 2016 request. This increase from the FY 2016 request comes primarily in the categories of professional and scientific supplies ($13,340), gasoline ($8,225), and materials/tools/parts ($13,163).

- **Capital Outlay.** The agency requests expenditures of $1.6 million, all from special revenue funds, for FY 2017. This request is an increase of $128,434, or 9.0 percent, above the FY 2016 request. The primary increases from the FY 2016 request are in the categories of

professional and scientific equipment ($203,310) and materials/software ($10,750), partially offset by decreases to microcomputer equipment ($45,555) and professional and scientific equip non-capital ($34,271).

- **Capital Improvements.** The agency requests expenditures of $965.1 million, all from special revenue funds, for FY 2017. This request is a decrease of $22.5 million, or 2.3 percent, below the FY 2016 request. This decrease is primarily related to the best estimate for current and expected future project lettings.

- **Non-reportable expenditures.** The agency requests $161.9 million, all from special revenue funds, for interfund transfers ($160.9 million), and traffic control expenditures for the Highway Patrol ($1.0 million) for FY 2017.

The **Governor** recommends FY 2017 operating expenditures totaling $1.1 billion, all from special revenue funds, for the Construction program. This is a decrease of $37.0 million, or 3.3 percent, below the agency's FY 2017 request. The difference from the agency's FY 2017 request is due to the following recommended adjustments.

- A reduction of $529,324 to reduce employer contributions for state employee health insurance.

- $44.8 million in budget reductions.

- $1.7 million less in buildings expenditures, partially offset by 4) an increase of $10.0 million to debt service interest expenditures related to the issuance of new debt.

E. Debt Service

This section details principal, interest, and administrative costs related to bond debt for the Kansas Department of Transportation. These expenditures are included within the Construction program. The agency's budget request notes that as of July 2014, bond issuance for T-WORKS totals $775.0 million.

DEBT SERVICE
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:							
Debt Service Interest	$ 60,417,707	$ 78,010,845	$ 78,010,845	$ 77,366,204	$ 82,366,204	$ 73,288,790	$ 83,288,790
Debt Service Principal	103,310,000	113,405,000	113,405,000	102,670,000	102,670,000	107,310,000	107,310,000
Administrative Costs	3,011,839	2,711,859	2,711,859	919,000	919,000	919,000	919,000
TOTAL	$ 166,739,546	$ 194,127,704	$ 194,127,704	$ 180,955,204	$ 185,955,204	$ 181,517,790	$ 191,517,790
Financing:							
State General Fund	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
All Other Funds	166,739,546	194,127,704	194,127,704	180,955,204	185,955,204	181,517,790	191,517,790
TOTAL	$ 166,739,546	$ 194,127,704	$ 194,127,704	$ 180,955,204	$ 185,955,204	$ 181,517,790	$ 191,517,790

The **agency** requests debt service expenditures totaling $181.0 million, all from special revenue funds, for FY 2016.

The **Governor** recommends debt service expenditures totaling $186.0 million, all from special revenue funds, for FY 2016. This is an increase of $5.0 million, or 2.8 percent, above the amount requested by the agency. As part of the Governor's allotment plan, which included transfers, the agency issued $250 million in bonds to prevent cash flow issues. This increases the estimated debt service interest payment for FY 2016.

The **agency** requests debt service expenditures totaling $181.5 million, all from special revenue funds, for FY 2017.

The **Governor** recommends debt service expenditures totaling $191.5 million, all from special revenue funds, for FY 2017. This is an increase of $10.0 million, or 5.5 percent, above the amount requested by the agency. As part of the Governor's allotment plan, which included transfers, the agency issued $250 million in bonds to prevent cash flow issues.

CAPITAL IMPROVEMENTS - BUILDING PROJECTS

	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Rehabilitation and Repair	$ 2,914,154	$ 2,914,154	$ 2,832,239	$ 2,832,239	$ 2,911,647	$ 2,911,647
Re-roof Buildings - Various Locations	762,634	762,634	563,684	563,684	532,570	532,570
Subarea Modernization - Various Locations	2,545,750	2,545,750	2,228,054	2,228,054	2,290,522	2,290,522
Purchase Land - Various Locations	206,896	206,896	60,000	0	105,000	0
Relocate Subareas	1,247,215	1,247,215	1,367,516	0	1,595,443	0
Remote Chemical Storage Bunkers	104,285	104,285	0	0	0	0
Vehicle Wash Bays	0	0	331,016	0	0	0
TOTAL	$ 7,780,934	$ 7,780,934	$ 7,382,509	$ 5,623,977	$ 7,435,182	$ 5,734,739
Financing:						
State Highway Fund	$ 7,780,934	$ 7,780,934	$ 7,382,509	$ 5,623,977	$ 7,435,182	$ 5,734,739
All Other Funds	0	0	0	0	0	0
TOTAL	$ 7,780,934	$ 7,780,934	$ 7,382,509	$ 5,623,977	$ 7,435,182	$ 5,734,739

Current Year Agency Estimate

FY 2015 – Current Year. The agency's FY 2015 revised estimate includes buildings expenditures totaling $7.8 million, all from the State Highway Fund. This is an increase of $925,247, or 13.5 percent, above the amount approved by the FY 2014 Legislature. The request includes $4.9 million for projects and $2.9 million for rehabilitation and repair. The agency states that this increase is due to a reappropriation of the same amount for projects that were delayed from the previous fiscal year. The agency notes that they utilize the state architect and staff, and that priority for projects is given to those projects funded with State General Fund, and are subject to lapsing. Additionally, the agency notes that zoning and regulations can affect the

progress of a project. The agency's FY 2015 revised estimate includes estimated re-roofing expenditures for ten locations, subarea bay modernizations for four locations, and land purchases totaling $206,896, all from the State Highway Fund, for the acquisition of land to relocate a subarea in Lawrence.

Current Year Governor Recommendation

The **Governor** concurs with the agency's revised estimate for FY 2015.

Budget Year Agency Request

FY 2016 – Budget Year. The agency's FY 2016 request includes buildings expenditures totaling $7.4 million, all from the State Highway Fund. This is a decrease of $398,425, or 5.1 percent, below the FY 2015 revised estimate. The request includes $4.6 million for projects and $2.8 million for rehabilitation and repair. The agency's FY 2016 request includes estimated re-roofing expenditures for eleven locations, subarea bay modernizations for three locations, and land purchases totaling $60,000, all from the State Highway Fund. The agency's 5-year plan notes that the agency is looking to expand land ownership at two existing sites which include: Independence and Syracuse. These expansions are estimated at a cost of $30,000 per site.

Budget Year Governor Recommendation

The **Governor** recommends buildings expenditures totaling $5.6 million, all from the State Highway Fund, for FY 2016. This is a decrease of $1.8 million, or 23.8 percent, below the agency's FY 2016 request. The reduction from the agency's request is due to the Governor not recommending funding for the following requests: 1) land purchases ($60,000), 2) to relocate subareas ($1,367,516), and 3) for vehicle wash bays ($331,016).

Budget Year Agency Request

FY 2017 – Budget Year. The agency's FY 2017 request includes buildings expenditures totaling $7.4 million, all from the State Highway Fund. This is an increase of $52,673, or 1.0 percent, above the FY 2016 request. The request includes $4.5 million for projects and $2.9 million for rehabilitation and repair. The agency's FY 2017 request includes estimated re-roofing expenditures for seven locations, subarea bay modernizations for three locations, and land purchases totaling $105,000, all from the State Highway Fund. The agency's 5-year plan notes that the agency is looking to expand land ownership at four existing sites which include: Garnett, Sublette, Iola, and Salina, as well as purchase land for the relocation of a subarea in Kinsley.

Budget Year Governor Recommendation

The **Governor** recommends buildings expenditures totaling $5.7 million, all from the State Highway Fund, for FY 2017. This is a decrease of $1.7 million, or 22.9 percent, below the agency's FY 2017 request. The reduction from the agency's request is due to the Governor not recommending funding for the following requests: 1) land purchases ($105,000), and 2) to relocate subareas ($1,595,443).

State Funding Sources

The Kansas Department of Transportation receives revenue into the State Highway Fund from a number of sources. Three notable state sources of funding include: motor fuels taxes, the sales tax direct deposit, and vehicle registration fees. A history of revenue generated from these three sources from FY 2000 to FY 2017 estimate are included in the following table.

Motor Fuels Taxes. Motor fuels taxes are generated on a number of fuel types including: Gasoline and Gasohol, Diesel, E-85, Liquified Petroleum, and other special fuels. The current fuel tax on gasoline is 24.0 cents per gallon, and the current tax on diesel is 26.0 cents per gallon.

Sales and Compensating Use Tax Direct Deposit. With the passage of 2013 House Bill 2059 the sales and compensating use tax, as of July 1, 2013, was increased from 5.7 percent to 6.15 percent; 17.073 percent of this tax is deposited directly into the State Highway Fund.

Vehicle Registration and Licensing Fees. The State Highway Fund receives revenues from vehicle registration and licensing fees on commercial class vehicles and commercial endorsements. These include the following:

- Type A - truck/tractor, trailer/semitrailer, and truck and trailer/semitrailer combinations over 26,000 pounds;
- Type B - trucks that weigh more than 26,000 pounds;
- Type C - trucks weighing 26,000 pounds or less, farm trucks, cars, and passenger vehicles; and
- Type M - for motorcycle licenses.

As part of the enhanced revenues for the T-WORKS program, Heavy Truck Registration increase $100 in FY 2013, and is estimated to generate $131.0 million over the life of the program.

STATE FUNDING SOURCES FY 2000-FY 2017 ESTIMATE (THOUSANDS)

Fiscal Year	Motor Fuels Tax	Sales Tax Transfer Received	Revised Sales Tax Direct Deposit*	Vehicle Registration Fees	Totals
2000 Actual	$ 356,069	$ 62,240	$ 88,598	$ 134,289	$ 641,196
2001 Actual	356,399	51,709	89,241	132,439	629,788
2002 Actual	371,201	94,288	91,611	132,969	690,069
2003 Actual	408,119	0	89,369	146,306	643,794
2004 Actual	420,353	0	90,137	149,369	659,859
2005 Actual	422,760	0	93,353	154,108	670,221
2006 Actual	424,666	0	98,914	155,834	679,414
2007 Actual	430,547	0	158,393	163,047	751,987
2008 Actual	427,808	0	273,293	162,100	863,201
2009 Actual	417,771	0	268,740	162,655	849,166
CTP TOTAL	**$ 4,035,693**	**$ 208,237**	**$ 1,341,649**	**$ 1,493,116**	**$ 7,078,695**
2010 Actual	$ 421,071	$ 0	$ 259,445	$ 166,178	$ 846,694
2011 Actual	432,730	0	292,641	167,386	892,757
2012 Actual	431,549	0	312,358	166,316	910,223
2013 Actual	411,852	0	319,382	186,962	918,196
2014 Actual	433,806	0	485,458	201,051	1,120,315
2015 Estimate	434,292	0	523,964	208,000	1,166,256
2016 Estimate	435,592	0	545,582	208,000	1,189,174
2017 Estimate	436,892	0	568,228	208,000	1,213,120

The **2013 Legislature** reduced the sales tax to 6.15 percent, effective July 1, 2013. This change in sales tax also led to a recalculation of the amount that the State Highway Fund receives (17.073 percent), in order to keep them whole.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Administration and Transportation Planning:					
Percent of bridges on the state highway system with bridge health index of 88 or above	88.0%	87.0%	88.0%	88.0%	88.0%
Percent of roadway miles on the state highway system with desirable levels of service during peak hours of travel	95.0%	95.0%	95.0%	95.0%	95.0%
Percent of non-Interstate miles on the state highway system that are classified as “good” or “acceptable”	84.0%	85.0%	85.0%	84.0%	84.0%
Number of modernization miles programmed	44	90	63	70	69
Number of preservation miles programmed	1,953	1,745	2,359	2,119	2,267
Number of preservation bridges programmed	189	191	150	109	129
Number of public-use airports improved	40	45	25	25	25
Local Support:					
Percent of programmed local road and street projects contracted in the programmed year	125.0%	176.0%	180.0%	190.0%	190.0%
Annual ridership for rural public transportation operations	2,983,000	2,968,108	2,976,207	2,993,419	3,008,990
Average number of days to complete a road safety audit	450	450	450	450	450
Injuries per hundred million vehicle miles	59	52	51	50	49
Number of accidents related to alcohol	2,550	2,543	2,500	2,450	2,400
Maintenance:					
Percent of lane miles of connecting links maintained	71.0%	71.0%	71.0%	71.0%	71.0%
Percent of shoulder miles on the state highway system that are repaired	39.0%	32.0%	32.0%	32.0%	32.0%
Lane miles of state highway system repaired	1,351	1,500	1,500	1,500	1,500
Construction:					
Number of project miles designed	168	148	182	75	76
Number of bridge projects designed	67	46	40	30	20
Number of preservation projects	271	260	276	232	254
Number of preservation miles resurfaced	1,938	1,710	2,350	2,112	2,258
Number of bridges repaired and repainted	120	115	95	58	103