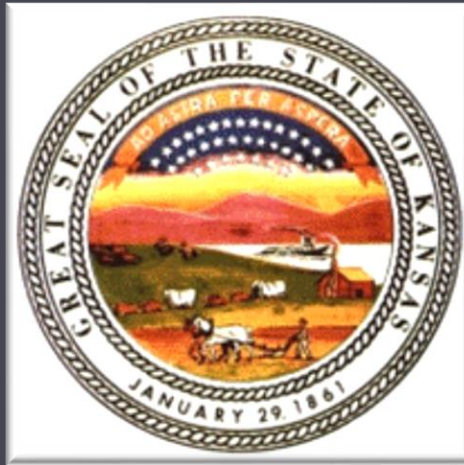


# Basics of State Budgeting



Kansas Division of the Budget

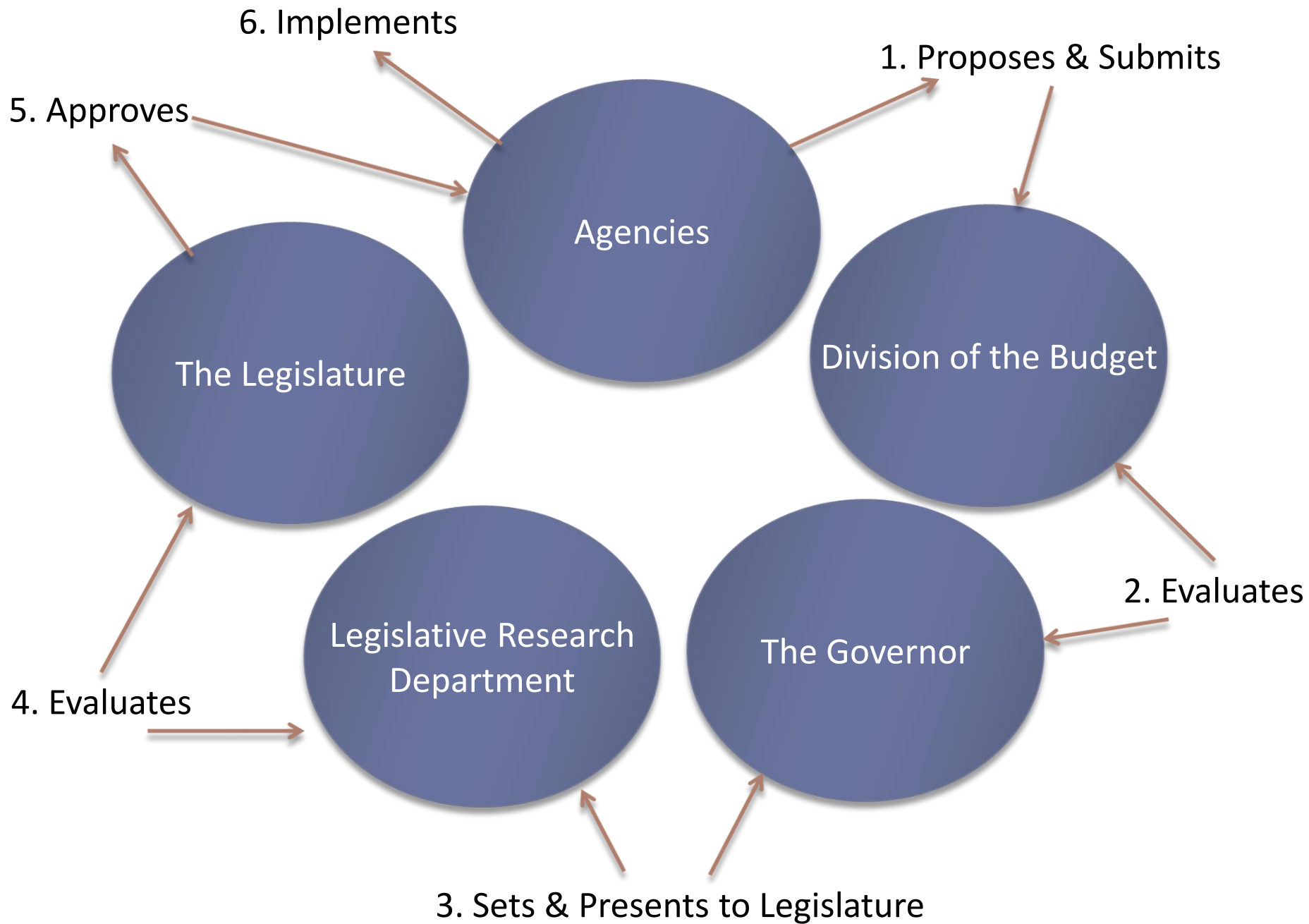
# Agenda

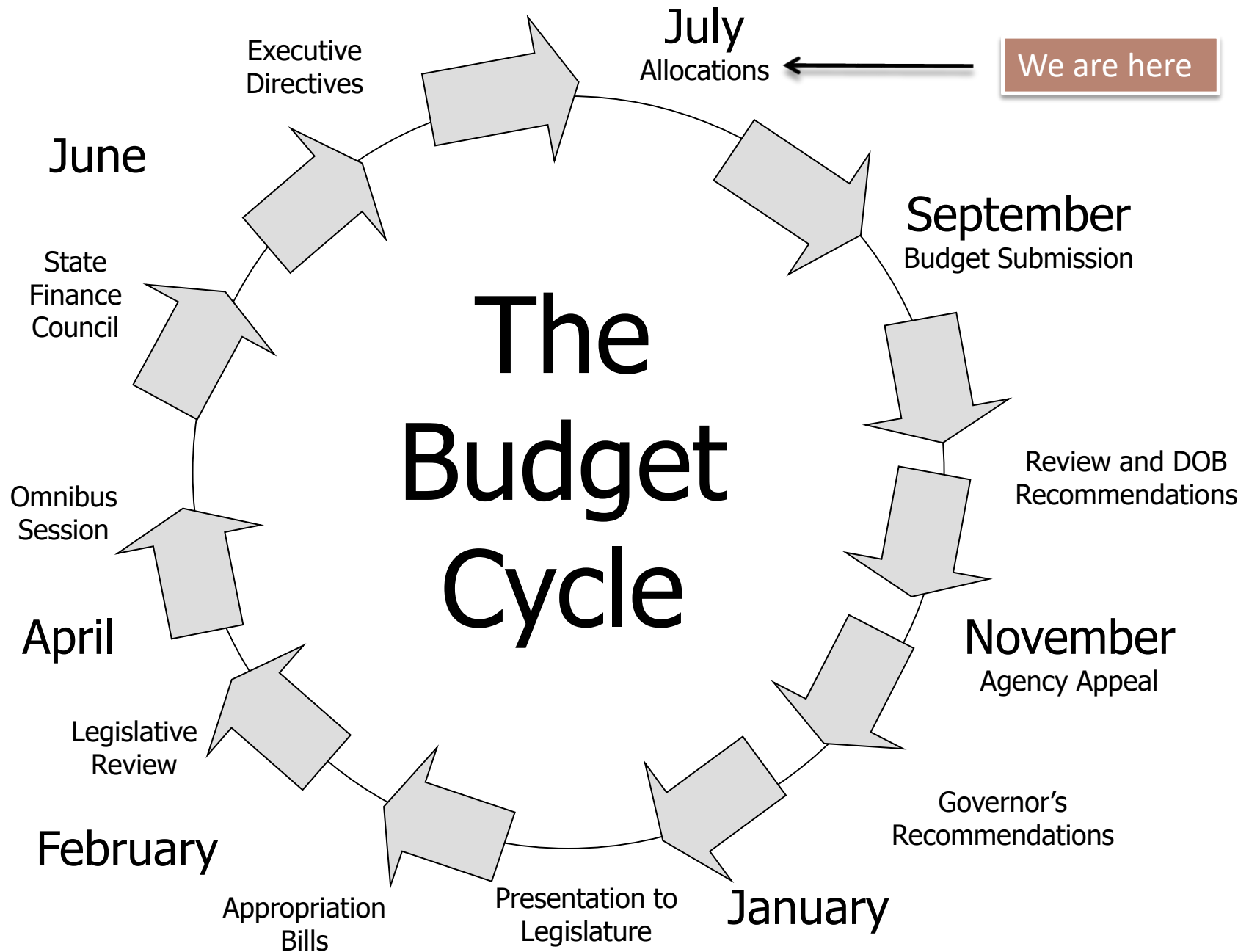
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- ▶ Welcome
- ▶ Training
  - ▶ Key Players & Budget Cycle
  - ▶ Terminology
  - ▶ Allocations, Appropriations, Limitations & Allotments
  - ▶ Revenues & Expenditures
  - ▶ Budget Mechanics
  - ▶ Classification of Employees
  - ▶ Components of Your Budget
- ▶ Putting It All Together
- ▶ Other Budget-Related Requirements



# Key Players





# Agencies

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- ▶ Two types...for budgeting purposes
  - ▶ **Annual**
    - ▶ Submit budgets each year on September 15
  - ▶ **Biennial**
    - ▶ Submit budgets every other year on September 15
    - ▶ Contains the current year and two budget years

# Biennial Agencies

---

**Abstracters Board of Examiners**

**Office of the State Bank Commissioner**

**Behavioral Sciences Regulatory Board**

**Department of Credit Unions**

**Governmental Ethics Commission**

**Hearing Instruments Board of Examiners**

**Board of Nursing**

**Board of Pharmacy**

**Kansas Real Estate Commission**

**Board of Technical Professions**

**Board of Accountancy**

**Board of Barbering**

**Board of Cosmetology**

**Kansas Dental Board**

**Board of Healing Arts**

**Board of Mortuary Arts**

**Board of Examiners in Optometry**

**Real Estate Appraisal Board**

**Board of Veterinary Examiners**



# Terminology



# Acronyms & Terms

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**SGF:** State General Fund

**All Other Funds:** Every other fund except the SGF

**All Funds:** SGF + All Other Funds = All Funds

**EDIF:** Economic Development Initiatives Fund

**ELARF:** Expanded Lottery Act Revenues Fund

**CIF:** Children's Initiatives Fund

**IBARS:** Internet Budget & Reporting System

**SHARP:** Statewide Human Resource & Payroll System

**SMART:** Statewide Management, Accounting, & Reporting Tool

**GBR:** *The Governor's Budget Report*

# Acronyms & Terms

---

- ▶ GBR: The Governor's Budget Report
  - ▶ **Volume 1**: Overview of Governor's budget plan (narrative form)
  - ▶ **Volume 2**: Financial profiles of each agency, by program
    - ▶ Includes agency's mission, philosophy, goals and objectives, & performance measures
- ▶ Economic & Demographic Report
  - ▶ Now part of GBR
- ▶ Comparison Report: Approved budget
  - ▶ Governor's budget is benchmark
  - ▶ Applies all legislative changes

# Acronyms & Terms

---

- ▶ GBA: Governor's Budget Amendment
  - ▶ Technical Corrections GBA
    - ▶ If necessary, submitted in January/early February during legislative session
    - ▶ Contains only technical corrections to the GBR
- ▶ GBA
  - ▶ The Governor, after issuing the budget, may decide to make adjustments to it, for a variety of reasons
  - ▶ Issued during the legislative session

# Acronyms & Terms

---

**OITS:** Office of Information Technology Services

**OFM:** Office of Financial Management

**KLRD:** Kansas Legislative Research Department

**KPERS:** Kansas Public Employees' Retirement System

**OOE:** Other Operating Expenditures

**Shrinkage:** Monies saved when positions are vacant

**Planning Report:** Overall “bottom line” for the SGF, including revenues, expenditures, and the ending balance for the current, budget, and out years

**CRE:** Consensus Revenue Estimate

# Acronyms & Terms

---

## ▶ Fiscal Year

**Federal Government = Oct 1 to Sept 30**

**Kansas = July 1 to June 30**

**Cities' & Counties = Jan 1 to Dec 31**

**Tax Year = Jan 1 to Dec 31**

## ▶ Kansas

- ▶ Current Year = FY 2019
- ▶ Budget Year = FY 2020
- ▶ Out Years = FY 2021, FY 2022, etc.

# Allocations, Appropriations, Expenditure Limitations & Allotments

# Allocations

---

- ▶ First step in planning for the upcoming budget year
  - ▶ DOB provides the Governor & agencies with budget allocations in July
  - ▶ Only certain funds allocated
    - ▶ State General Fund, Economic Development Initiatives Fund, Children's Initiative Fund, State Water Plan Fund, Expanded Lottery Act Revenues Fund
  - ▶ Preliminary budget numbers
  - ▶ DOB's broad framework for "slicing the state budget pie"
- ▶ Agencies use allocation numbers as starting point for budget preparations for the upcoming budget year

# Allocations: Process Overview

---

- ▶ Establish a base budget
  - ▶ Begin with the budget approved by the Legislature
  - ▶ For the upcoming year, the FY 2019 budgets approved by the 2018 Legislature will be used as a basis for FY 2020 & FY 2021
  
- ▶ Adjust the base
  - ▶ Division of the Budget may add or subtract monies to account for specific items
    - ▶ One-time expenditures
    - ▶ Debt service
    - ▶ Fringe benefits
    - ▶ Other known changes



# Allocations: Process Overview

---

- ▶ Based on projected revenues, Budget Director will develop scenarios to plan for the use of available monies
  - ▶ Funding levels for allocated and reduced resource budget scenarios
  - ▶ Reserving monies for certain agencies
  - ▶ Governor approves a particular allocation plan
  - ▶ Letters sent to affected agencies to inform them of allocations to begin budget preparation

# Appropriations

---

- ▶ An amount of money for a particular purpose that an agency is authorized to spend during a fiscal year
  - ▶ Entire amount is usually available at the start of the fiscal year
- ▶ **State General Fund (SGF):** Largest “uncommitted” revenue sources available to the state
  - ▶ Fund to which most general tax receipts are credited
- ▶ Other appropriated funds
  - ▶ State Water Plan Fund, Economic Development Initiatives Fund, Expanded Lottery Act Revenues Fund, Children's Initiative Fund

# Appropriations Bills

---

- ▶ Legal mechanism used to “move the money”
- ▶ Types:
  - ▶ Supplemental
  - ▶ Mega
  - ▶ Omnibus
- ▶ Statutory Citations
  - ▶ 2018 Session Laws, Chapter 109

# Expenditure Limitations

---

- ▶ Maximum amount that may be spent in a given fiscal year
- ▶ Specific to special revenue funds
  - ▶ Special revenue funds receive funding from a dedicated source of revenue
- ▶ Types:
  - ▶ Limited
  - ▶ “No Limit”
- ▶ Examples:
  - ▶ Healing Arts Fee Fund
  - ▶ State Highway Fund

# Allotments

---

- ▶ Procedure under which appropriated funds are reduced when resources appear insufficient to cover appropriations
- ▶ Intended to assure that expenditures do not exceed resources during a fiscal year
- ▶ Made on a case-by-case basis
  - ▶ Do not have to be across-the-board
- ▶ Agencies have the right to appeal
- ▶ Rescissions
  - ▶ Allows the Governor to make across-the-board reductions by a fixed percentage to retain an ending SGF balance of \$100.0 million

# Revenues & Expenditures

# Consensus Revenue Estimate (CRE)

---

- ▶ Official estimates for the State General Fund
  - ▶ Two estimates: November & April
- ▶ Developed using a consensus process that involves:
  - ▶ Division of the Budget
  - ▶ Kansas Legislative Research Department
  - ▶ Department of Revenue
  - ▶ Three consulting economists, one from each of the following universities:
    - ▶ University of Kansas
    - ▶ Kansas State University
    - ▶ Wichita State University

# Consensus Revenue Estimate (CRE)

---

- ▶ The Governor's budget uses the November estimates as a base
  - ▶ Estimates adjusted to reflect Governor's recommendations that affect State General Fund receipts
- ▶ The Legislature starts with the Governor's proposals
  - ▶ Incorporates April estimates
  - ▶ Adjusts for enacted legislation
- ▶ CREs posted to DOB website:  
<https://budget.kansas.gov/estimates/>



# Categories of Expenditures

---

## ▶ State Operations

- ▶ Expenses for the “day-to-day” business of state government
  - ▶ Salaries & Wages
  - ▶ Contractual Services
  - ▶ Commodities
  - ▶ Capital Outlay

## ▶ Aid to Local Governments

- ▶ Payments made to governments that provide services at the local level, and:
  - ▶ Have taxing authority in most cases
  - ▶ General state aid to school districts, disaster relief, special city and county highway aid, etc.

# Categories of Expenditures

---

- ▶ Other Assistance, Grants and Benefits
  - ▶ Payments made to individuals and agencies that are not governmental in nature
    - ▶ Social service assistance, higher education scholarships, claims against the state, crime victims compensation, etc.
- ▶ Debt Service
  - ▶ Principal and interest payments for bonds
- ▶ Capital Improvements
  - ▶ Expenses for rehabilitation and repair, construction, and remodeling of state-owned buildings and facilities

# Expenditures

---

- ▶ Non-reportable, non-expense
  - ▶ Disbursements that do not result in net reductions of statewide assets
  - ▶ “Off-budget” expenditures
    - ▶ Department of Administration: Printing plant
    - ▶ Dollars are spent by state agencies for printing services
    - ▶ Same dollars are spent again for operating costs of the plant
    - ▶ To avoid reporting expenditures twice, the agencies’ costs are treated as reportable and the printing plant’s costs are non-reportable, or “off-budget”
  - ▶ Cannot be made from the SGF, EDIF, SWPF, CIF, ELARF, or the building funds

# Expenditures--Transfers

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- ▶ Retain integrity of funds, especially SGF
- ▶ Demand Transfer
  - ▶ Expenditure of monies from the State General Fund which is determined by a formula in statute
  - ▶ Less common
- ▶ Revenue Transfer
  - ▶ Authority in appropriation bills to transfer all or any part of the revenue in a particular fund to another fund either between agencies or within an agency
  - ▶ More common

## FY 2019 Transfers In and Out of the State General Fund

		FY 2019 <u>Approved</u>	Nov. CRE <u>Adjustments</u>	November <u>Cons. Rev. Est.</u>	April CRE <u>Adjustments</u>	April <u>Cons. Rev. Est.</u>	Legislative <u>Adjustments</u>	Governor's <u>Veto</u>	FY 2019 <u>Approved</u>
<b>Transfers In:</b>									
Economic Dev't Initiatives Fund	Sweep to SGF	\$ 19,200,000	\$ --	\$ 19,200,000	\$ --	\$ 19,200,000	\$ (500,000)	\$ --	\$ 18,700,000
ELARF	Sweep to SGF	1,585,030	(1,562,000)	23,030	1,734,000	1,757,030	--	--	1,757,030
State Water Plan Fund	Sweep to SGF	1,260,426	--	1,260,426	--	1,260,426	--	--	1,260,426
Various Agencies	27th Paycheck Transfer	9,000,000	--	9,000,000	--	9,000,000	(8,991,777)	--	8,223
Regents Institutions	27th Paycheck Transfer	1,175,831	--	1,175,831	--	1,175,831	--	--	1,175,831
Kansas Corporation Commission	Public Service Regulation Fund	100,000	--	100,000	--	100,000	--	--	100,000
PMIB	PMIB Investment Portfolio Fee Fund	1,000,000	1,400,000	2,400,000	--	2,400,000	--	--	2,400,000
Kansas Lottery	Gaming Revenues Fund	26,000,000	--	26,000,000	--	26,000,000	--	--	26,000,000
	Special Veterans Benefit Game	1,500,000	--	1,500,000	--	1,500,000	(1,500,000)	--	--
Racing & Gaming	Tribal Gaming Program Loan Repayment	450,000	--	450,000	--	450,000	--	--	450,000
Department of Revenue	Car Company Tax Fund	350,000	--	350,000	--	350,000	--	--	350,000
	Division of Vehicles Operating Fund	2,172,408	--	2,172,408	--	2,172,408	--	--	2,172,408
Attorney General	Court Cost Fund	--	--	--	--	--	1,750,000	--	1,750,000
	Medicaid Fraud Prosecution Revolving Fund	1,000,000	--	1,000,000	--	1,000,000	(1,000,000)	--	--
Insurance Department	Service Regulation Fund	8,250,000	--	8,250,000	--	8,250,000	(8,000,000)	8,000,000	8,250,000
	Securities Act Fee Fund	15,076,725	(1,032,184)	14,044,541	--	14,044,541	--	--	14,044,541
Judicial Council	Publication Fee Fund	--	--	--	--	--	--	--	--
KDADS	Problem Gambling & Addiction Grant Fund	688,823	271,181	960,004	154,000	1,114,004	(1,000,000)	--	114,004
Department of Education	State Safety Fund	1,100,000	--	1,100,000	--	1,100,000	--	--	1,100,000
Board of Regents	Priv. & Out-of-State Post. Ed. Inst. Fee Fund	--	--	--	--	--	535,000	--	535,000
Emergency Med. Services Board	EMS Operating Fund	250,000	--	250,000	--	250,000	--	--	250,000
State Fire Marshal	Fire Marshall Fee Fund	2,000,000	--	2,000,000	--	2,000,000	(1,000,000)	--	1,000,000
State Fair	Special Cash Fund	200,000	--	200,000	--	200,000	--	--	200,000
Kansas Water Office	Water Marketing Fund	427,874	--	427,874	(8,400)	419,474	--	--	419,474
Department of Transportation	State Highway Fund	293,126,335	--	293,126,335	--	293,126,335	--	--	293,126,335
	Overhead Payment/Purchasing	210,000	--	210,000	--	210,000	--	--	210,000

<b>Transfers Out:</b>									
Various Agencies	27th Paycheck Transfer	(9,000,000)	--	(9,000,000)	--	(9,000,000)	8,991,777	--	(8,223)
	State Water Plan Fund Transfer	--	--	--	--	--	(2,750,000)	--	(2,750,000)
Health Care Stabilization Fund	Support for KUMC Graduate Students	(1,900,000)	(200,000)	(2,100,000)	(400,000)	(2,500,000)	--	--	(2,500,000)
PMIB	Bridge Funding-Payment Plan	(52,866,667)	--	(52,866,667)	--	(52,866,667)	--	--	(52,866,667)
KPERS	Kansas Public Employees Retirement Fund	--	--	--	--	--	(82,000,000)	--	(82,000,000)
	Non-Retirement Administration	--	--	--	--	--	--	--	--
Department of Revenue	Automated Tax Systems Fund	--	(8,511,785)	(8,511,785)	(4,488,215)	(13,000,000)	--	--	(13,000,000)
Racing & Gaming	Tribal Gaming Program Loan	(450,000)	--	(450,000)	--	(450,000)	--	--	(450,000)
Attorney General	Medicaid Fraud Prosecution Revolving Fund	--	--	--	--	--	(600,000)	--	(600,000)
	Tort Claims	(3,980,000)	475,905	(3,504,095)	--	(3,504,095)	--	--	(3,504,095)
	Sexually Violent Predator Expense Fund	(50,000)	--	(50,000)	--	(50,000)	--	--	(50,000)
State Treasurer	Spirit Aerosystems Incentive	(3,500,000)	200,000	(3,300,000)	(300,000)	(3,600,000)	--	--	(3,600,000)
	Siemens Manufacturing Incentive	(850,000)	--	(850,000)	300,000	(550,000)	--	--	(550,000)
	Learning Quest Matching Funds	(441,000)	(9,000)	(450,000)	75,000	(375,000)	--	--	(375,000)
Department of Education	School District Cap. Improvements Fund	(203,500,000)	3,500,000	(200,000,000)	--	(200,000,000)	--	--	(200,000,000)
	School Safety and Security Fund	--	--	--	--	--	(5,000,000)	--	(5,000,000)
Board of Regents	Regents Faculty of Distinction Program	(688,776)	--	(688,776)	--	(688,776)	--	--	(688,776)
Kansas State University	National Bio Agro-Defense Facility Fund	(5,000,000)	--	(5,000,000)	--	(5,000,000)	--	--	(5,000,000)
KU Medical Center	Rural Health Bridging Psychiatry Fund	(1,000,000)	--	(1,000,000)	--	(1,000,000)	--	--	(1,000,000)
State Fire Marshal	Fire Marshall Fee Fund	--	--	--	--	--	--	--	--
State Fair	Special Cash Fund	(200,000)	--	(200,000)	--	(200,000)	--	--	(200,000)
	Capital Improvements Fund	(100,000)	--	(100,000)	--	(100,000)	100,000	--	--
Total Transfers		\$ 102,597,009	\$ (5,467,883)	\$ 97,129,126	\$ (2,933,615)	\$ 94,195,511	\$ (100,965,000)	\$ 8,000,000	\$ 1,230,511
Interest		(337,009)	(1,692,117)	(2,029,126)	(6,966,385)	(8,995,511)	(35,000)	--	(9,030,511)
Net Transfers		\$ 102,260,000	\$ (7,160,000)	\$ 95,100,000	\$ (9,900,000)	\$ 85,200,000	\$ (101,000,000)	\$ 8,000,000	\$ (7,800,000)

# Budget Mechanics

# General Concepts

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- ▶ **Appropriation**

- ▶ Specified amount agency is authorized to spend

- ▶ **Reappropriation**

- ▶ Unexpended funds remaining at the end of the fiscal year that are carried over to the next fiscal year

- ▶ **Limited Reappropriation**

- ▶ Amount over the limitation on expenditures from a reappropriation
  - ▶ Requires State Finance Council approval



# General Concepts

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## ▶ Lapse

- ▶ Portion of appropriation that is not spent or reappropriated

## ▶ Encumbrance

- ▶ “Accounts Payable” tied to a specific fiscal year
- ▶ Prevents comingling of monies appropriated to specific fiscal years
  - ▶ FY 2018 money is FY 2018 money...not FY 2019 money
- ▶ Considered an expenditure for budgeting purposes

# Appropriation

## Reappropriation Authority

## Appropriation

Sec. 115.

### STATE HISTORICAL SOCIETY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2018, the following:

Operating expenditures (288-00-1000-0083) .....	\$3,881,146
---	-------------

Provided, That any unencumbered balance in the operating expenditures account in excess of \$100 as of June 30, 2017, is hereby reappropriated for fiscal year 2018.

Kansas humanities council (288-00-1000-0600) .....	\$50,501
--	----------

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2018, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Credit card clearing fund (288-00-9455-9400) .....	No limit
--	----------

Vehicle repair and replacement fund (288-00-6166-6000).....	No limit
---	----------

General fees fund (288-00-2047-2300).....	No limit
---	----------

Archeology fee fund (288-00-2638-2350) .....	No limit
--	----------

# System Structures

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- ▶ **Fund:** Basic unit of classification for agency monies

<u>Fund Classes</u>		
1.	1000	State General Fund
2.	2000 series	Special Revenue
3.	3000 series	Federal
4.	4000 series	Highway
5.	5000 series	Enterprise
6.	6000 series	Intra-governmental Service
7.	7000 series	Trust
8.	8000 series	Capital
9.	9000 series	Clearing

# System Structures

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- ▶ Account

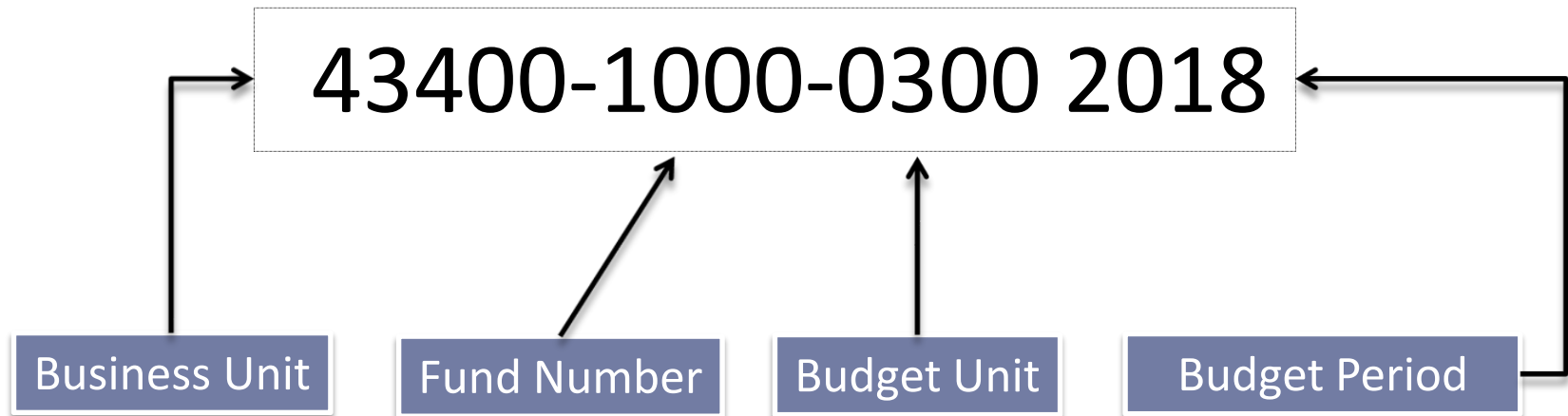
- ▶ Code & description used for accounting purposes to describe items or services purchased within expenditure categories
- ▶ Chart of Accounts
  - ▶ SMART Query Title: **KS\_CHART\_OF\_ACCOUNTS**

- ▶ Budget Unit

- ▶ Sub-unit of a fund

# Reading an Account Number (SMART)

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# Kansas State Library

## Chart of Accounts

Business Unit	Fund	Fund Descr	Bud Unit	Bud Unit Descr	Budget Period	Approp Type	Appropriation/Limitation
43400	1000	STATE GENERAL FUND	0300	OPERATING EXPENDITURES	2018	APPROPRIATED	1327973
43400	1000	STATE GENERAL FUND	0300	OPERATING EXPENDITURES	2018	CIT-SESS 2017	0
43400	1000	STATE GENERAL FUND	0300	OPERATING EXPENDITURES	2018	FTNOTE-SESS2017	0
43400	1000	STATE GENERAL FUND	0304	OPERATING EXPENDITURES-OFF H	2018	APPROPRIATED	795
43400	1000	STATE GENERAL FUND	0304	OPERATING EXPENDITURES-OFF H	2018	CIT-SESS 2017	0
43400	1000	STATE GENERAL FUND	0304	OPERATING EXPENDITURES-OFF H	2018	FTNOTE-SESS2017	0
43400	1000	STATE GENERAL FUND	0410	GRTS TO LIB/LIB SYS-GTS IN AID	2018	APPROPRIATED	1071488
43400	1000	STATE GENERAL FUND	0410	GRTS TO LIB/LIB SYS-GTS IN AID	2018	CIT-SESS 2017	0
43400	1000	STATE GENERAL FUND	0410	GRTS TO LIB/LIB SYS-GTS IN AID	2018	FTNOTE-SESS2017	0
43400	1000	STATE GENERAL FUND	0420	GRTS TO LIB/LIB SYS-LOAN DEV G	2018	APPROPRIATED	1132613
43400	1000	STATE GENERAL FUND	0420	GRTS TO LIB/LIB SYS-LOAN DEV G	2018	CIT-SESS 2017	0
43400	1000	STATE GENERAL FUND	0420	GRTS TO LIB/LIB SYS-LOAN DEV G	2018	FTNOTE-SESS2017	0
43400	1000	STATE GENERAL FUND	0430	GRTS TO LIB/LIB SYS-TALKG BOOK	2018	APPROPRIATED	339942
43400	1000	STATE GENERAL FUND	0430	GRTS TO LIB/LIB SYS-TALKG BOOK	2018	CIT-SESS 2017	0
43400	1000	STATE GENERAL FUND	0430	GRTS TO LIB/LIB SYS-TALKG BOOK	2018	FTNOTE-SESS2017	0
43400	2076	STATE LIBRARY FD	2001	DATABASE CONTRIBUTIONS	2018	NO LIMIT	9999999999
43400	2076	STATE LIBRARY FD	2001	DATABASE CONTRIBUTIONS	2018	CIT-SESS 2017	0
43400	2076	STATE LIBRARY FD	2002	WORLDCAT CONTRIBUTIONS	2018	NO LIMIT	9999999999
43400	2076	STATE LIBRARY FD	2002	WORLDCAT CONTRIBUTIONS	2018	CIT-SESS 2017	0
43400	2076	STATE LIBRARY FD	2500	STATE LIBRARY FD	2018	NO LIMIT	9999999999
43400	2076	STATE LIBRARY FD	2500	STATE LIBRARY FD	2018	CIT-SESS 2017	0
43400	2076	STATE LIBRARY FD	2500	STATE LIBRARY FD	2018	CIT-STATUTE	0
43400	3257	GRANTS TO STATES	3000	FEB LIBRARY SVC & TECH ACT FD	2018	NO LIMIT	10001676943
43400	3257	GRANTS TO STATES	3000	FEB LIBRARY SVC & TECH ACT FD	2018	CIT-SESS 2017	0
43400	7304	GRANTS AND GIFTS FD	7000	GRANTS AND GIFTS FD	2018	NO LIMIT	10000150619
43400	7304	GRANTS AND GIFTS FD	7000	GRANTS AND GIFTS FD	2018	CIT-SESS 2017	0
43400	7304	GRANTS AND GIFTS FD	7001	CHILDREN'S LITERACY GRANT	2018	NO LIMIT	9999999999
43400	7304	GRANTS AND GIFTS FD	7001	CHILDREN'S LITERACY GRANT	2018	CIT-SESS 2017	0

# System Structures

---

## Expenditure Classification

- |    |      |                                 |
|----|------|---------------------------------|
| 1. | 5100 | Salaries & Wages                |
| 2. | 5200 | Contractual Services            |
| 3. | 5300 | Commodities                     |
| 4. | 5400 | Capital Outlay                  |
| 5. | 5500 | Grants, Claims & Shared Revenue |
| 6. | 5600 | Debt Service                    |
| 7. | 5700 | Non-Expense                     |

# System Structures

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## Revenue Classification

- |    |      |                           |
|----|------|---------------------------|
| 1. | 4100 | Taxes                     |
| 2. | 4200 | Agency Earnings           |
| 3. | 4300 | Money-Property            |
| 4. | 4400 | Gifts, Donations, Federal |
| 5. | 4500 | Other Revenue             |
| 6. | 4600 | Non-Revenue               |



# System Structures

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- ▶ Object codes: six digits
- ▶ Expenditure example
  - ▶ 51XXXX Salaries and Wages
    - ▶ 510100 Pay of Regular Classified Employees
  - ▶ Complete listing: *Accounts & Reports Policy Manual 7,002 (revised 7/1/14)*
- ▶ Revenue example
  - ▶ 41XXXX Taxes
    - ▶ 410110 Real Estate and Other Property Tax
  - ▶ Complete listing: *Accounts & Reports Policy Manual 6,002 (revised 6/1/14)*

# System Structures

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## ▶ Reporting Levels

- ▶ Twenty-four digit coding system to designate organizational structure for accounting and budgeting purposes
- ▶ Agency
  - ▶ 434 Kansas State Library
- ▶ Program
  - ▶ 01030 Administration Program
- ▶ Department ID
  - ▶ 7300000 Talking Books

434-00-01030-7300000-0000-000

# Functions of Government

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- ▶ General categories for reports and publications
  - ▶ Function 1: General Government
  - ▶ Function 2: Human Services
  - ▶ Function 3: Education
  - ▶ Function 4: Public Safety
  - ▶ Function 5: Agriculture & Natural Resources
  - ▶ Function 6: Transportation

# Hospitality

---

Sec. 112.

## KANSAS STATE SCHOOL FOR THE BLIND

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2019, the following:

Operating expenditures (604-00-1000-0303) ..... \$5,273,773

*Provided*, That any unencumbered balance in the operating expenditures account in excess of \$100 as of June 30, 2018, is hereby reappropriated for fiscal year 2019:

*Provided, however*, That expenditures from the operating expenditures for official hospitality shall not exceed \$2,000.

Hospitality is included in the total appropriation/limitation

# Budget Adjustments

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## ▶ Supplementals

- ▶ Adjustment to the current year budget (FY 2019)
- ▶ Usually a spending increase
- ▶ Each supplemental submitted as a Change Package
- ▶ Not every change has to be identified -- “No Limit” Funds

## ▶ Enhancements

- ▶ Adjustment to the budget year request or base budget (FY 2020 & FY 2021)
- ▶ Spending increase above base
- ▶ Each enhancement submitted as a Change Package
- ▶ Must all be identified

# Budget Adjustments

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## ▶ Reduced Resources

- ▶ Targeted reduction to a program or agency budget to meet the allocation provided by DOB in July
- ▶ Usually a dollar amount that equates to a predetermined percentage for all agencies
- ▶ Each item submitted as a Change Package

# Classification of Employees

# Classification of State Employees

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- ▶ Classified Positions—Regulated by the Kansas Civil Service Act
  - ▶ **Regular Classified**
    - ▶ Counts toward agency's authorized FTE positions
    - ▶ Receives full benefits, based on the percentage time of the position
  - ▶ **Temporary Classified**
    - ▶ Does not exceed 999 hours of employment in a 12-month period
    - ▶ Do not count toward an agency's authorized FTE positions
    - ▶ Usually do not receive benefits



# Classification of State Employees

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- ▶ **Unclassified Positions—Serve at the pleasure of the appointing authority**
  - ▶ **Regular Unclassified**
    - ▶ Counts towards the agency's authorized FTE positions
    - ▶ Receives full benefits based on the percentage time of the position
  - ▶ **Non-FTE Unclassified Permanent**
    - ▶ Does not count toward the agency's authorized FTE positions
    - ▶ Has on-going duties & receives retirement and other benefits
  - ▶ **Temporary Unclassified**
    - ▶ Does not count toward the agency's authorized FTE positions
    - ▶ Limited to 999 hours in a year
    - ▶ Fringe benefits are at the discretion of the appointing authority

# Components of Your Budget

# Components

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- ▶ Narrative
  - ▶ Strategic Plan
    - ▶ Philosophy or Vision Statements
    - ▶ Mission Statement
    - ▶ Performance Measures
    - ▶ Budget proposal explanation & detail
    - ▶ New programs and their effect
- ▶ Summary of agency-wide budget
- ▶ Summary of funding sources
- ▶ Explanation of receipts in funding sources
- ▶ Expenditures
- ▶ Reduced Resources

# Components – Performance Measures

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<b>Performance Measures</b>	<b>FY 2016 Actual</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Estimate</b>	<b>FY 2019 Estimate</b>
Annual ridership for rural public transportation operations	2,669,267	2,978,579	3,003,482	3,014,633
Average number of days to complete a road safety audit	450	180	210	210
Injuries per hundred million vehicle miles	47	56	55	54
Number of accidents related to alcohol	2,250	2,100	2,050	2,000

**Department of Transportation – Transportation Planning & Modal Support**

# Components

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- ▶ Supplemental/Enhancements
- ▶ Detail of capital outlay expenditures
- ▶ Budget System Reports
- ▶ Other
  - ▶ Capital Improvements Budget
  - ▶ Technology Project Requests
  - ▶ Anticipated Revenues
    - ▶ Necessary on all special revenue funds
    - ▶ Not necessary on State General Fund appropriation

# Budget Reports & Forms

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- ▶ **Forms Generated by the Budget System**
  - ▶ DA 402 & SR 05A—Agency Expenditure Summary by Program and Funds
  - ▶ DA 404—Fund Revenues
  - ▶ DA 406/410—Expenditures by Record Class and Funds
  
- ▶ **Forms Generated Outside the Budget System**
  - ▶ DA 400—Agency Narrative, Program Description and Performance Measures
    - ▶ Some agencies may have subprogram reporting as well
  - ▶ DA 405—Explanation of Receipts
  - ▶ DA 418, et al.—Capital Improvements

# Putting It All Together

## Key Dates

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**IBARS Opens: August 14, 2018**

**Budget Submission:  
September 17, 2018**



# Other Budget-Related Requirements

# Other Budget-Related Requirements

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- ▶ Legislative Session Fiscal Note Response
- ▶ Unclassified Position Request
- ▶ Kansas Administrative Regulations Economic Impact Statement

# Legislative Session Fiscal Note Response

Bill number: \_\_\_\_\_ Due date: \_\_\_\_\_

Responding agency: \_\_\_\_\_

Prepared by: \_\_\_\_\_ DOB Analyst: \_\_\_\_\_

## Fiscal Impact

State—Would this bill have a fiscal effect on your agency? Yes ☐ No ☐

Local—Would this bill have a fiscal effect on local government? Yes ☐ No ☐

Tax Revenue—Would this bill affect State General Fund revenues? Yes ☐ No ☐

Fee or Other Revenue—Would this bill affect revenues to other state funds? Yes ☐ No ☐

	<u>FY 2018</u>	<u>FY 2019</u>
<b>Expenditures</b>		
State General Fund		
Fee Fund(s)		
Federal Fund		
<b>Total Expenditures</b>		
<b>Revenues</b>		
State General Fund		
Fee Fund(s)		
Federal Fund		
<b>Total Revenues</b>		
<b>FTE Positions</b>		

## Bill Description

Briefly describe what the legislation does. Describe the change(s) from current law that would drive an increase or decrease in expenditures or revenues. If federal funds are affected by the bill in some way, explain that relationship as well. Note any technical or mechanical defects with the bill (bill drafting errors only, do not include commentary as to whether the bill should be enacted or not). **Please include an explanation of the assumptions used when determining increases or decreases in revenues or expenditures.**

## Assumptions for Fiscal Effect Estimate

**Expenditures:** Detail the assumptions made in preparing the cost estimate. Describe agency expenditures that would become necessary with passage of the bill and how workload assumptions translate into the cost estimates. The estimate for any new position should be detailed to show the salary, benefits and associated other operating costs (such as a computer or other equipment). Distinguish between one-time and ongoing costs.

**Revenues:** Describe the assumptions and methods used in estimating the bill's effect on revenues. Detail the source of the revenue—is it a tax, agency earning, fee income or a federal reimbursement—and the fund that would receive the revenue. Distinguish between one-time and ongoing revenue changes estimated to result from passage of the bill.

## Long-Term Fiscal Considerations

If the bill affects future years, beyond those shown in the table above, explain the long-term fiscal effect—are the revenues stable over the long term or would there be a phase-in of costs or revenues; if the bill ends at a specific future date, indicate this as well.

## Local Government Fiscal Effect

If the bill affects local governments, identify which local governments would be affected (e.g., cities, counties, school districts, water districts, etc.). Describe the bill's fiscal effect to the local governments.

## References/Sources

If there are supporting documents or spreadsheets explaining calculations or assumptions, please attach them.

# Legislative Session Fiscal Note Response

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- ▶ **Completing the form**
  - ▶ Make sure every section is fully complete
    - ▶ Indicate if the information is not available or applicable
    - ▶ Do not leave blank
- ▶ **Revenues and Expenditures**
  - ▶ Most important
    - ▶ Long-term considerations equally important
  - ▶ Include assumptions used to formulate your estimates
- ▶ **Meeting the deadline**
  - ▶ Agencies are given five days to provide a fiscal note response
  - ▶ The deadline includes the day the bill was introduced
  - ▶ KSA 75-3715a

# Unclassified Position Request

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- ▶ **Completing the form:**

- ▶ Completed online at: <http://admin.ks.gov/offices/personnel-services/forms-and-documents/unclassified-form>
- ▶ Make sure every section is fully complete

- ▶ **Questions to ask:**

- ▶ Can the request be absorbed within the approved budget?
- ▶ What fund(s) is being used?
- ▶ How will the position/increase be funded?
  - ▶ For example, “The pay increase requested for this position will be funded by holding another position vacant for the remainder of the fiscal year.”

# Unclassified Position Request

## Request to Fill Unclassified Position

Agency Number: 710      Agency Name: KS Dept of Wildlife, Parks and Tourism

Agency Contact: \_\_\_\_\_ Agency Phone: 6206720704

Contact Email: \_\_\_\_\_

Position Title: Environmental Associate

**Is this a new position that needs to be established or a current position?**

Current

**Statutory cite that authorizes the agency to establish the position as a regular position or a temporary position (if applicable):**

This is currently an unclassified Environmental Associate position # \_\_\_\_\_.

### Brief description of the work:

The incumbent conducts a variety of duties relating to the KDWPT Aquatic Nuisance Species (ANS) program, fisheries research, human dimensions research, and other departmental duties as needed. The successful applicant will conduct field work regarding ANS detection and management, fish and habitat sampling, bait shop inspections, and fish disease sampling at hatcheries and public impoundments. The position is responsible for supervising seasonal employees, coordinating equipment maintenance (i.e., vehicles, boats, sampling equipment), bait shop permitting, and assisting other department staff as needed. The incumbent should be comfortable with independent use of fish sampling gears and boat operation on large reservoirs and rivers. Experience with age and growth investigations and data entry is preferred. The successful candidate will be expected to have excellent oral and written communication skills.

### Statement of justification why the position is needed:

The Fisheries Environmental Associate (EA) position in Emporia is responsible for a number of important activities that further KDWPT's mission of conserving and enhancing the natural heritage of Kansas, its wildlife, and habitats. Namely, this position has been responsible for implementation of the KDWPT commercial bait program, early detection of zebra mussels and other ANS in Kansas waters, maintaining equipment for Research and Survey activities, assisting with fisheries research sampling, collecting fish disease samples from public waters and KDWPT hatcheries, and supervising seasonal employees. This position is critical to the operation of fisheries research and ANS coordination.

**Salary request for position - this can be either a specific dollar amount or a range of pay that identifies the lowest and the highest annual salaries that would be offered for the position:**

\$38,000 - \$40,974 annual salary

### Why was this salary requested:

This salary is comparable to the current Environmental Associate unclassified positions salaries that were recently approved.

**Salary market data for the position, if available (filled in by HR):**

**Comparable pay if the agency has a similar job in the classified service:**

**Rate of pay for former incumbent:**

\$38,950 annual salary

**How the agency will fund the position:**

This position will be funded from existing appropriations. Split funded between federal WSFR grants and Wildlife Fee Fund.

**The information below is to be completed by authorizing authority:**

### Department of Administration

\_\_\_ Approve

\_\_\_ Disapprove

\_\_\_ Salary Authorization

### Division of Budget

\_\_\_ Approve

\_\_\_ Disapprove

### Governor's Office

\_\_\_ Approve

\_\_\_ Disapprove

Offer can be made unless a candidate negotiates for a salary above the pre-approved range. That information will need to be resent. If the candidate, effective date, and rate of pay will be sent to the Governor's Office for the issuance of a final appointment letter.

Date Sent: \_\_\_\_\_ Date Received: \_\_\_\_\_

# Kansas Administrative Regulations Economic Impact Statement

## Kansas Administrative Regulations Economic Impact Statement For the Kansas Division of the Budget

Agency \_\_\_\_\_

Agency Contact \_\_\_\_\_

Contact Phone Number \_\_\_\_\_

K.A.R. Number(s) \_\_\_\_\_

Submit a hard copy of the proposed rule(s) and regulation(s) and any external documents that the proposed rule(s) and regulation(s) would adopt, along with the following to: Division of the Budget  
900 SW Jackson, Room 504-N  
Topeka, KS 66612

**I. Brief description of the proposed rule(s) and regulation(s).**

[Click here to enter text.](#)

**II. Statement by the agency if the rule(s) and regulation(s) is mandated by the federal government and a statement if approach chosen to address the policy issue is different from that utilized by agencies of contiguous states or the federal government. (If the approach is different, then include a statement of why the Kansas rule and regulation proposed is different)**

[Click here to enter text.](#)

**III. Agency analysis specifically addressing following:**

**A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;**

[Click here to enter text.](#)

**B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule and regulation and on the state economy as a whole;**

[Click here to enter text.](#)

**C. Businesses that would be directly affected by the proposed rule and regulation;**

[Click here to enter text.](#)

**D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;**

[Click here to enter text.](#)

**E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;**

[Click here to enter text.](#)

DOB APPROVAL STAMP

**F. An estimate, expressed as a total dollar figure, of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.**

[Click here to enter amount.](#)

An estimate, expressed as a total dollar figure, of the total implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.

[Click here to enter amount.](#)

**Do the above total implementation and compliance costs exceed \$3.0 million over any two-year period?**

YES ☐ NO ☐

**Give a detailed statement of the data and methodology used in estimating the above cost estimate.**

[Click here to enter text.](#)

Prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing if the total implementation and compliance costs exceed \$3.0 million over any two-year period to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

YES ☐ NO ☐

**G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.**

[Click here to enter text.](#)

**H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).**

[Click here to enter text.](#)

**I. For environmental rule(s) and regulation(s) describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).**

[Click here to enter text.](#)

DOB APPROVAL STAMP

# Key Resources

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- ▶ DOB Website — <http://budget.kansas.gov/>
  - ▶ **The FY 2020 Budget Instructions**
    - ▶ Primary resource for budget procedures
  - ▶ IBARS manual
  - ▶ Official budget publications
    - ▶ *Governor's Budget Reports*
    - ▶ *Comparison Reports*
- ▶ *Session Laws of Kansas*
- ▶ Your Budget Analyst



# Questions?

## Basics of State Budgeting

### Division of the Budget