

The Governor's
Budget
Report

Volume 1

**Descriptions
and
Budget Schedules**

Fiscal Year 2004

January 15, 2003

Dear Kansan:

Kansas, like most states, faces a very difficult FY 2004 budget. The difficulties are caused by an unprecedented drop in tax receipts and rapidly rising entitlement expenditures, both of which are results of current economic conditions.

Never before has Kansas had to deal with the difficult task we face in the coming months. In the last 30 years, the revenue for state government has declined three times: in FY 1986, revenue dropped 1.0 percent; in FY 1999, following a series of large tax cuts, it declined 1.1 percent; but in FY 2002, the receipts plummeted almost 7.0 percent. The Governor and the Legislature made a series of difficult decisions to account for that unprecedented drop, raising revenue and cutting budgets. Those were important steps. But those steps have not spared us the difficult task we will face together.

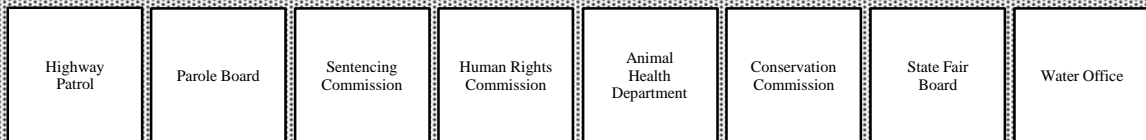
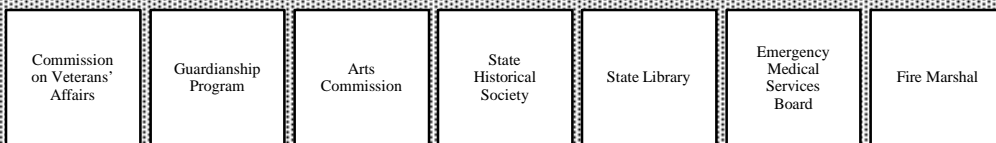
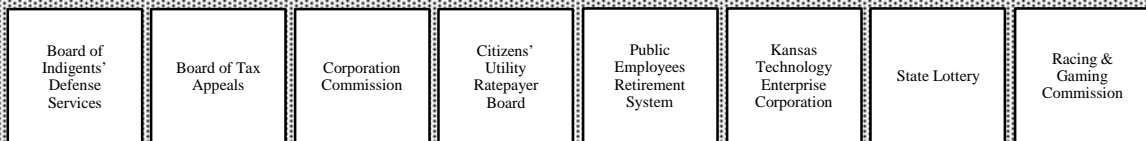
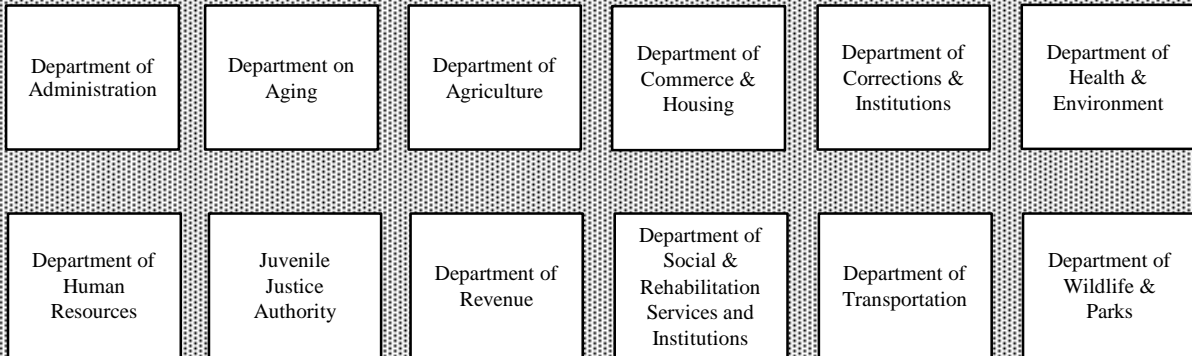
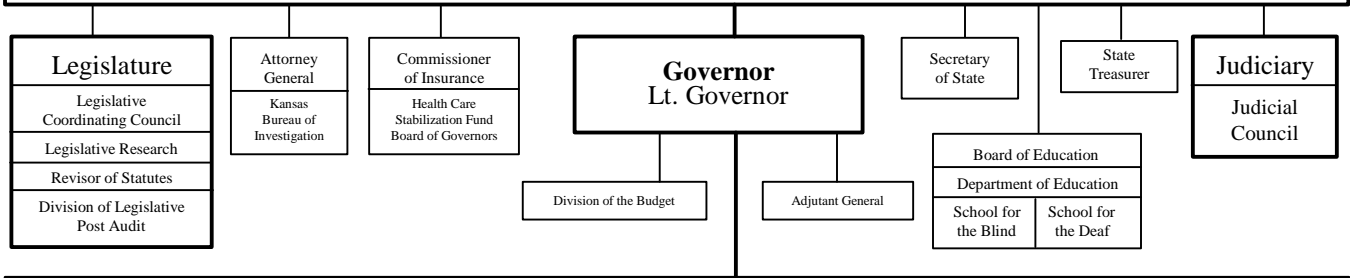
The Fiscal Year 2004 budget that I am proposing protects K-12 education along with higher education funding. It also works to restore many vital social service programs that are utilized by Kansans across this state. The recommendation does not require any additional tax sources.

With the submission of this report, I present a FY 2004 budget for consideration by the 2003 Kansas Legislature.

Sincerely,

KATHLEEN SEBELIUS
Governor

VOTERS OF KANSAS



Abstracters	Accountancy	Bank Commissioner	Barbers	Behavioral Sciences	Cosmetology	Department of Credit Unions	Dental	Governmental Ethics Commission	Healing Arts
Hearing Aid Dispensers	Mortuary Arts	Nursing	Optometry	Pharmacy	Real Estate Appraisal Board	Real Estate Commission	Securities Commissioner	Technical Professions	Veterinary Examiners

Budget Summary

Over the last year, Kansas, like many other states, experienced a dramatic loss of revenue. In FY 2002, State General Fund collections were 6.9 percent below the previous fiscal year. At the same time, State General Fund costs for Medicaid programs rose rapidly. The combination of dramatic revenue drops and rapidly rising entitlement expenditures quickly depleted the reserves in the State General Fund and now leads to a very difficult budget situation for FY 2003 and FY 2004.

This volume presents a revised FY 2003 budget and a budget plan for FY 2004. The table below lists summary numbers for the State General Fund and for all funding sources.

Budget Totals				
<i>(Dollars in Millions)</i>				
	<u>SGF</u>	<u>Percent Change</u>	<u>All Funds</u>	<u>Percent Change</u>
FY 2002 Actual	\$ 4,466.1	--	\$ 9,802.6	--
FY 2003 Approved	4,459.4	(0.1%)	9,879.9	0.8%
FY 2003 After Allotments	4,341.5	(2.6%)		
FY 2003 Gov. Est.	4,358.3	0.4%	10,187.7	3.1%
FY 2004 Gov. Rec.	4,493.4	3.1%	10,151.3	(0.4%)

Key Components of the Budget

No Tax Increases. The funding for this budget is based on the Consensus Revenue Estimate of November 5, 2002. No additional tax sources have been incorporated. Additional information on revenue estimates can be found on pages 12-6.

State General Fund Balance at Zero Percent. The budget recommendations leave a balance at the end of FY 2004 of zero percent. Under the current extraordinary circumstances, building a realistic budget that contains a 7.5 percent ending balance but no tax increases is impossible. A budget that meets the requirements of a 7.5 percent ending balance, in accordance with state statutes, is contained in the last section of this volume.

Education Protected. Funding is added in FY 2003 and FY 2004 to cover local option budgets and base aid requirements. In FY 2004, the base budget per pupil remains at \$3,863, adequate funding is provided to cover the local option budget formula fully, and special education receives the same State General Fund support. Higher education funding for university operating grants, community college aid, Washburn aid, and technical college funding support remains constant between the two fiscal years.

SRS/Aging Caseloads Fully Funded. In FY 2003, supplemental funding is added to address increased caseload costs in these two agencies. FY 2004 costs are fully funded using November consensus caseload projections.

FY 2003 One-time Funding Replaced. The legislatively approved FY 2003 budget funded \$93.5 million of entitlement expenditures with money from the Intergovernmental Transfer. The transfer money is not available in FY 2004, requiring those same entitlement costs to be funded from the State General Fund. For further information, see pages 46-8.

State Employee Salary Increase. The Governor recommends a 1.5 percent salary increase for state employees at the beginning of FY 2004 at a cost of \$26.9 million from all funding sources, of which \$13.5 million is from the State General Fund.

Prisons Kept Open. To meet the current year allotment reductions fully, the Department of Corrections would have had to close prisons. However, enough money is added in FY 2003 and in FY 2004 to avoid closure of the following facilities:

- Stockton Unit
- Osawatomie Unit
- Toronto Unit
- El Dorado North
- Labette Conservation Camps
- Adult Residential Centers in Johnson and Sedgwick Counties

Human Service Restorations. The FY 2004 budget adds funding to restore a portion of the cuts required

by the current year allotment reductions. Some of these services are:

- Senior Care Act
- HCBS Waiting Lists
- HealthWave
- Delaying the Start Date for GA/MediKan Time Limit
- Emergency Shelter Case Management
- Child Care Eligibility at 185% FPL
- CMHC Aid
- CDDO Aid

Shifts to Fees. Where possible, current State General Fund costs are shifted to fee-based funding. This occurs most significantly in the Department of Revenue, State Treasurer, Secretary of State, Health and Environment, the Board of Tax Appeals, and the Judicial Council.

Biennial & Fee Agency Budgets Reduced 5.9 Percent. Budgets for fee-based agencies that were not subject to the current year allotment reductions are lowered by 5.9 percent in FY 2004. The money saved from these reductions is transferred to the State General Fund. This treats these state agencies like other state agencies in regard to budget reductions. The savings from these reductions, shown in the table on p. 59, are transferred to the State General Fund.

70 New Troopers. The budget restores enough money to the Highway Patrol to hire 70 troopers in positions that are now being held vacant or that are subject to FY 2003 allotment reductions. For half of FY 2003 and all of FY 2004, the Highway Patrol's State General Fund financing is removed and substituted with State Highway Fund dollars.

SGF Transfers Eliminated. For FY 2004, there are no State General Fund revenue transfers to the Highway Fund, the Local Ad Valorem Tax Reduction Fund, the County and City Revenue Sharing Fund, and the Special City and County Highway Fund. However, full payment to cities and counties from the Special City and County Highway Fund will still occur.

Continued Death & Disability Moratorium. The approved FY 2003 budget contains a two-quarter moratorium on payments into the fund. The Governor's recommendations add the last quarter of

FY 2003 to the moratorium and all four quarters of FY 2004. The savings from this moratorium provide the 1.5 percent salary increase for state employees.

Judiciary/Legislature. Beginning in FY 2004, the Executive Branch will not presume to review or adjust the budgets of the Judiciary and Legislature, but will simply include as a "placeholder" the exact budget passed by the Legislature in the previous year.

State General Fund

FY 2003. At the beginning of FY 2003, State General Fund balances totaled \$12.1 million. The 2002 Legislature passed a budget based on \$4,515.5 million of revenue and \$4,444.5 million of expenditures. Revenue collections were less than projected and, in August 2002, Governor Graves ordered \$39.9 million of allotment reductions. In November 2002, the Consensus Revenue Estimate lowered FY 2003 revenue projections to \$4,152.0 million. Governor Graves then ordered a second round of allotment reductions, cutting \$78.1 million from agency budgets, stopping \$48.0 million in revenue transfers, recommending transfer of \$35.1 million of the balances of several agency funds, and recommending that a \$94.6 million loan from KDOT not be repaid.

The revised FY 2003 budget presented in this volume begins from that point. More "balance" transfers and a tax amnesty program are recommended to improve current year revenues further. Supplemental funding is added for School Finance and SRS/Aging caseloads, although some SRS claims will be pended until FY 2004. The revised budget totals \$4,358.3 million and is 2.4 percent less than actual expenditures in FY 2002. The recommended budget leaves a FY 2003 ending balance of \$0.4 million, which then forms the beginning point for FY 2004. The table on the opposite page illustrates these changes.

FY 2004. The Consensus Revenue Estimate for FY 2004 totals \$4,525.7 million. Total available revenue is enhanced by eliminating all revenue transfers except the School Capital Improvements Transfer, a partial transfer for the Water Plan Fund, and the Regents Faculty of Distinction Program. Operating reductions are recommended for fee agencies and KDOT and the savings transferred to the State General Fund. Budgeted revenue totals \$4,493.9 million.

**State General Fund
FY 2003**

(Dollars in Millions)

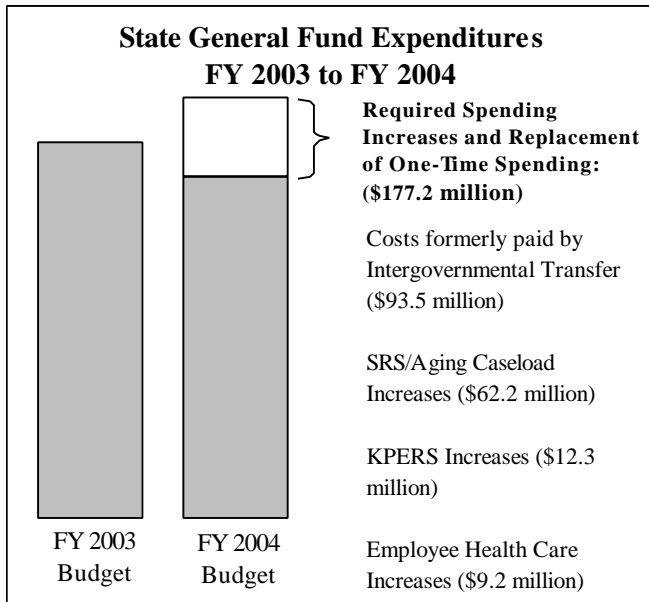
Beginning Balance	\$ 12.1
Revenue:	
November Consensus Revenue Est. (Includes Revenue Transfers)	4,152.0
Local Government Transfer Allotment Reductions (Gov. Graves)	48.0
No KDOT Loan Repayment (Gov. Graves Recommendation)	94.6
Balance Transfers (Gov. Graves Recommendation)	35.1
Underground Storage Tank Fund Balance Transfer	10.0
Tax Amnesty	7.5
Juvenile Facilities Fee Fund Balance Transfer	0.5
Transfer Death & Disability Moratorium Savings from non-SGF Funds	0.9
Increase Insurance Dept. Transfer Revenue Transfer	0.1
Adjust School Capital Improvements Revenue Transfer	(2.1)
Total Available	\$ 4,358.7
Expenditures:	
Approved Budget (June 2002)	4,444.5
Expenditure Authority Shifting from FY 2002	15.4
August Allotment Reduc. (Gov. Graves)	(39.9)
November Allotment Reduc. (Gov. Graves)	(78.1)
School Finance Supplemental	26.4
SRS/Aging Caseload Supplemental	18.8
Dept. of Corrections Restore Funding for Facilities	3.3
Shift Highway Patrol Expenditures to State Highway Fund	(12.6)
Use Ongoing Intergovernmental Transfer Funds	(4.0)
4th Quarter Death & Disability Moratorium Savings	(5.3)
Pend SRS Claims to FY 2004	(6.2)
Net of Other Adjustments	(4.0)
Total Expenditures	\$ 4,358.3
Ending Balance	\$ 0.4

**State General Fund
FY 2004**

(Dollars in Millions)

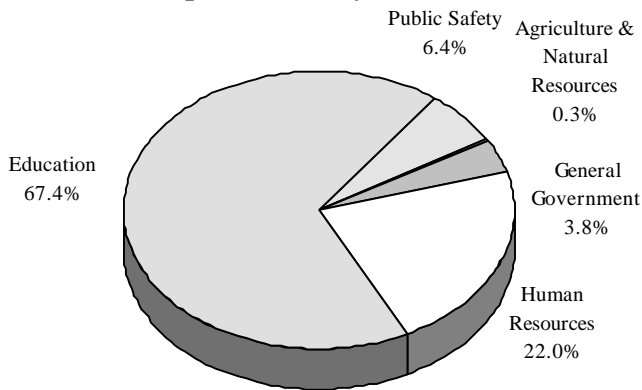
Beginning Balance	\$ 0.4
Revenue:	
Consensus Revenue Est. (Revenue Transfers Not Included)	4,525.7
Highway Fund Revenue Transfer	--
LAVTR Revenue Transfer	--
CCRS Revenue Transfer	--
SCCHF Revenue Transfer	--
State Fair Revenue Transfer	--
School Capital Improvements Revenue Transfer	(55.0)
Water Plan Revenue Transfer	(3.8)
Regents Faculty of Distinction Revenue Transfer	(0.5)
Transfer Savings from KDOT Operations Cuts to SGF	5.0
Transfer Savings from Fee Agency Cuts to SGF	3.5
Transfer Balance from KEY Fund	9.9
Transfer Death & Disability Savings from non-SGF Funds	3.4
Continue Insurance Dept. Transfer	0.8
Tax Amnesty	4.5
Total Available	\$ 4,493.9
Expenditures:	
FY 2003 Base Budget	4,358.3
Replace One-time Intergovernmental Transfer Funds	93.5
SRS/Aging Additional Caseloads	62.2
KPERS Regular Increase	12.3
Health Insurance Increase	9.2
Salary Plan	13.5
Shift Highway Patrol Expenditures to State Highway Fund	(25.1)
Use Ongoing Intergovernmental Transfer Funds	(4.0)
KPERS Death & Disability Moratorium Savings	(5.3)
Net of Other Adjustments	(21.1)
Total Expenditures	\$ 4,493.4
Ending Balance	\$ 0.5

Recommended expenditures total \$4,493.4 million, an increase of \$135.1 million over FY 2003. All of the increase is expended to cover the replacement of one-time funding from the Intergovernmental Transfer, caseload cost increases, state employee health care cost increases, and KPERS contribution increases. The chart below illustrates that the inclusion of these items required the use of all new money and a significant cut in the base budget.



For most agencies the reductions absorbed in the FY 2003 allotments are continued in FY 2004 and then

Expenditures by Function



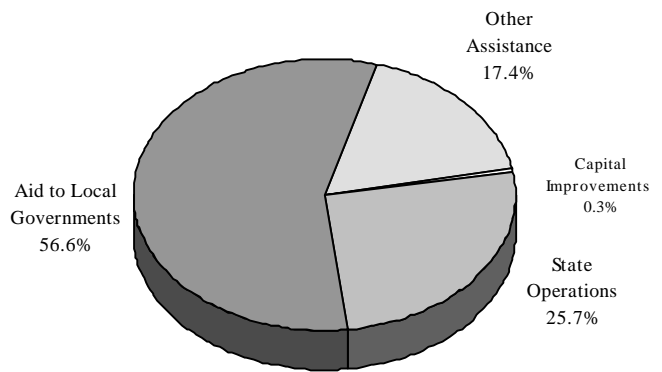
Fiscal Year 2004

further reductions applied. Total expenditures are also reduced by shifting Highway Patrol financing to the State Highway Fund, budgeting for the ongoing portion of the Intergovernmental Transfer, and applying a full-year moratorium to the KPERS Death

and Disability Fund. The ending balance will be \$0.5 million. The table on the previous page shows key components of the FY 2004 budget.

As shown in the pie chart in the previous column, Public Education and Higher Education account for the 67.4 percent of State General Fund spending in FY 2004. 22.0 percent goes for human resources, principally in SRS and the Department on Aging, and 6.4 percent is spent on Public Safety. The previous pie chart illustrates State General Fund expenditures by function. A significant majority, 56.6 percent of State General Fund dollars, are distributed to local governments and agencies to provide services for Kansans. 25.7 percent will fund state agencies, 17.4 percent will provide direct assistance and grants to Kansas citizens, and 0.3 percent will be used for capital improvements.

Expenditures by Category



Fiscal Year 2004

FY 2005 Outlook. The table on the opposite page outlines a multi-year scenario for the State General Fund. For FY 2005, revenue is presumed to grow 3.2 percent. Future expenditures are assumed to be flat with the exception of items that must be funded. Each year the state faces increasing caseload costs, increasing KPERS costs, and increasing costs for employee health insurance. Just to fund these basic and necessary cost increases requires almost a 2.0 percent State General Fund budget increase each year.

The table shows that with these assumptions, \$300.0 million would need to be cut from the FY 2005 budget to achieve a 7.5 percent ending balance. In FY 2005, any return to funding revenue transfers for local governments and KDOT, or any other increase, would require additional cuts or revenue increases.

Outlook for the State General Fund

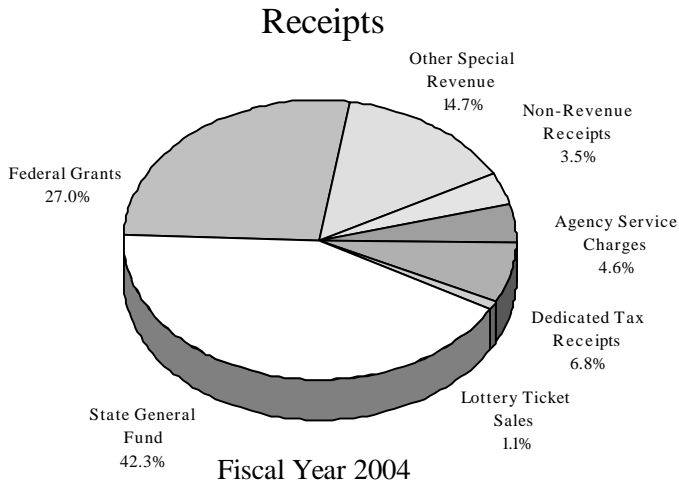
(Dollars in Millions)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Adjusted Balance	\$365.7	\$12.1	\$0.4	\$0.5
Released Encumbrances	4.1	--	--	--
Revenue				
Revenue Estimates	4,108.3	4,349.0	4,552.8	4,699.7
Highway Fund Revenue Transfer	--	--	--	--
State Water Plan Revenue Transfer	--	--	(3.8)	(3.8)
LAVTR Revenue Transfer	--	--	--	--
CCRS Revenue Transfer	--	--	--	--
SCCHF Revenue Transfer	--	--	--	--
State Fair Revenue Transfer	--	(0.3)	--	--
School Capital Improve. Revenue Transfer	--	(2.1)	(55.0)	(60.0)
Regents Faculty of Distinction	--	--	(0.5)	(1.0)
Total Available	\$4,478.1	\$4,358.7	\$4,493.9	\$4,635.3
Expenditures				
Base Budget	4,466.1	4,358.3	4,493.4	4,493.4
Fully Fund KPERs Death & Disability	--	--	--	17.8
SRS & Aging Caseloads	--	--	--	59.3
KPERs Regular Increase	--	--	--	9.3
State Employee Health Care	--	--	--	10.0
Corrections Food and Medical Contract	--	--	--	1.2
Open New Topeka JJA Facility	--	--	--	12.0
Regents Research Initiative Debt Service	--	--	--	10.0
Subtotal Expenditures	\$4,466.1	\$4,358.3	\$4,493.4	\$4,613.0
Shortfall	--	--	--	(300.0)
Total Expenditures	\$4,466.1	\$4,358.3	\$4,493.4	\$4,313.0
Ending Balance	\$12.1	\$0.4	\$0.5	\$322.4
<i>As % of Expenditures</i>	<i>0.3%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>7.5%</i>
Revenue in Excess of Expenditures	(353.6)	(11.7)	0.1	321.9
<i>Percent Growth in Total Expenditures</i>	<i>0.8%</i>	<i>(2.4%)</i>	<i>3.1%</i>	<i>2.7%</i>

Totals may not add because of rounding.

All Funding Sources

Receipts. The pie chart below shows FY 2004 receipts by major category. The largest single source is the State General Fund, which accounts for 42.3 percent of all receipts included in this report.



In FY 2004, the State of Kansas will receive \$2.87 billion in federal grants, which represents 27.0 percent of total receipts. A total of 41 agencies will receive these federal funds in FY 2004. The Department of Social and Rehabilitation Services will receive the most federal funds, 59.9 percent, followed by the Department of Transportation with 10.6 percent.

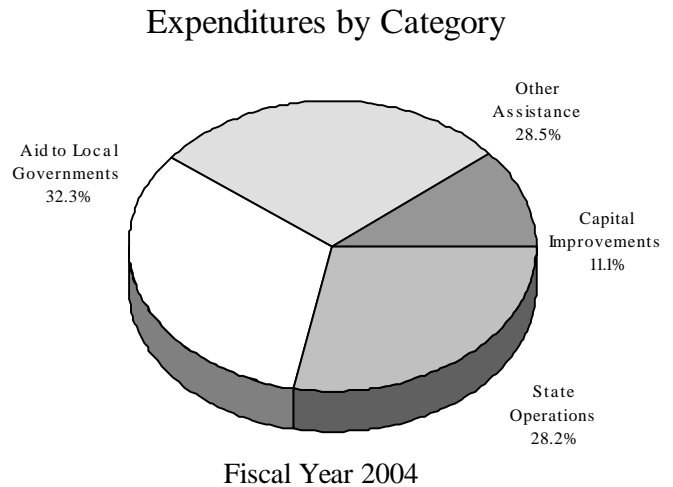
Dedicated tax receipts represent revenues from taxes collected for a specific purpose and deposited in special revenue funds, rather than the State General Fund. For example, taxes on motor fuels and vehicle registrations, as well as a dedicated sales tax of one-quarter of a cent, are assessed and credited to the State Highway Fund. In addition, statewide property taxes of 1.5 mills are assessed for financing construction and maintenance of state buildings at Regents institutions and state social service institutions. These sources account for 6.8 percent of total revenues in FY 2004.

Agency service charges include revenues received for services provided by state agencies and include charges for inspections, examinations, and audits; fees collected for tuition and other purposes at Regents institutions; and admissions to the State Fair. This revenue category is 4.6 percent of total receipts. Non-revenue receipts are transfers from other funds, collections, and reimbursements realized by agencies. Examples of non-revenue receipts include collections

by the Department of Human Resources for the payment of unemployment benefits and child support collection from absent parents. Proceeds from the sale of revenue bonds are also included in this category. This financing source accounts for 3.5 percent of total receipts to the state.

Other special revenue receipts include license fees, interest earnings on special revenue funds, non-federal grants, the sale of state property, and numerous other miscellaneous revenue sources. Some agency fee funds retain the interest they earn. This source accounts for 14.7 percent of all revenue receipts in FY 2004. Lottery sales are anticipated to account for 1.1 percent of all receipts.

Summary of Expenditures from All Funding Sources. The Governor recommends expenditures of \$10.18 billion from all funding sources in FY 2003 and \$10.16 billion in FY 2004. The pie chart below presents a view of the state budget by various categories of expenditure.



Approximately 60.8 percent of the total budget is recommended for grants, including 32.3 percent for aid to local governments and 28.5 percent for direct assistance to individuals. Expenditures for direct assistance to Kansas citizens consist largely of public assistance, medical assistance, and unemployment insurance benefits. The Governor recommends \$2.9 billion for the operation of state agencies, representing 28.2 percent of total expenditures.

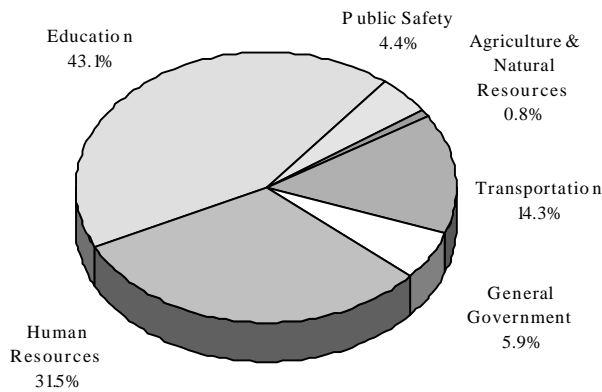
The Governor also recommends \$1.1 billion for capital expenditures. Capital improvements for the Kansas

Department of Transportation total \$1.0 billion and account for 91.3 percent of capital spending. Details of capital projects are contained in the Capital Budget section of this volume.

By function of government, as illustrated in the pie chart on this page, Education constitutes the largest portion of the state budget with 43.1 percent. This is followed by social services with 31.5 percent and Transportation with 14.3 percent. Agriculture and Natural Resources, making up 0.8 percent of the budget, is the smallest function.

Balance Sheet for All Funding Sources. The table on the next page summarizes the condition of all of the funds that are used to support expenditures identified in *The Governor's Budget Report* in a single balance sheet. The table illustrates beginning balances, State General Fund receipts, receipts to special revenue funds, reportable expenditures from all funding sources, and ending balances. It covers actual FY 2002, the Governor's estimate for FY 2003, and the Governor's recommendation for FY 2004.

Expenditures by Function



Fiscal Year 2004

Budget Preparation

Development of the budget recommendations submitted to the 2003 Legislature was a challenge this year because of the continued deterioration of State General Fund revenues. The budget was developed as

the Executive Branch transitioned from the administration of Governor Graves to the administration of Governor Sebelius. Despite the challenges involved, including a short timeframe, the budget is the product of thoughtful deliberations with a view to maximizing the effectiveness of every tax dollar available for state government operations and the delivery of services.

Upon adjournment of the 2002 Legislative Session, revenues and expenditure obligations were monitored even more closely than usual as FY 2002 came to a close to ensure that the state maintained a positive balance, which it did but by a very narrow margin. With the expectation that revenues would continue to decline, Executive Branch agencies were given an allocation as a basis for submitting their budget estimates by September 16.

Allocations were based on the approved FY 2003 budget, adding resources for social service caseloads, group health costs, and increased KPERs rates but reducing budgets for one-time expenditures in FY 2003. At the same time, agencies were directed to submit reduced resource packages that would allow budgets to be reduced by 5.0 percent if revenues continued to drop. Agencies also were able to request enhancements for new or expanded programs.

In August 2002, Governor Graves ordered reductions under the state's Allotment System followed by a second wave of reductions in late November after the Consensus Revenue Estimates of November 5 projected that revenues would continue to decline. Recommendations of the Division of the Budget were distributed November 8 in accordance with the statutory deadline and agency appeals were heard before Thanksgiving.

In the meantime, Governor-elect Sebelius, in keeping with her commitment to undertake a top-to-bottom review of state government, appointed a number of Budget Efficiency Savings Teams (BEST) to undertake the review. In mid-December, the teams completed their work in time to coincide with the decision-making process in completing the budget.

Budget Summary for All Funding Sources

(Dollars in Thousands)

	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Gov. Estimate</u>	<u>FY 2004</u> <u>Gov. Rec.</u>
Beginning Balances	\$ 2,487,705	\$ 1,637,850	\$ 1,000,854
Add: Released Encumbrances	3,567	--	--
Net Receipts			
State General Fund:			
Motor Carrier Property Taxes	18,067	16,500	17,000
Income Taxes	1,951,486	1,999,500	2,091,000
Estate/Inheritance Taxes	48,083	55,000	60,000
Excise Taxes	1,891,930	2,124,300	2,192,000
Other Taxes	86,907	88,500	88,500
Other Revenue	111,847	62,814	44,994
State General Fund Total	\$ 4,108,320	\$ 4,346,614	\$ 4,493,494
Special Revenue Funds:			
Property Taxes Dedicated to Building Funds	36,508	40,019	41,154
Motor Fuels Taxes	374,700	414,374	437,868
Motor Vehicle Registration Taxes	132,969	145,000	147,000
Sales Tax Dedicated to Highway Fund	90,790	93,069	97,722
Agency Service Charges	461,153	492,157	492,146
Licenses, Permits, and Registrations	73,552	72,620	73,304
Lottery Ticket Sales	108,597	118,827	121,213
Sale of Goods and Services	139,020	133,703	132,412
Interest, Dividends, Rents, & Royalties	252,034	166,921	162,020
Federal Grants	2,849,338	3,085,782	2,870,400
Non-federal Gifts, Donations, & Grants	68,223	110,620	105,483
Other Revenue	313,886	86,334	86,920
Non-revenue Receipts	566,397	311,068	307,135
Special Revenue Funds Total	\$ 5,467,166	\$ 5,270,496	\$ 5,074,777
Total Receipts	\$ 9,575,486	\$ 9,617,110	\$ 9,568,271
Total Available	\$ 12,066,758	\$ 11,254,959	\$ 10,569,125
Expenditures by Object			
Salaries & Wages	1,827,047	1,782,630	1,810,745
Contractual Services	714,714	748,188	726,776
Commodities	151,126	161,116	159,078
Capital Outlay	99,741	103,135	103,829
Debt Service	109,729	96,550	94,554
Operating Adjustments	--	(22,064)	(30,376)
Non-expense Items	570,860	78,013	72,607
Aid to Local Governments	3,360,192	3,312,890	3,278,010
Other Assistance, Grants, & Benefits	2,646,561	2,796,194	2,894,815
Capital Improvements	893,478	1,202,478	1,122,852
Total Expenditures	\$ 9,802,587	\$ 10,181,116	\$ 10,160,282
Ending Balances	\$ 2,264,171	\$ 1,073,843	\$ 408,843

Receipts and expenditures have been adjusted to exclude KPERS contributions or benefit payments.

Totals may not add because of rounding and non-expense items are not counted in the totals.

State General Fund Balances

Maintaining an adequate balance in the State General Fund is always a budgetary goal. An adequate balance allows flexibility if receipts fall below expectations and eases the management of cashflow.

Ending Balance Requirements

The 1990 Legislature enacted legislation that established minimum ending balances. The legislation requires that the Governor's budget recommendations and the legislative-approved budget provide at least a 7.5 percent ending balance for the budget year. After the budget is approved, if revenues fall below projections, the balances can be drawn down. The 2002 Legislature lowered the ending balance requirement for FY 2003 to 5.0 percent. However, revenues have been coming in well below projections since the budget was approved. FY 2002 ended with a balance of \$12.1 million. The revised FY 2003 budget projects an ending balance of \$400,000. The FY 2004 budget is designed to reach a zero balance. Under the current difficult circumstances budgeting for a 7.5 percent ending balance without new revenue is unrealistic. However, a budget scenario that does meet the statutory ending balance requirement is detailed at the end of this volume.

The table depicts State General Fund receipts, expenditures, and year end balances from FY 1990 through FY 2004. The table shows significant variance in the ending balances from year to year. The drop between FY 1999 and FY 2000 reflects the beginning of several challenging budget years with unanticipated revenue drops and significant expenditure reductions.

Cashflow

The budget is based on an estimate of annual receipts and the Governor's recommendation for total expenditures over the course of a fiscal year.

However, the amount of receipts to the State General Fund varies from month to month, and an agency may spend any or all of its appropriation at any time during the fiscal year. The uneven nature of revenue and expenditure patterns requires actions, such as adjusting the amount and timing of various large payments and

State General Fund Balances				
<i>(Dollars in Millions)</i>				
Fiscal Year	Receipts	Expend.	Balances	Percent
1990	2,300.5	2,400.3	272.9	11.4
1991	2,382.3	2,495.4	162.2	6.5
1992	2,465.8	2,491.3	140.5	5.6
1993	2,932.0	2,690.4	384.9	14.3
1994	3,175.7	3,111.0	454.4	14.6
1995	3,218.8	3,309.8	367.0	11.1
1996	3,448.3	3,439.2	379.2	11.0
1997	3,683.8	3,538.1	527.8	14.9
1998	4,023.7	3,799.1	756.3	19.9
1999	3,978.4	4,196.2	540.7	12.9
2000	4,203.1	4,367.6	378.0	8.7
2001	4,415.0	4,429.6	365.7	8.3
2002	4,108.3	4,466.1	12.1	0.3
2003	4,346.6	4,358.3	0.4	0.0
2004	4,493.5	4,493.4	0.5	0.0

transfers. However, administrative actions alone are not always adequate to maintain a positive cashflow for the State General Fund.

With State General Fund balances at a very low level, the state has been forced to borrow from other funds by issuing certificates of indebtedness. A \$450.0 million certificate was issued on the first day of FY 2003. The certificate must be repaid before the fiscal year closes.

State General Fund Revenues

Estimates for the State General Fund are developed using a consensus process that involves the Division of the Budget, the Kansas Legislative Research Department, the Department of Revenue, and three consulting economists, one each from the University of Kansas, Kansas State University, and Wichita State University. The Governor's budget uses the State General Fund Consensus Revenue Estimating Group's estimates for FY 2003 and FY 2004 as a base and makes adjustments to them.

Estimating Process

Each year members of the Consensus Revenue Estimating Group meet in October with other individuals from specific business areas to discuss basic economic trends in Kansas, the Midwest, and the nation. Using information and assumptions developed in this meeting, each member of the group independently develops estimates for the different sources from which the State General Fund realizes receipts. Members use individual methodologies during this process. The group does not use a common economic forecasting model. It reconvenes in

November to discuss and compare the estimates of the members. During that meeting the group develops a consensus on each State General Fund revenue source for both the current and upcoming fiscal years. These estimates become the basis for both the Governor and the Legislature upon which the annual state budget is built. The consensus group meets again in April of each year to revise the estimates.

Described below are the basic economic assumptions developed during the November consensus meeting. These assumptions were used, along with actual receipts from prior years and the first four months of FY 2003, to form the basis for the current set of revenue estimates. Detailed data concerning the assumptions that the consensus group used are contained in *The Governor's Economic and Demographic Report*.

Basic Economic Assumptions

The table below shows the key economic indicators used to estimate State General Fund revenues for FY 2003 and FY 2004. The Kansas economy is expected

Key Economic Indicators				
<i>(Dollars in Thousands)</i>				
	2001	2002	2003	2004
Consumer Price Index for All Urban Consumers	2.8 %	1.7 %	2.5 %	2.7 %
Real U.S. Gross Domestic Product	0.3	2.5	3.0	3.7
Nominal U.S. Gross Domestic Product	2.6	3.7	5.4	6.1
Nominal U.S. Personal Income	3.3	3.2	4.8	5.4
Corporate Profits before Taxes	(7.7)	(3.0)	13.0	10.0
Nominal Kansas Gross State Product	2.5	3.4	5.0	5.6
Nominal Kansas Personal Income:				
Dollars in Millions	\$76,976	\$79,360	\$82,812	\$87,200
Percentage Change	3.8 %	3.1 %	4.3 %	5.3 %
Nominal Kansas Disposable Income:				
Dollars in Millions	\$66,307	\$68,777	\$71,769	\$75,239
Percentage Change	4.0 %	3.7 %	4.3 %	4.8 %
Nominal Kansas Spendable Income:				
Dollars in Millions	\$71,752	\$74,044	\$77,384	\$82,073
Percentage Change	3.7 %	3.2 %	4.5 %	6.1 %
Nominal Kansas Taxable Income:				
Dollars in Millions	\$65,024	\$66,834	\$70,020	\$74,071
Percentage Change	3.1 %	2.8 %	4.8 %	5.8 %
Interest Rate for State General Fund <i>(based on fiscal year)</i>	6.0	2.8	2.0	2.9
Kansas Unemployment Rate <i>(based on fiscal year)</i>	4.1	4.4	4.4	4.2

to realize modest growth during the latter part of calendar year 2003. It is anticipated that the state's economy will mirror the national economy, except that the state's recovery probably will lag behind the national economy by several quarters. Several key factors that affected the consensus estimates include a slower than expected economic recovery from the mild recession, limited capital investments by businesses, increasing unemployment, and dampening retail sales.

The national economy is expected to strengthen over the next two years. Nominal Gross Domestic Product (GDP) is expected to grow by 5.4 percent in 2003 and by 6.1 percent in 2004, while real GDP is expected to grow by 3.0 percent and 3.7 percent, respectively. U.S. personal income also is expected to increase. The growth is anticipated to be 4.8 percent in 2003 and 5.4 in 2004.

Kansas Personal Income. Kansas Personal Income (KPI) grew by 3.8 percent in 2001 and is expected to complete 2002 at the lower growth rate of 3.1 percent. The KPI growth rate is expected to be 4.3 percent in 2003 and 5.3 percent in 2004.

Employment. Labor market statistics indicate that unemployment in Kansas is up, but experts believe that the outlook is not bleak. The statewide unemployment rate for FY 2002 is expected to be 4.4 percent, which is an increase over the 4.1 percent level in FY 2001. The latest statistics indicate that Kansas unemployment is still below the national rate of 5.6 percent (September 2002) and that a large part of the state is below 4.0 percent unemployment. However, the main metropolitan areas are forcing the rate upward. The overall Kansas unemployment rate for FY 2003 is expected to be 4.4 percent, then decrease to 4.2 percent in FY 2004.

Agriculture. The All Farm Products Index of Prices received by Kansas farmers was 104 in September, compared with 92 a year ago. The monthly average prices farmers received for wheat, corn, sorghum, and soybeans were mostly stable the first six months of 2002; then as the drought intensified, the prices began to increase. Using current forecasts for 2002 production and the projected prices released by the U.S.D.A. in October, the value of production for the four major crops in Kansas likely will be down 2.0 to 3.0 percent from last year's levels.

Net farm income in Kansas decreased 2.0 percent from \$974.5 million to \$958.2 million in 2001. For this same period, the national net farm income decreased by 5.0 percent. Economic Research Service figures show that net farm income will continue to drop because of low livestock prices. Cattle marketings through September are running 7.0 percent above last year, but prices remain well below last year's levels. Hog prices also are below a year ago. Another factor that is expected to decrease farm income is federal relief, which is not expected to be as significant as last year because crop prices are above the levels needed for deficiency payments to be triggered.

Oil & Gas. The average price per taxable barrel of Kansas crude oil is estimated to be \$26 in FY 2003 and to decrease to \$24 in FY 2004. Gross oil production in Kansas, which has been declining steadily for the last decade, is expected to continue to decline throughout the forecast period. Production is estimated to be 32.5 million barrels in FY 2003 and 32.0 million barrels in FY 2004.

The price of natural gas is expected to increase from the FY 2002 level of \$2.45 per mcf to \$3.05 per mcf in FY 2003 and then to \$3.40 per mcf in FY 2004. Natural gas production in FY 2002 was 468.0 million cubic feet. Production is expected to continue to decline for the foreseeable future as natural gas reserves, especially those in the Hugoton field, are depleted. The natural gas forecast is for 430.0 million cubic feet in FY 2003 and 395.0 million cubic feet in FY 2004.

Inflation. In 2001, the rate of inflation, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), was 2.8 percent. The inflation rate in 2002 is expected to be lower at 1.7 percent. The rate is anticipated to be slightly higher during the following two years with expected rates of 2.5 percent in 2003 and to 2.7 percent in 2004.

Interest Rates. The Pooled Money Investment Board is authorized to make investments in U.S. Treasury and agency securities, highly rated commercial paper, repurchase agreements and certificates of deposit of Kansas banks. In FY 2002, the state earned 2.75 percent on its State General Fund portfolio. The average rate of return forecasted for FY 2003 is 1.99 percent. For FY 2004, the rate is 2.92 percent.

Accounts Receivable. During the 2001 Legislative Session, the Department of Revenue received the resources and the authority to enhance its collection efforts on past due tax payments. The Department began implementation in July 2001, and was at full capacity by January 2002. Enhanced collections for FY 2002 totaled \$67.5 million, of which \$55.66 was credited to the State General Fund. The Department anticipates that enhanced collection efforts will yield \$37.6 million to the State General Fund for each of FY 2003 and FY 2004. In FY 2005, enhanced collection efforts are expected to yield \$27.1 million to the State General Fund.

Consensus Receipt Estimates

With the exception of three years, since 1975, State General Fund receipts have increased from the previous year. Only in FY 1986, FY 1999, and FY 2002 did the total receipts actually fall below the levels in the prior fiscal year. Between FY 1985 and FY 1986, receipts fell by 1.0 percent and by 1.1 percent between FY 1998 and FY 1999. The dramatic 6.9 percent drop between FY 2001 and FY 2002 receipts is the largest in recent history. The table in the next column lists actual State General Fund receipts and the year-to-year percent change from FY 1975 through FY 2002.

FY 2003. The approved FY 2003 budget was based on the consensus revenue estimate made March 8, 2002. In November, the estimate was decreased by \$349.8 million. Individual income tax receipts account for \$234.4 million of the total decrease. The significant reduction to the estimate is based on a weak stock market during 2001, as manifested in decreased capital gains realizations and increased capital losses.

The retail sales tax estimate also was reduced substantially for FY 2003 from \$1,658.9 million to \$1,600.0 million, a decline of \$58.9 million. This reduction was based on slower than expected consumer spending through the first four months of the fiscal year and the expectation that the pattern will continue throughout the rest of the fiscal year.

Likewise, the compensating use tax estimate was reduced by \$66.6 million from \$296.6 million to \$230.0 million. Sources show that 45.0 percent of the

compensating use tax is paid by consumers. However, this tax source estimate also was affected by an apparently dramatic slowing of retailers' purchases. Approximately 55.0 percent of compensating use tax receipts are attributable to payments made by out-of-state retailers who sell products in Kansas. Other tax source estimates that were reduced include motor carrier property, estate, corporate franchise, and miscellaneous taxes.

<u>Fiscal Year</u>	<u>Actual Receipts</u>	<u>Year to Year % Change</u>
1975	\$627.6	N/A
1976	701.2	11.7 %
1977	776.5	10.7
1978	854.6	10.1
1979	1,006.8	17.8
1980	1,097.8	9.0
1981	1,226.5	11.7
1982	1,273.0	3.8
1983	1,363.6	7.1
1984	1,546.9	13.4
1985	1,658.5	7.2
1986	1,641.4	(1.0)
1987	1,778.5	8.4
1988	2,113.1	18.8
1989	2,228.3	5.5
1990	2,300.5	3.2
1991	2,382.3	3.6
1992	2,465.8	3.5
1993	2,932.0	18.9
1994	3,175.7	8.3
1995	3,218.8	1.4
1996	3,448.3	7.1
1997	3,683.8	6.8
1998	4,023.7	9.2
1999	3,978.4	(1.1)
2000	4,203.1	5.6
2001	4,415.0	5.0
2002	4,108.9	(6.9)

FY 2004. Total State General Fund receipts are estimated to be \$4.53 billion in FY 2004, while tax receipts are estimated to be \$4.45 billion. The total receipts are \$373.6 million, or 9.9 percent, greater than the newly revised FY 2003 figure. The FY 2004 estimate does not subtract any of the demand transfers converted to revenue transfers, while the FY 2003

estimate subtracts \$144.9 million in these transfers. If transfers had been treated in a similar fashion in both years, the FY 2004 growth rate would have been 5.3 percent. Modest increases are forecast for the principal State General Fund tax revenue sources in FY 2004 over the FY 2003 levels.

adjustments that affect the transfers to local governments, statewide funds, and selected agency funds. A complete listing is shown in the table below. The Governor's recommendations decrease the consensus estimates for FY 2004 by \$32.2 million. The adjustments are shown in the lower portion of the table.

Governor's Adjustments

The Governor's recommendations increase the consensus revenue estimates for FY 2003 by \$194.6 million. The increase is attributable to several key

The table on the next page reflects revenue estimates, by source, for the State General Fund. These numbers show estimates agreed to by the Consensus Revenue Estimating Group, as adjusted for the changes proposed by the Governor.

Adjustments to the Consensus Revenue Estimates		
<i>(Dollars in Thousands)</i>		
FY 2003		
Revenue Transfers to Local Governments	Eliminate Second Half of Transfers to Local Ad Valorem Tax Reduction Fund, City County Revenue Sharing Fund, & Special City County Highway Fund	48,020
Revenue Transfer to School Districts	Increase Transfer to the School District Capital Improvements Fund	(2,111)
Tax Amnesty		7,500
Statewide Funds:		
Kansas Endowment for Youth Fund	Transfer Balance	14,400
Senior Services Trust Fund	Transfer Balance	8,300
Long-Term Care Loan & Grant Fund	Transfer Balance	7,400
State Highway Fund	Not Repaying Transfer	94,600
Death & Disability Moratorium	Special Revenue Funds	858
Agency Funds:		
Insurance Department	Workers Compensation Fund	4,000
Insurance Department	Insurance Department Service Regulation Fund	100
Department of Health & Environment	Waste Tire Management Fund	1,000
Department of Health & Environment	Underground Storage Tank Fund	10,000
Juvenile Justice Authority	Juvenile Detention Facilities Fee Fund	500
Total FY 2003 Transfers		\$ 194,567
FY 2004		
Revenue Transfers to Local Governments	Make Only the Transfer to the School District Capital Improvements Fund. No Transfers Made to the Local Ad Valorem Tax Reduction Fund, County/City Revenue Sharing Fund, & Special City/County Highway Fund	(55,000)
Tax Amnesty		4,500
Statewide Funds:		
Kansas Endowment for Youth Fund	Transfer Balance	9,875
State Water Plan Fund	Make Partial Transfer	(3,774)
Death & Disability Moratorium	Special Revenue Funds	3,386
Agency Funds:		
Insurance Department	Insurance Department Service Regulation Fund	850
Department of Transportation	State Highway Fund Transfer	5,000
Regents	Make Faculty of Distinction Transfer	(500)
Biennial & Fee Funded Agencies	Reduce Expenditures 5.9% & Transfer Savings	3,490
Total FY 2004 Transfers		(\$32,173)

Consensus Revenue Estimate
As Adjusted for the Governor's Recommendations
(Dollars in Thousands)

	FY 2002 Actual		FY 2003 Gov. Estimate		FY 2004 Gov. Rec.	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	\$18,067	0.8 %	\$16,500	(8.7) %	\$17,000	3.0 %
Income Taxes:						
Individual	\$1,829,609	(7.5) %	\$1,845,000	0.8 %	\$1,920,000	4.1 %
Corporation	93,958	(55.7)	125,000	33.0	140,000	12.0
Financial Inst.	27,919	12.5	29,500	5.7	31,000	5.1
Total	\$1,951,486	(11.9) %	\$1,999,500	2.5 %	\$2,091,000	4.6 %
Estate/Inheritance	\$48,083	16.7 %	\$55,000	14.4 %	\$60,000	9.1 %
Excise Taxes:						
Retail Sales	\$1,470,599	3.3 %	\$1,600,000	8.8 %	\$1,640,000	2.5 %
Compensating Use	233,764	(0.9)	230,000	(1.6)	240,000	4.3
Cigarette	48,041	(1.5)	132,000	174.8	145,000	9.8
Tobacco Prod.	4,301	5.1	4,600	7.0	4,900	6.5
Cereal Malt Beverage	2,378	(4.5)	2,700	13.5	2,700	--
Liquor Gallonage	14,632	1.0	15,300	4.6	15,500	1.3
Liquor Enforcement	37,423	5.9	39,000	4.2	40,000	2.6
Liquor Drink	6,615	6.0	7,100	7.3	7,400	4.2
Corporate Franchise	18,495	9.3	28,000	51.4	30,000	7.1
Severance	55,682	(45.2)	65,600	17.8	66,500	1.4
Gas	41,789	(52.1)	48,300	15.6	49,800	3.1
Oil	13,893	(2.3)	17,300	24.5	16,700	(3.5)
Total	\$1,891,930	0.2 %	\$2,124,300	12.3 %	\$2,192,000	3.2 %
Other Taxes:						
Insurance Prem.	\$84,951	25.5 %	\$85,000	0.1 %	\$85,000	-- %
Miscellaneous	1,956	(7.4)	3,500	78.9	3,500	--
Total	\$86,907	24.5 %	\$88,500	1.8 %	\$88,500	-- %
Total Taxes	\$3,996,473	(5.6) %	\$4,283,800	7.2 %	\$4,448,500	3.8 %
Tax Amnesty	--	--	7,500	N/A	4,500	-- %
Adjusted Total Taxes	\$ 3,996,473	--	\$ 4,291,300	7.4 %	\$ 4,453,000	3.8 %
Other Revenues:						
Interest	\$38,820	(51.6) %	\$17,000	(56.2) %	\$11,000	(35.3) %
Net Transfers	21,840	N/A	(15,886)	N/A	(25,406)	N/A
Demand to Revenue	--	--	(99,007)	N/A	(58,774)	N/A
Other Transfers	21,840	N/A	83,121	N/A	33,368	N/A
Agency Earnings	51,187	18.5	54,200	5.9	54,900	1.3
Total Other Revenue	\$111,847	(39.0) %	\$55,314	(50.5) %	\$40,494	(26.8) %
Total Receipts	\$4,108,320	(6.9) %	\$4,346,614	5.8 %	\$4,493,494	3.4 %

State General Fund Transfers

Types of Transfers

Demand Transfers. There have been two kinds of transfers that can be made from the State General Fund. One is called a demand transfer, which by definition is an expenditure. It is treated as an expenditure because, as a resource of the State General Fund, it is being “paid out” or “used up.” Although a demand transfer is oftentimes transferred from the State General Fund to a special revenue fund in the state agencies administering these funds and is spent from that special revenue fund, it retains its identity as a State General Fund expense in both accounting and budgeting reports.

An important characteristic of a demand transfer is that the amount of the transfer in any given fiscal year is based on a formula or authorization in substantive law. The actual distribution of the funds has traditionally been made through the authority of this law, rather than through an appropriation in an appropriations bill. However, in recent years the resources of the State General Fund have not been sufficient to finance these transfers at the statutory level. As a result, provisions have been inserted in the appropriation bill to limit the amount of the transfer or to stop making the payments entirely.

Revenue Transfers. The other type of transfer is called a revenue transfer, because it is transferred directly out of the unencumbered balances of the State General Fund. Revenue transfers are also relocated to a special revenue fund and spent from the special revenue fund. However, revenue transfers are not counted as part of budgeted expenditures from the State General Fund because they are merely “relocated” from the State General Fund and spent out of a special revenue fund without retaining their identity as State General Fund dollars.

Basis for Calculating the Transfers

The largest transfer has been the one made to the State Highway Fund. Statutorily this transfer is tied to a percentage of sales and use tax receipts—11.0 percent in FY 2003, 11.25 percent in FY 2004, and 12.0

percent in FY 2005. This transfer to KDOT finances highway projects.

The Special City and County Highway Fund (SCCHF), also budgeted in the Department of Transportation was established in 1979 to prevent the deterioration of city streets and county roads. By statute this fund receives an amount equal to the state property tax levied on motor carriers.

The Local Ad Valorem Tax Reduction Fund (LAVTR) and the County and City Revenue Sharing Fund (CCRS) are funded from sales tax revenues. The LAVTR by statute is to receive 3.6 percent of sales and use tax receipts. The CCRS is to receive 2.8 percent of sales and use tax receipts. Both of them are distributed to local governments for property tax relief through the budget of the State Treasurer.

The School District Capital Improvements Fund supports school construction projects. The total is determined through a formula that pays a portion of school bond and interest payments. This transfer has grown substantially over the past several years, illustrating voter willingness to bond several large capital improvement projects. It is budgeted in the Department of Education.

The State Water Plan transfer is set by statute at \$6.0 million. These funds are appropriated directly to state agencies in the same manner as the State General Fund for water plan projects.

The transfer to the State Fair is defined by statute as 5.0 percent of State Fair revenues up to \$300,000. The transfer is used for capital improvements to the buildings on the fair grounds.

The Kansas Partnership for Faculty of Distinction Program at Regents institutions is the newest transfer, which was implemented only in FY 2003. The Partnership encourages gifts by private donors to enhance the ability of state universities to attract and retain faculty. The transfer is equivalent to the interest earned on gifts to the program based on the average net earnings rate of the Pooled Money Investment Board portfolio in the prior fiscal year.

The final transfer specified by statute is \$400,000 to the Abandoned Oil and Gas Well Fund of the Kansas Corporation Commission. It is used along with other funds to plug oil and gas wells that have been abandoned.

Transfer Conversions

During recent legislative sessions demand transfers have been converted to revenue transfers on a piecemeal basis. The 2001 Legislature converted three of the demand transfers to revenue transfers: the Local Ad Valorem Tax Reduction Fund, the County and City Revenue Sharing Fund, and the Special City and County Highway Fund. The 2002 Legislature converted another two: the School District Capital Improvements Fund and the State Water Plan Fund. The State Highway Fund demand transfer would have been included in the conversion as well, except the financial status of the State General Fund has necessitated suspension of this transfer. The Governor recommends that the State Fair Capital Improvements Fund be treated as a revenue transfer starting in FY 2003. In addition, the Kansas Partnership for Faculty of Distinction is recommended to be converted to a revenue transfer in FY 2004. The transfer to the KCC Abandoned Oil and Gas Well Fund has been a revenue transfer since its inception, so there is no need to convert it. Under the Governor's recommendations for FY 2004, all transfers will be treated as revenue transfers.

Recommendations

The FY 2003 approved transfers for the LAVTR, CCRS, and SCCHF were cut in half by the November allotments. The resulting transfers totaled \$26.2 million for the LAVTR, \$16.7 million for the CCRS, and \$5.0 million for the SCCHF. For FY 2004, the recommendations eliminate all three transfers.

The School District Capital Improvements Fund disbursed \$47.2 million in FY 2003, and it is estimated that it will disburse \$55.0 million in FY 2004.

State General Fund Transfers		
<i>(Dollars in Millions)</i>		
	<u>FY 2003</u>	<u>FY 2004</u>
State Highway Fund	--	--
Local Ad Val. Tax Reduction Fund	26.2	--
County & City Revenue Sharing Fund	16.7	--
Special City & County Highway Fund	5.0	--
School Dist. Capital Imp. Fund	47.2	55.0
State Water Plan Fund	3.8	3.8
State Fair Capital Improvements	0.3	--
Faculty of Distinction Program	0.4	0.5
Abandon Oil & Gas Well Fund	0.4	--
Total	100.0	59.3

For FY 2003, the Legislature reduced the \$6.0 million transfer specified in current law for the State Water Plan Fund to \$3,773,949. For FY 2004, the Governor recommends continuation of the FY 2003 level of funding.

For the State Fair in FY 2003, part of the \$300,000 was derived from the statute governing this transfer and the rest was produced from a provision in the appropriations bill. The provision was added for FY 2003 to ensure that the agency received the full \$300,000. It was estimated that the statutory formula would not produce the full amount because of reduced fair receipts as a result of the events of September 11, 2001. A portion of the transfer was subject to the allotment reductions, resulting in a reduction of \$11,565 to \$288,435. No transfer is recommended for FY 2004.

For the Kansas Partnership for Faculty of Distinction in FY 2003, the transfer was \$417,250 in accordance with the statute. For FY 2004, the Governor estimates a transfer of \$500,000.

The \$400,000 transfer to the Abandoned Oil and Gas Well Fund of the KCC was made according to law for FY 2003. However, the Governor recommends that the transfer be suspended for FY 2004.

Financial Policies

The State of Kansas observes the following financial policies to manage fiscal affairs responsibly.

Operating Policies

The state, through performance budgeting principles, allocates available public resources in keeping with the goals and objectives of state agencies as embodied in their strategic plans.

The state emphasizes preservation of existing capital facilities over the construction of new ones. A major portion of the Educational Building Fund for universities, Correctional Institutions Building Fund for prisons, and State Institutions Building Fund for hospitals is dedicated to rehabilitation and repair.

Revenue Policies

The state maximizes the use of fees, federal funds, and other special revenues to preserve the fiscal integrity of the State General Fund and ensure budgetary flexibility.

The state uses consensus revenue estimates developed by executive and legislative professional staff as well as university economist consultants as the basis for budgetary decisionmaking.

The state collects taxes, penalties and interest, and other revenues. Internally, state collection units make multiple efforts to collect amounts due the state by using various administrative procedures and liens against property. Persistent delinquencies are pursued by a private collection agency and, when necessary, through legal proceedings.

Cash Management Policies

On a daily basis, the state monitors receipts into, and expenditures out of, the state treasury. Ensuring the state has adequate resources at the time obligations occur is the primary goal. Certificates of indebtedness are the first tool used to meet this goal. Managing the timing of expenditures is a secondary tool.

The state invests idle funds to match these anticipated cashflow needs by using government securities and collateralized bank deposits to provide safety, liquidity, and yield in that order.

Debt Service Policies

The state incurs debt, primarily through the issuance of revenue bonds, only to finance capital improvements, equipment, and certain grant programs, never for operating expenses.

The constitution does allow for the issuance of general obligation bonds subject to certain restrictions. However, the state has not exercised this authority for many years.

The underlying ratings for the most recently issued revenue bonds are Aa1 by Moodys and AA+ by Standard and Poor's. These ratings reflect the state's credit quality in the absence of general obligation debt. Other credit factors include a very low debt burden, lower unemployment than the national average, a broadening and diversified economy, and conservative fiscal management combined with sound financial operations.

Reserve Policy

The state meets the "balanced budget" provision of the *Kansas Constitution* that requires financial resources to be sufficient to cover expenditure obligations.

Accounting, Auditing, & Reporting Policies

The state prepares financial statements on a modified cash basis, and an independent certified public accounting firm conducts a financial and compliance audit of those statements. As a part of that statewide audit, compliance and control audits of individual agencies are performed at least once every three years. For budgetary purposes, the state avoids double counting expenditures by treating non-expense items and a number of "off budget" expenses as non-reportable.

Basis of Budgeting

Revenue

Receipts to funds in Kansas generally are credited on a cash basis, not as accounts receivable. However, each July 1 for cashflow purposes, the Educational Building Fund, Correctional Institutions Building Fund, and State Institutions Building Fund are credited with receipts totaling 95.0 percent of each fund's actual receipts in the previous fiscal year.

Encumbrances

For budgeting purposes, encumbrances are treated as reportable expenditures; therefore, no distinction is made between liquidated and unliquidated encumbrances or cash outlays. Encumbrances, along with the funds to liquidate them, are attributed to the fiscal year in which they were incurred.

Expenditures

Expenditures are separated into two categories: reportable and non-reportable. Reportable expenses are direct cash outlays and encumbrances for salaries and wages; other operating expenditures; aid to local governments; other assistance, grants, and benefits; and capital improvements incurred by state agencies. In general, the dollars reported throughout the budget, especially the accumulated totals in statewide tables and schedules, are reportable expenditures.

With debt-financed capital projects, the debt service is the amount reported in the budget, not the cost of the project. The interest portion is treated as an operating expense, whereas the principal portion is a capital expense.

The budgeting and accounting systems differ in their reporting of certain capital costs. For example, a facility purchased by bonds through the Kansas Development Finance Authority and leased to a state agency is reported as a lease/rental cost to the agency in the accounting system. In budgeting, it is reported as a capital improvement cost because a facility is being added to the state's inventory of capital assets.

There are several kinds of non-reportable expenditures. Chief among these are so-called "off budget" expenditures in the Department of Administration. Dollars spent in many state agencies' budgets for printing services, for example, are spent again to operate the Printing Plant. The agencies' costs are treated as reportable and the Printing Plant's non-reportable to avoid counting dollars twice. These non-reportable expenditures are included separately in the budget reports, but they are not included in statewide totals.

Other non-reportable expenditures are clearing and suspense funds, revolving funds, inmate or patient benefit and trust funds, bond proceeds, and non-expense items, such as refunds. Bond proceeds are not included in the budget report, except for the bond proceeds of the Comprehensive Highway Program and Regents' Crumbling Classrooms.

Balances

Beginning and ending fund balances for budgeting purposes generally reflect unencumbered cash balances only. For example, if an encumbrance in a prior fiscal year has not been liquidated, the accounting system still shows the amount of the cash reserve set aside to liquidate that encumbrance. Budget reports, on the other hand, deduct the amount from the balance in the prior fiscal year, so none of the fund activity of the prior fiscal year distorts activity in later years. Thus, for trend analysis and other budgeting purposes, it is important to show fund activity in the fiscal year to which it is attributed. The current cash status reports of the accounting system, on the other hand, are more important for cash management.

Funds that become unencumbered when a cash outlay is made, especially for the State General Fund, are shown as an addition to the beginning balance of the fiscal year following the year from which the funds were unencumbered. The effect is to increase available funds; however, reported expenditures in prior fiscal years for budgeting purposes are not adjusted for the unencumbered amounts.

Allotment Reductions

During FY 2003, Governor Graves ordered two allotment reductions on State General Fund appropriations. These reductions were authorized by KSA 75-3722 et seq. Based on these statutes, the Governor has broad authority to maintain a positive balance in the State General Fund. The statutes do not allow any reductions in the judicial or legislative budgets.

The first allotment was implemented in August based on revenue collections in the first month of FY 2003 and expenditures approved by the 2002 Legislature. The Governor reduced State General Fund appropriations by 2.0 percent for most agencies. However, appropriations for consensus caseload items in the Department of Social and Rehabilitation Services and the Department on Aging were exempted, appropriations for the Department of Education and Higher Education were reduced by 0.75 percent, and the budgets of the Governor and Lieutenant Governor were reduced by 5.0 percent. In addition, expenditures for out-of-state travel and subsistence for all Executive Branch agencies were reduced by 20.0 percent. The August allotment reduced \$39.9 million from the approved budget.

The second allotment was implemented in November. The revised Consensus Revenue Estimate for FY 2003 totaled \$4,152.0 million, which was \$363.5 million less than the estimate used to finance the approved FY 2003 budget. The new estimate plus a beginning FY 2003 balance of \$12.1 million left total resources at \$4,164.1 million. The approved budget at that time was \$4,419.9, resulting in a deficit of \$255.8 million.

Governor Graves addressed this deficit by imposing a 3.9 percent allotment reduction on all appropriations except those for the Schools for the Blind and Deaf, the Board of Indigents' Defense, and aid to school districts. This reduced authorized expenditures by \$78.1 million. The Governor also used the allotment reduction to eliminate the remaining \$48.0 million in payments to local governments through the Local Ad Valorem Tax Reduction Fund, the County and City Revenue Sharing Fund, and the Special City and County Highway Fund. The remaining deficit was proposed to be reduced by not repaying \$94.6 million to the State Highway Fund that is part of the FY 2003 appropriation bill and by transferring \$35.1 million in balances from agency special revenue funds to the State General Fund.

Allotment Reductions for FY 2003

	<u>FY 2003 Approved Budget</u>	<u>August Allotment</u>	<u>November Allotment</u>	<u>Total Allotment Reductions</u>
General Government				
Department of Administration	27,462,042	(916,896)	(1,039,484)	(1,956,380)
Kansas Human Rights Commission	1,491,740	(31,196)	(57,194)	(88,390)
Board of Indigents' Defense Services	14,324,117	--	--	--
Department of Commerce & Housing	200,000	(4,000)	(7,675)	(11,675)
Department of Revenue	34,116,434	(711,459)	(1,308,109)	(2,019,568)
Board of Tax Appeals	2,044,259	(42,035)	(78,405)	(120,440)
Governmental Ethics Commission	465,535	(9,377)	(17,863)	(27,240)
Office of the Governor	2,241,778	(118,141)	(83,160)	(201,301)
Office of the Lieutenant Governor	146,915	(8,882)	(5,405)	(14,287)
Attorney General	5,694,914	(124,045)	(218,150)	(342,195)
Secretary of State	1,735,533	(37,984)	(66,474)	(104,458)
State Treasurer	1,632,475	(34,882)	(62,560)	(97,442)
Legislative Coordinating Council	833,062	--	--	--
Legislature	13,466,715	--	--	--
Legislative Research Department	2,605,575	--	--	--
Legislative Division of Post Audit	1,902,496	--	--	--
Revisor of Statutes	2,509,562	--	--	--
Judiciary	80,965,866	--	--	--
Judicial Council	197,661	(3,953)	(7,585)	(11,538)
Total--General Government	\$ 194,036,678	\$ (2,042,850)	\$ (2,952,064)	\$ (4,994,914)
Human Resources				
Social & Rehabilitation Services	652,422,116	(6,020,860)	(24,612,494)	(30,633,354)
Kansas Neurological Institute	9,499,702	--	(422,000)	(422,000)
Larned State Hospital	10,539,448	--	(462,715)	(462,715)
Osawatomie State Hospital	6,200,407	--	(792,802)	(792,802)
Parsons State Hospital & Training Center	6,602,949	--	(308,565)	(308,565)
Rainbow Mental Health Facility	669,046	--	(26,199)	(26,199)
Subtotal--SRS	\$ 685,933,668	\$ (6,020,860)	\$ (26,624,775)	\$ (32,645,635)
Department on Aging	145,853,544	(416,547)	(5,695,182)	(6,111,729)
Health and Environment--Health	28,653,325	(592,564)	(1,098,834)	(1,691,398)
Department of Human Resources	2,677,399	(58,650)	(102,548)	(161,198)
Commission on Veterans' Affairs	4,564,677	(93,454)	(175,089)	(268,543)
Kansas Guardianship Program	1,061,489	(22,506)	(40,686)	(63,192)
Total--Human Resources	\$ 868,744,101	\$ (7,204,581)	\$ (33,737,114)	\$ (40,941,695)
Education				
Department of Education	2,323,129,905	(17,438,975)	(349,182)	(17,788,157)
School for the Blind	4,414,096	(36,891)	--	(36,891)
School for the Deaf	7,145,700	(55,815)	--	(55,815)
Subtotal--Department of Ed.	\$ 2,334,689,701	\$ (17,531,681)	\$ (349,182)	\$ (17,880,863)

Allotment Reductions for FY 2003

	FY 2003	August	November	Total Allotment
	Approved	Allotment	Allotment	Reductions
	Budget			
Board of Regents	136,171,683	(1,025,071)	(5,290,910)	(6,315,981)
Emporia State University	30,697,858	(275,505)	(1,190,797)	(1,466,302)
Fort Hays State University	31,712,581	(303,179)	(1,229,871)	(1,533,050)
Kansas State University	106,194,369	(972,732)	(4,116,759)	(5,089,491)
KSU--Veterinary Medical Center	10,004,212	(84,172)	(388,460)	(472,632)
Kansas State University--ESARP	48,776,586	(426,894)	(1,893,331)	(2,320,225)
Pittsburg State University	33,398,600	(274,791)	(1,297,099)	(1,571,890)
University of Kansas	137,740,833	(1,177,594)	(5,340,655)	(6,518,249)
University of Kansas Medical Center	104,356,471	(825,126)	(4,051,933)	(4,877,059)
Wichita State University	65,787,229	(493,604)	(2,555,345)	(3,048,949)
Subtotal--Regents	\$ 704,840,422	\$ (5,858,668)	\$ (27,355,160)	\$ (33,213,828)
Kansas Arts Commission	1,619,286	(34,372)	(62,064)	(96,436)
Historical Society	6,199,547	(128,058)	(237,754)	(365,812)
State Library	5,273,971	(108,860)	(202,261)	(311,121)
Total--Education	\$ 3,052,622,927	\$ (23,661,639)	\$ (28,206,421)	\$ (51,868,060)
Public Safety				
Department of Corrections	86,954,064	(3,247,794)	(5,383,172)	(8,630,966)
El Dorado Correctional Facility	20,754,204	(103,771)	(505,000)	(608,771)
Ellsworth Correctional Facility	10,520,164	(52,523)	(209,000)	(261,523)
Hutchinson Correctional Facility	24,357,802	(121,784)	(486,000)	(607,784)
Lansing Correctional Facility	33,007,607	(462,942)	(672,250)	(1,135,192)
Larned Correctional Mental Health Facility	7,881,954	(171,394)	(155,000)	(326,394)
Norton Correctional Facility	12,081,492	(60,311)	(241,000)	(301,311)
Topeka Correctional Facility	10,796,682	(53,976)	(448,750)	(502,726)
Winfield Correctional Facility	9,827,759	(49,139)	(196,000)	(245,139)
Subtotal--Corrections	\$ 216,181,728	\$ (4,323,634)	\$ (8,296,172)	\$ (12,619,806)
Juvenile Justice Authority	31,780,317	(639,100)	(2,150,588)	(2,789,688)
Atchison Juvenile Correctional Facility	6,264,567	(126,142)	(25,000)	(151,142)
Beloit Juvenile Correctional Facility	5,268,985	(107,022)	--	(107,022)
Larned Juvenile Correctional Facility	5,283,406	(107,096)	(115,000)	(222,096)
Topeka Juvenile Correctional Facility	12,401,351	(248,027)	(50,000)	(298,027)
Subtotal--Juvenile Justice	\$ 60,998,626	\$ (1,227,387)	\$ (2,340,588)	\$ (3,567,975)
Adjutant General	10,015,595	(203,620)	(383,494)	(587,114)
Ombudsman for Corrections	178,315	(3,566)	(6,843)	(10,409)
Highway Patrol	26,787,211	(563,390)	(1,026,901)	(1,590,291)
Kansas Bureau of Investigation	12,914,644	(285,009)	(494,565)	(779,574)
Kansas Parole Board	535,352	(12,624)	(20,470)	(33,094)
Emergency Medical Services	640	(640)	--	(640)
Sentencing Commission	456,811	(10,162)	(17,490)	(27,652)
Total--Public Safety	\$ 328,068,921	\$ (6,630,032)	\$ (12,586,523)	\$ (19,216,555)

Agriculture & Natural Resources

Allotment Reductions for FY 2003

	FY 2003			
	Approved	August	November	Total Allotment
	<u>Budget</u>	<u>Allotment</u>	<u>Allotment</u>	<u>Reductions</u>
Department of Agriculture	9,974,155	(206,353)	(382,498)	(588,851)
Animal Health Department	609,335	(13,692)	(23,325)	(37,017)
State Conservation Commission	596,126	(12,996)	(22,835)	(35,831)
Kansas State Fair		--	--	--
Kansas Water Office	1,403,585	(28,339)	(53,853)	(82,192)
Department of Wildlife & Parks	3,391,403	(70,568)	(130,041)	(200,609)
Total--Agriculture & Natural Resource:	\$ 15,974,604	\$ (331,948)	\$ (612,552)	\$ (944,500)

Transportation

Kansas Department of Transportation	--	--	--	--
Total--Transportation	--	--	--	--
Total Expenditures	\$ 4,459,447,232	\$ (39,871,050)	\$ (78,094,674)	\$ (117,965,724)

Children's Initiatives Fund

Trust Fund

All proceeds from the national settlement with tobacco companies are deposited in a trust fund, which has been named the Kansas Endowment for Youth (KEY) Fund. Money in this fund is invested and managed by KPERS to provide ongoing earnings.

During FY 2000 the state received \$68.2 million in tobacco settlement payments. Payments totaled \$52.1 million in FY 2001 and \$61.0 million in FY 2002. The current estimate for payments is \$57.0 million in FY 2003 and \$56.0 million in FY 2004. However, the amount and timing of the estimated payments could change depending on the profitability of the companies, the legal actions pursued by individual states and the federal government, and interest accrued on delayed payments. On July 1, 2000, \$20.3 million repaid the State General Fund for children's programs begun in FY 2000. The next \$70.7 million was transferred directly from the KEY Fund to the State General Fund. The next \$30.0 million was transferred to the Children's Initiatives Fund. In FY 2002, \$16.0 million was transferred to the State General Fund and \$40.0 million to the Children's Initiatives Fund.

In FY 2003, a net of \$5.5 million has been approved for transfer to the State General Fund and \$45.0 million will be transferred to the Children's Initiatives Fund. As a part of the November allotment, Governor Graves recommended the transfer of the FY 2003 KEY Fund ending balance, \$14.4 million, to the State General Fund. This transfer will have to be approved by the 2003 Legislature. In FY 2004, \$46,125,000 will be transferred from the KEY Fund to the

Children's Initiatives Fund. The balance is recommended for transfer to the State General Fund. The table below summarizes the Kansas Endowment for Youth Fund for FY 2001 through FY 2004.

Fund Summary

The table on the next page summarizes the Children's Initiatives Fund for FY 2001 through FY 2004. For FY 2003, the Governor recommends no changes to the \$44.8 million in expenditures for children's programs that the 2002 Legislature approved. For FY 2004, the Governor recommends spending \$46.2 million from the Children's Initiatives Fund.

FY 2004 Recommendations

Each of the programs recommended for FY 2004 is listed in the table on p. 29 and described in detail in this section. In addition, Schedule 2.3 at the back of this volume provides data by program, by agency, for FY 2002 through FY 2004.

Social & Rehabilitation Services

Children's Mental Health Initiative. The Governor recommends \$1.8 million for the Children's Mental Health Waiver Program. The program expands community-based mental health services for children with severe emotional disturbances.

Kansas Endowment for Youth Fund Summary

	Actual FY 2001	Actual FY 2002	Gov. Rec. FY 2003	Gov. Rec. FY 2004
Beginning Balance	\$ 70,492,659	\$ 2,320,448	\$ 7,785,659	\$ --
Revenues	52,905,922	61,465,211	57,248,103	56,000,000
Transfer Out to CIF	(30,000,000)	(40,000,000)	(45,000,000)	(46,125,000)
Transfer Out to State General Fund	(91,078,133)	(16,000,000)	(20,033,762)	(9,875,000)
Total Available	\$ 2,320,448	\$ 7,785,659	\$ --	\$ --
Ending Balance	\$ 2,320,448	\$ 7,785,659	\$ --	\$ --

Children's Initiatives Fund Summary

	Actual FY 2001	Actual FY 2002	Gov. Rec. FY 2003	Gov. Rec. FY 2004
Beginning Balance	\$ --	\$ 1,775,242	\$ 3,757,486	\$ 45,618
Revenues	30,000,000	40,000,000	45,000,000	46,125,000
Transfer Out to State General Fund	--	--	(3,873,144)	--
Total Available	\$ 30,000,000	\$ 41,775,242	\$ 44,884,342	\$ 46,170,618
Expenditures	28,224,758	38,017,756	44,838,724	46,153,000
Ending Balance	\$ 1,775,242	\$ 3,757,486	\$ 45,618	\$ 17,618

Family Centered System of Care. The Governor recommends \$5.0 million for the statewide Family Centered System of Care Program in FY 2004. The program provides mental health and prevention services for children with severe emotional disturbances.

Therapeutic Preschool. The Governor continues funding of therapeutic preschool programs with \$1.0 million in FY 2004. The program serves infants and young children who are at risk for abuse, neglect, and future emotional, social, or behavioral disorders. Services are targeted to two-and-a-half to five-year-old special needs children who have a severe emotional disturbance and who are unable to attend other preschools because of their behavior. The Therapeutic Preschool Program also extends care to kindergarten children who attend public school special education services for half of the day and the therapeutic preschool for the remainder.

Child Care Services. The Governor recommends \$1.4 million for child care services. Childcare services are available to parents participating in SRS job preparation programs or family preservation services, children with disabilities, and parents in the first year of employment after leaving welfare. Recommended expenditures for childcare assistance total \$54.4 million from all funding sources.

Community Services for Child Welfare. An amount of \$3.1 million is recommended for community services for child welfare. This program will provide funding on a competitive bid basis to local collaborative groups committed to keeping children in non-abuse or non-neglect cases in their homes and schools using community intervention programs and supports, rather than out-of-home placements. The

program continues an appropriation first made by the 2000 Legislature.

HealthWave. The Governor recommends \$2.0 million for HealthWave. This program provides insurance coverage for children whose family income is less than 200.0 percent of the federal poverty level. Cost sharing enables some families whose income is at or above 200.0 percent of the poverty level to participate in the program for a fee. The Governor recommends a total of \$57.0 million for HealthWave, including \$13.7 million from the State General Fund and \$41.3 million in federal funds.

Smart Start Kansas. The Governor recommends \$4.3 million for Smart Start Kansas, a program administered by the Children's Cabinet. Grants will be awarded to early childhood programs that are research driven and outcome based. The programs must also be compatible with the Communities That Care model.

Children's Cabinet Accountability Fund. The Governor recommends \$550,000 for the Children's Cabinet Accountability Fund. This fund will be used to ensure that tobacco settlement monies are being targeted effectively and to assess programs and services that are being funded.

Medical Assistance. The Governor recommends \$3.0 million for FY 2004 to offset the cost of providing Medicaid services to low-income children. The Children's Initiatives Fund dollars are part of the state's matching funds for federal Medicaid reimbursement.

Immunization Outreach. The Governor recommends \$500,000 for FY 2004 for SRS to increase the number of children immunized in Kansas.

The funds will be targeted toward expanding outreach efforts and emphasizing the importance of timely immunizations.

Family Preservation. The Governor recommends \$2,243,770 for family preservation services in FY 2004. The FY 2003 recommendation includes \$2.75 million for services to families identified as having a high risk of a child being removed from home. The total recommendation equals \$11.4 million for FY 2003 and \$9.7 million for FY 2004 to provide services to approximately 2,300 families each month.

Children's Initiatives Fund	
Program or Project	FY 2004
Social & Rehabilitation Services	
Children's Mental Health Initiative	1,800,000
Family Centered System of Care	5,000,000
Therapeutic Preschool	1,000,000
Child Care Services	1,400,000
Community Services for Child Welfare	3,106,230
HealthWave	2,000,000
Smart Start Kansas	4,300,000
Children's Cabinet Accountability Fund	550,000
Medical Assistance	3,000,000
Immunization Outreach	500,000
Family Preservation	2,243,770
CMHC Children's Program Grants	2,000,000
School Violence Prevention	228,000
Total--SRS	\$27,128,000
Health & Environment--Health	
Healthy Start/Home Visitor	250,000
Infants & Toddlers Program	500,000
Smoking Prevention Grants	500,000
Total--KDHE	\$ 1,250,000
Department of Education	
Four-Year-Old At-Risk Programs	4,500,000
Parent Education	2,500,000
Reading and Vision Research	300,000
General State Aid	1,225,000
Total--Education	\$ 8,525,000
University of Kansas Medical Center	
Tele-Kid Health Care Link	\$ 250,000
Juvenile Justice Authority	
Juvenile Prevention Program Grants	5,414,487
Juvenile Graduated Sanctions Grants	3,585,513
Total--JJA	\$ 9,000,000
Total	\$46,153,000

Children's Mental Health Grants. The Governor recommends \$2.0 million for FY 2004 to provide

grants to community mental health centers for children's programs. The funds will be used to provide mental health services to children in underserved areas of the state.

School Violence Prevention Grants. The Governor recommends that \$228,000 to provide children with mental health and support services in the school setting. The program provides competitive grants and is designed to reduce school violence, substance abuse, and the number of dropouts and delinquency. This was moved to the Department of Social and Rehabilitation Services from the Department of Education in FY 2003.

Health & Environment—Health

Healthy Start/Home Visitor. The Governor seeks to maintain the number of families that receive assistance through prenatal care and follow-up visits by recommending \$250,000 from the Children's Initiatives Fund. This recommendation continues funding at the level of the approved FY 2003 amount. The Governor's FY 2004 recommendation will provide a total of nearly \$1.1 million from all funding sources for the program.

Infants & Toddlers Program. The Governor recommends funding of \$500,000 for the Infants and Toddlers Program. It provides leadership in the planning, development, and promotion of policies and procedures to identify infants and toddlers with developmental delay and to provide early intervention services to eligible children and their families. In total for FY 2004, recommended expenditures for the program are \$5.0 million from state and federal funds. The Governor's budget recommendation continues the approved current year funding from the Children's Initiatives Fund.

Smoking Prevention Grants. The negative effects of smoking pose serious health risks to members of the community. The Governor recommends \$500,000 in FY 2004 to be targeted for tobacco use prevention programs, the same as the approved amount for FY 2003. Administered by the Department, these funds could be distributed as grants to non-profit organizations or be used to implement new prevention programs within the Department.

Department of Education

Four-Year-Old At-Risk Programs. It is estimated that approximately 5,500 at-risk pre-school aged children in the state do not receive head start or early head start services. The Governor recommends \$4.5 million to continue services to the children who will benefit from this early childhood educational opportunity. The balance of funding necessary to provide services, or \$8.2 million, is financed by the State General Fund.

Parent Education. Total funding of \$7.1 million is financed by \$4.6 million from the State General Fund and \$2.5 million from the Children's Initiatives Fund. The Parent Education Program provides expectant parents and parents of infants and toddlers with information related to parenting skills, positive approaches to discipline, and development of self-esteem.

Reading & Vision Research. Monies from the Children's Initiatives Fund were added in FY 2001 to conduct research on children's reading skills after their vision was corrected. Vision therapy is provided to students by participating optometrists. Most of the \$300,000 cost included in the FY 2004 budget is for students' vision treatment and examinations. Students who received treatment under the program increased their ability to focus their eyes on near objects, greatly improving their reading skills.

General State Aid. In FY 2003, \$1,225,000 was first budgeted from this fund for special education. It was used by the Legislature to maintain state aid at 85.0 percent of excess costs while saving State General Fund monies. This same amount is maintained in FY 2004 by the Governor, but consistent with the recommendation that special education monies be

shifted to general state aid, this amount is also moved to general state aid from special education.

University of Kansas Medical Center

Tele-Kid Health Care Link. The Governor recommends \$250,000 from the Children's Initiatives Fund for the Tele-Kid Health Care Link. That funding is matched by another \$250,000 from restricted fees. The University of Kansas Medical Center was the first hospital in the country to deliver medical services to local schools. The project uses personal computer based telemedicine technology that links physicians and children for clinical visits from the school nurse's office to the doctor's office. The funding will assist the Medical Center in expanding the program to Wichita and rural areas.

Juvenile Justice Authority

Prevention Program Grants. The Governor recommends \$5.4 million for FY 2004 to address the importance of prevention programs in reducing juvenile crime. The Governor's recommendation allows for the establishment and maintenance of community-based delinquency prevention programs. Programs include truancy prevention, mentoring, after school recreation, and family support services.

Graduated Sanctions Grants. The Governor recommends \$3.6 million for community services for juvenile offenders who are committed to community corrections programs. These funds, in addition to other funding, enable communities to provide supervision and structure for juvenile offenders through intake and assessment, intensive supervision, case management, and community support services.

Gaming Revenues

The State Gaming Revenues Fund is capitalized through monthly transfers from the Kansas Lottery and the Kansas Racing and Gaming Commission. Transfers are then made from the Gaming Revenues Fund to funds specifically dedicated to economic development initiatives, prison construction and maintenance projects, local juvenile detention facilities, treatment of pathological gamblers, and the State General Fund.

The first \$50.0 million of receipts is divided by a formula which first transfers \$80,000 to the Problem Gambling Grant Fund. Then 85.0 percent of the balance is transferred to the Economic Development Initiatives Fund (EDIF), 10.0 percent to the Correctional Institutions Building Fund (CIBF), and 5.0 percent to the Juvenile Detention Facilities Fund (JDFF). Any receipts to the SGRF in excess of \$50.0 million must be transferred to the State General Fund in the fiscal year in which the revenues are received.

The monthly transfers from the Kansas Lottery are designated to be any money in excess of what is needed for operation of the Lottery, or 30.0 percent of net sales, whichever is greater. The transfer rate has never been less than 30.0 percent, but in past years the Legislature has approved higher transfer rates to increase receipts to the State General Fund. However, for FY 2003, the agency will be transferring a fixed amount of \$59.0 million to the state. This amount does not represent a percentage of monthly sales as used in previous years, but a dollar amount of at least \$4.5 million each month in transfers. For FY 2004, the Governor recommends a transfer rate of 20.0 percent of pull-tab ticket sales and 30.0 percent of all other ticket sales. The Lottery estimates total ticket sales of \$209.8 million for FY 2004. Of total ticket sales, \$60.3 million will be transferred to the State Gaming Revenues Fund.

Each month receipts from racing activities throughout the state are transferred to the State Racing Fund for

agency operations. Any excess receipts, as determined by the Executive Director and the Director of Accounts and Reports, are transferred to the State Gaming Revenues Fund. This process takes into consideration such factors as adequate fund balances, encumbrances, anticipated revenues, and actual revenues and expenditures to date. The Governor's recommendations assume the agency will transfer approximately \$227,631 in FY 2003 and \$5,282 in FY 2004 to the State Gaming Revenues Fund. Racetracks are currently experiencing a decrease in racing activities, thus reducing revenues to the state further.

Gaming Revenues Fund			
<i>(Dollars in Thousands)</i>			
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
Transfers In:			
Lottery	60,495	59,000	60,273
Racing & Gaming	344	228	5
Total	\$60,838	\$59,228	\$60,278
Transfers Out:			
EDIF	42,432	42,432	42,432
JDFF	2,496	2,496	2,496
CIBF	4,992	4,992	4,992
PGGF	80	80	80
Transfer to SGF	10,838	9,228	10,278
Total	\$60,838	\$59,228	\$60,278

Totals may not add because of rounding

In the Gaming Revenues Fund table above, the \$9.2 million and \$10.0 million State General Fund transfers projected for FY 2003 and FY 2004, respectively, reflect the amount of revenues deposited in the Gaming Revenues Fund in each year, minus \$50.0 million in combined transfers to the PGGF, EDIF, CIBF, and JDFF.

Economic Development Initiatives Fund

The Governor targets the limited resources of the Economic Development Initiatives Fund to priority areas for economic development that affect the business community, technological development, and the capabilities of the workforce in the state.

“Other revenue” includes interest, transfers from other funds, reimbursement of loans, and recoveries from prior years. For FY 2003, the Governor recommends the transfer of the balance of the Kansas Export Loan Guarantee Fund to the EDIF. The statutory transfer to the State Water Plan Fund was reduced to \$1.9 million.

Fund Summary

The primary recipients of funds from the Economic Development Initiatives Fund (EDIF) in FY 2004 are the Department of Commerce and Housing (\$17.4 million), the Board of Regents (\$14.1 million), and the Kansas Technology Enterprise Corporation (\$10.6 million). A summary of the status of the EDIF is presented in the table below.

The EDIF is capitalized through transfers from the State Gaming Revenues Fund. Currently, 85.0 percent of the receipts deposited in the State Gaming Revenues Fund, after the statutory transfer of \$80,000 is made to the Problem Gambling Grant Fund, are transferred to the EDIF. The Gaming Revenues Fund is limited to \$50.0 million each year, and transfers to the EDIF can reach \$42.4 million in a fiscal year.

FY 2004 Recommendations

The Governor’s recommendations for FY 2004 are summarized in the table on the next page and described below in detail by agency and by program. They are also listed in Schedule 2.4 at the back of this report for FY 2002 through FY 2004.

Department of Commerce & Housing

The Governor recommends \$17.4 million from the EDIF for the Department of Commerce and Housing, \$14.0 million in the form of an operating grant, \$3.0 million to be transferred to the Economic Opportunity Initiatives Program and \$423,296 for the Existing

Economic Development Initiatives Fund Summary

	Actual FY 2001	Actual FY 2002	Gov. Rec. FY 2003	Gov. Rec. FY 2004
Beginning Balance	\$ 1,296,256	\$ 1,868,022	\$ 3,550,654	\$ --
Released Encumbrances	6,669,290	2,065,315	--	--
Adjusted Balance	\$ 7,965,546	\$ 3,933,337	\$ 3,550,654	\$ --
Revenues				
Gaming Revenues	42,432,000	42,432,000	42,432,000	42,432,000
Other Revenues	1,774,094	575,813	750,000	750,000
State General Fund	--	--	(2,388,432)	--
KEOIF	(3,500,000)	(3,500,000)	(3,325,000)	(2,975,000)
KEIEP	(500,000)	(500,000)	(475,000)	(423,246)
Export Loan Guarantee Fund	--	--	--	824,164
State Water Plan Fund	(2,000,000)	(2,000,000)	(1,900,000)	(1,900,000)
Death & Dis. Transfers Out	--	(9,704)	--	--
Total Available	\$ 46,171,640	\$ 40,931,446	\$ 38,644,222	\$ 38,707,918
Expenditures	44,303,618	36,982,292	38,644,222	38,707,918
Non-expense	--	398,500	--	--
Ending Balance	\$ 1,868,022	\$ 3,550,654	\$ --	\$ --

Industry Expansion Program. The recommendation represents a net reduction of 5.0 percent from the agency's base budget, or \$934,610. The Governor adopted these reductions. These reductions will decrease the amount of business assistance, loans, and grants offered to businesses and communities.

The Governor's recommendation also includes the transfer of the responsibilities and operations of the Kansas, Inc. to the Department of Commerce and Housing. This increases the Department's EDIF expenditures by \$55,328.

Monies are appropriated to the Department as an operating grant to allow the agency the flexibility to focus on activities that produce measurable outcomes, rather than funding individual programs at a fixed amount. This form of appropriation for the agency began with its FY 2003 approved budget. With the recommended operating grant in FY 2004, the agency expects to achieve the outcome measures presented in the table at the end of this section. When the operating grant is adjusted, the outcome measures are adjusted accordingly.

Kansas Technology Enterprise Corp.

The Kansas Technology Enterprise Corporation (KTEC) provides research support, direct company investments, and business assistance. KTEC's philosophy targets sustainable economic leadership through technological innovation. The Governor recommends \$10,604,188 for FY 2004. The recommendation is a 6.8 percent reduction in EDIF expenditures. The reductions are applied to the agency's programs and operations. The reductions will require the agency to reduce technical assistance, grants and loans, which are offered through various programs, to Kansas businesses. The Governor also reduces salaries by \$132,530 in the agency's FY 2003 budget. The reduction is the result of savings from vacant positions and deletion of salary increases. The agency has consolidated some of its operations.

Research Matching Grants. Grants are provided to small Kansas companies conducting applied research on new products that have commercial potential. In turn, KTEC receives a royalty percentage on commercial sales. The Governor recommends a total of \$1,354,699 for this program in FY 2004.

Economic Development Initiatives Fund	
<u>Program or Project</u>	<u>FY 2004</u>
Department of Commerce & Housing	
Operating Grant	\$ 14,026,980
Kansas Technology Enterprise Corporation	
Research Matching Grants	1,354,699
Centers of Excellence	3,363,510
EPSCoR	2,664,575
Commercialization Grants	1,317,151
Mid-America Mfg. Technical Center	670,324
Operations	1,233,929
Total--KTEC	\$ 10,604,188
Board of Regents	
Educational Assistance	250,000
Matching Grants--AVTS	180,500
Postsecondary Aid--AVTS	11,081,250
Capital Outlay--AVTS	2,565,000
Total--Board of Regents	\$ 14,076,750
Total	\$ 38,707,918

Centers of Excellence. There are five centers in Kansas universities statewide. Each center has its own technology specialization, including pharmaceutical research, aviation, information technology, business productivity, and manufacturing. The centers invest in Kansas university-based research and provide technical assistance to new and existing companies in Kansas. The centers of excellence are one of KTEC's largest programs, with an estimated \$3.4 million.

EPSCoR. KTEC and federal agencies co-fund basic research in science and engineering at Kansas state universities. Kansas is considered an EPSCoR state by virtue of its universities historically receiving a disproportionately low per capita average of federal research dollars. The Governor recommends \$2.7 million in FY 2004 for EPSCoR.

Commercialization Grants. Commercialization entails the development of technology research into a product concurrently with steps required to develop the business, such as marketing, sales, production, and negotiations. The agency formed innovation and commercialization corporations, which are structured as not-for-profit, tax-exempt 501(c)(3) companies. They provide business development services, including financing, and facilitate technology transfer and commercialization from their regional universities.

The Governor recommends \$1,317,151 for this program.

Mid-America Manufacturing Technology Center.

This program provides business assistance in improving a manufacturer's technical capabilities. Companies are assisted to be more competitive through the adoption of known technologies and processes. For FY 2004, the program will be allocated \$670,324 from the EDIF and \$2.9 from federal funds.

Kansas, Inc.

The Governor recommends that the responsibilities and operations of Kansas, Inc., which includes

strategic analysis, policy research, and program evaluation, be merged into the Department of Commerce and Housing in FY 2004. Kansas, Inc. will consequently be abolished.

Board of Regents

For FY 2004, the Governor recommends \$14,076,750 for postsecondary education at area vocational-technical schools. This is in addition to \$15.3 million in State General Fund dollars. The recommendation includes a \$4.2 million funding switch from the State General Fund to the Economic Development Initiatives Fund. FY 2004 funding for vocational-technical schools remains the same as FY 2003 funding after allotment reductions.

**EDIF Operating Grant
Outcome Performance Measures**

	FY 2002 <u>Actual</u>	FY 2003 <u>Gov. Estimate</u>	FY 2004 <u>Gov. Estimate</u>
Jobs created by projects utilizing KDOC&H assistance	11,317	6,442	5,745
Jobs retained by projects utilizing KDOC&H assistance	9,376	5,672	4,950
Payroll generated by projects utilizing KDOC&H assistance	\$312,803,126	\$377,825,886	\$374,690,000
Capital investment in Kansas resulting from projects utilizing KDOC&H assistance	\$890,511,404	\$936,955,764	\$842,200,000
Funds leveraged through match in projects utilizing KDOC&H assistance	\$37,008,694	\$36,230,282	\$32,143,719
Individuals trained through workforce development programs	13,104	11,725	9,468
Sales generated by projects utilizing KDOC&H assistance	\$102,407,873	\$55,444,400	\$53,290,000
Increase in visitation resulting from KDOC&H tourism promotion efforts	318,437	329,854	332,150
Tourism revenue generated as a result of KDOC&H tourism promotion	\$30,164,284	\$37,426,584	\$32,494,970
Kansans served with counseling, technical assistance, or business services	4,598	4,586	4,462
Number of communities receiving community assistance services	297	327	298
Number of Kansans with improved housing situations resulting from KDOC&H assistance	256	0	225

State Water Plan Fund

Water Plan Objectives

In a report to the Governor and the 2003 Legislature, the Kansas Water Authority outlined its FY 2004 recommendations for implementing the Kansas Water Plan. Highlights include plan objectives developed by the Authority after extensive public input. Included in the plan are measurable objectives for each basin, review of the plan to identify priority issues, evaluation of the condition of the state’s water resources, and evaluation of the effectiveness of water programs. Sub-objectives to be achieved by calendar year 2010, described below by major category, can be found in the Kansas Water Authority’s *Report to the Governor and 2003 Legislature on Recommendations to Implement the Kansas Water Plan for FY 2004*.

Public Water Supply. This objective is designed to ensure sufficient surface water storage will be available to meet projected year 2040 public water supply needs. Further, this objective will ensure that less than 5.0 percent of public water suppliers will be drought vulnerable. Finally, all public water suppliers will have adequate water treatment, storage, and distribution systems as well as the managerial and financial capability to meet federal Safe Drinking Water Act regulations.

Water Conservation. The number of public water suppliers with excessive “unaccounted for” water will be reduced by targeting those with unaccounted water of 30.0 percent or more. Also to be reduced are the number of irrigation points of diversion for which the acre feet per acre (AF/A) of water use exceeds the respective regional 1.0 AF/A standard in eastern Kansas, 1.5 AF/A in central Kansas, 2.0 AF/A in western Kansas, and the number of water users who overpump the amount authorized by their water rights.

Water Right Administration. Water level decline rates in the Ogallala Aquifer will be reduced, and enhanced water management techniques will be implemented in targeted areas.

Water Quality Protection. The average concentration of bacteria, biochemical oxygen demand, dissolved solids, nutrients, metals, and pesticides which have an adverse effect on the water quality of Kansas lakes and streams will be reduced.

Flood Management. The purpose of this objective is to reduce the vulnerability to flood damage within identified communities and areas. This is achieved by preventing inappropriate development in flood prone areas, improved forecasting and warning systems,

State Water Plan Fund				
	Actual FY 2001	Actual FY 2002	Gov. Rec. FY 2003	Gov. Rec. FY 2004
Beginning Balance	\$ 2,430,325	\$ 2,550,678	\$ 1,666,000	\$ --
Released Encumbrances	1,613,995	756,611	679,124	--
Adjusted Balance	\$ 4,044,320	\$ 3,307,289	\$ 2,345,124	\$ --
Revenues	16,493,994	17,088,728	14,342,948	14,986,949
Transfer Out to State General Fund	--	(250,000)	--	--
Total Available	\$ 20,538,314	\$ 20,146,017	\$ 16,688,072	\$ 14,986,949
Expenditures	17,987,636	18,480,017	16,688,072	14,986,949
Ending Balance	\$ 2,550,678	\$ 1,666,000	\$ --	\$ --

flood proofing and evacuation, and riparian and wetland protection and restoration.

Riparian & Wetland Management. Priority wetlands and riparian areas will be maintained, enhanced, or restored. Such activities will ensure that soil erosion is kept to a minimum.

Water-Based Recreation. Increased recreational opportunities at public lakes and stream s.

Data & Research. Data collection, research projects, and information sharing activities will focus on specific water resource issues, as identified in the water planning process, and guide state water resource program operations.

Public Information & Education. Develop public information activities that ensure public awareness of the status of water resources in Kansas and educational activities that will increase public knowledge and understanding of Kansas water resources. Such activities will assist the public in making effective water conservation and management decisions.

Fund Summary

Water Plan projects are largely financed through the State Water Plan Fund. The table on the previous page summarizes State Water Plan Fund actual revenues and expenditures for FY 2001 and FY 2002 and estimates for FY 2003 and FY 2004 to illustrate the financial status of the fund. The adjusted balance is based on the fund's beginning balance, released encumbrances, and new revenues credited to the State Water Plan Fund. These revenues include transfers from the State General Fund and the Economic Development Initiatives Fund and proceeds from various user fees.

FY 2004 revenue estimates are shown in the State Water Plan Fund revenue table in the next column. Included in the FY 2004 estimate are revenue transfers of \$3.8 million from the State General Fund and \$1.9 million from the Economic Development Initiatives Fund. User fee revenues, which make up the rest of this fund's revenue, are expected to be approximately \$139,000 greater in FY 2004 than in FY 2003. This is due to an expected increase in the amount of

commercial fertilizer registered for sale in Kansas and increases in industrial water use.

State Water Plan Fund Revenue	
New Receipts:	FY 2004
State General Fund Transfer	3,773,949
EDIF Transfer	1,900,000
Municipal Water Fees	3,500,000
Fertilizer Registration Fees	2,940,000
Industrial Water Fees	1,190,000
Pesticide Registration Fees	920,000
Sand Royalty Receipts	373,000
Stock Water Fees	315,000
Fines	75,000
Total Receipts	\$ 14,986,949

FY 2004 Recommendations

Starting in FY 2002, the expenditures from this fund have been appropriated directly from the State Water Plan Fund to simplify the appropriation process and to facilitate management of the fund for cashflow purposes. The Governor's FY 2004 recommendations for the State Water Plan Fund are summarized in a table on the next page, followed by more detailed descriptions of the recommendations. In addition, State Water Plan Fund projects are listed in Schedule 2.5 in the back of this report for FY 2002 through FY 2004.

The Governor's recommendations for expenditures from the State Water Plan Fund totals \$14,986,949 for FY 2004. Under the Governor's recommendations, six state agencies would receive appropriations from the State Water Plan Fund. The Governor's recommendation reduces the Kansas Water Authority's recommendation by \$2.9 million, or 16.1 percent. In making these recommendations, the Governor took into consideration State Water Plan priorities, such as water quality and protection programs that target total maximum daily loads, and Ogalalla Aquifer conservation and research.

University of Kansas

Geological Survey. Included in the Governor's recommendation for the State Water Plan budget is

\$40,000 for the Geological Survey. The funding will be used to continue the analysis of water depletion in

the Ogallala Aquifer. This study began in FY 2002 as a water resource priority. Specifically, the Geological Survey will evaluate estimated water level declines in the aquifer by decade and area precipitation in the area, and aquifer recharge rates.

State Water Plan Fund

Project or Program	FY 2004
University of Kansas Geological Survey	40,000
Department of Agriculture	
Interstate Water Issues	240,076
Floodplain Management	65,836
Subbasin Water Resources Mgt.	484,494
Water Appropriations	73,464
Water Use Study	60,000
Total--Dept. of Agriculture	\$ 923,870
State Conservation Commission	
Water Resources Cost-Share	3,548,216
Nonpoint Source Pollution Asst.	2,800,000
Conservation District Aid	1,043,000
Buffer Initiatives	307,471
Watershed Dam Construction	352,500
Riparian and Wetland Program	250,000
Total--Conservation Commission	\$ 8,301,187
Health & Environment--Environment	
Contamination Remediation	1,060,434
Local Environmental Protection	1,630,236
Nonpoint Source Technical Asst.	387,939
TMDL Initiatives	346,224
Total--Health & Environment	\$ 3,424,833
Kansas Water Office	
Assessment & Evaluation	213,547
Federal Cost-Share Programs	100,000
GIS Data Base Development	250,000
MOU--Operations & Maintenance	419,385
Ogallala Aquifer Institute	40,000
PMIB Loan Payment for Storage	263,110
Public Information	35,000
Stream Gauging Program	353,203
Technical Assist. to Water Users	339,737
Water Planning	154,077
Water Resouce Education	55,000
Weather Modification	9,000
Kansas Water Authority	25,000
Total--Kansas Water Office	\$ 2,257,059
Wildlife & Parks	
Stream Monitoring	40,000
Total	\$14,986,949

Department of Agriculture

The Department of Agriculture administers four State Water Plan projects: Interstate Water Issues, Floodplain Management, Subbasin Water Resources Management, and the Water Use Report Program. The Department also receives salary funding for the Water Appropriations Program. To finance these programs, the Governor recommends \$923,870 for FY 2004.

Interstate Water Issues. Interstate water issues will continue to be a priority of the Governor in order to protect the state's interest and entitlement to the use and benefits of water in interstate river basins. The project provides legal and technical support to the Division of Water Resources and represents the state's interests when interstate river com pacts and other water issues are involved. The Governor recommends \$240,076 to support these activities.

Floodplain Management. For FY 2004, the Governor recommends \$65,836 for the Floodplain Management Program. This program provides local governments with technical and financial assistance to address floodplain management and other flooding issues in priority areas. Funding from this program is matched by the Federal Emergency Management Agency.

Subbasin Water Resources Management. This program works in cooperation with water right holders and local, state, and federal agencies to address stream flow depletions and groundwater declines in specific river basins. The project is operated through a group of basin teams comprising environmental scientist s familiar with the geology and hydrology of an assigned basin. These scientists analyze the basins and develop strategies to address a basin's water issues. In FY 2004, the Governor recommends \$484,494, a decrease of \$72,491 from FY 2003.

Water Use Study. For FY 2004, the Governor recommends \$60,000 for the Water Use Study

Program. This study is to ensure follow-up and quality water control within the state. The purpose of this study is to prepare public water supply reports for data entry, maintain and update mailing list for water use reports, update sources and purchases list, run edit program for public supply data and correct errors, collect water rate information of public water supply data, collect water rate information for public water suppliers, prepare annual publication of public water supply data, and assist with irrigation water use reports for follow-up activities.

State Conservation Commission

Of the nearly \$15.0 million in State Water Plan Fund expenditures recommended for FY 2004, the majority of expenditures are by the State Conservation Commission. The Governor recommends a total of \$8,301,187 in State Water Plan expenditures for this agency.

Water Resources Cost-Share Program. For this program the Governor recommends \$3,548,216 in FY 2004. This program enhances and conserves the state's soil and water resources through the use of financial incentives in a voluntary partnership with farmers, ranchers, and other land managers. Over the past several years, emphasis has shifted toward water quality improvement. The program also helps implement techniques of terracing, grass waterways, and grass planting to slow the loss of sediment and nutrients from agricultural lands.

Nonpoint Source Pollution Assistance. For FY 2004, the Governor recommends \$2.8 million for the Nonpoint Source Pollution Assistance Program. This program provides technical assistance to conservation districts in the development of nonpoint source pollution plans. This program has experienced a high demand for assistance in upgrading failing septic systems and livestock waste systems. The Commission's efforts will focus on targeted resources within each of the conservation districts.

Conservation District Aid. For FY 2004, the Governor recommends \$1,043,000 for Conservation District Aid. The objective for this program is to increase county conservation district operating funds enabling local governing boards and staff to implement natural resource programs, which is critical

to the success of conservation district programs. Furthermore, the county level leadership and delivery system provides the agency with the structure of local program administration of Conservation Commission programs, which assists the Commission in achieving its mission.

Buffer Initiatives. This program encourages the use of buffer strips by landowners to protect the state's natural water resources from nonpoint source pollutants. Previously, the program was operated only in the Kansas-Lower Republican River Basin in watersheds with high priority total maximum daily load impairments. The program has since been expanded into the Lower and Upper Arkansas River Basins and the Cimarron River Basin. For FY 2004, the Governor recommends expenditures of \$307,471.

Water Rights Purchase. The Water Rights Purchase Program provides cost-share assistance to local organizations to purchase water rights from willing sellers. When purchased, the water rights are returned to the custodial care of the state and will not be available for future appropriation. Because of the state's financial situation and the lack of interest in this program, the Governor recommends that this program not be funded in FY 2003 and FY 2004.

Watershed Dam Construction. For FY 2004, the Governor recommends \$352,500 for watershed dam construction projects. This program's goal is to reduce flood damages and sedimentation through the construction of detention or grade stabilization dams and non-structural measures. This level of funding will finance the construction of three new dams.

Riparian and Wetland Program. For FY 2004, the Governor recommends \$250,000 for the Riparian and Wetland Program. This program's goal is to protect, enhance, and restore riparian areas, wetlands, and associated habitats. This is accomplished by providing technical, educational, and financial assistance to landowners and the public in general. Funding priority is given to projects in high priority total maximum daily load watersheds.

Health & Environment—Environment

Contamination Remediation. The Governor provides \$1,060,000 in FY 2004 in order to address

environmental contamination at sites where there is no responsible party identified or where the responsible party is unable or unwilling to take corrective action. Funds are used for site assessments, comprehensive investigation, corrective actions, and emergency responses. Currently, there are 70 sites covered by the program. The issue at most of the sites involves contamination of public water supplies or domestic water wells.

Local Environmental Protection. The Governor provides \$1.6 million in expenditures from the State Water Plan Fund in FY 2004 for this program. Originally, this program provided funding to counties to implement local environmental protection plans. A total of 101 counties has adopted local environment protection plans. Program funding now focuses on activities to implement the plans, such as reductions to public water supply source water assessments and total maximum daily loads on lakes and rivers .

Nonpoint Source Technical Assistance. This program provides technical assistance and demonstration projects for nonpoint source pollution management at the local level. Planned FY 2004 activities include continuation of work at Hillsdale Reservoir to reduce phosphorous levels; contracts to local agencies implementing nonpoint controls at Cheney, Tuttle Creek, Clinton, Melvern, Council Grove, Waconda, and Louisburg; and projects within the Kansas Lower Republican basin. The Governor recommends \$387,939 for the program in FY 2004.

Total Maximum Daily Loads (TMDL). A TMDL is the maximum amount of pollution a river or lake can receive without violating the surface water quality standard. The water planning process and basin advisory committees are developing and implementing actions to meet the TMDL levels. Use attainability analyses are also conducted to determine specific uses for various lakes and rivers. The Governor recommends \$346,224 in FY 2004 to continue efforts to obtain flow and other supplemental data in other basins where TMDLs are not established and to provide follow-up monitoring where TMDLs have been set.

Kansas Water Office

The Governor recommends a total of \$2,257,059 from the State Water Plan Fund for the Kansas Water Office

to implement various State Water Plan projects. The following highlights several projects included in the Governor's recommendations.

Assessment & Evaluation. The Kansas Water Office continually assesses the conditions of the state's water resources. These assessments are used to identify State Water Plan priorities. In addition, assessments serve as a base from which progress toward State Water Plan objectives are measured. For FY 2004, the Governor recommends \$213,547.

Federal Cost-Share Programs. In FY 2004, the Governor recommends \$100,000 to continue federal cost-share programs. These programs include the evaluation of reservoirs and their potential to provide water storage for public water suppliers, and riparian and wetland restoration projects. This budget recommendation will ensure sufficient funding is available for various projects.

GIS Database Development. During FY 2001, the Kansas Water Office and the Division of Information Systems and Communications in the Department of Administration began development of a Geographical Information Systems database. This database includes a wide range of information, including aquifer locations, public land surveys, and identification of vulnerable natural resources. Information recorded in the GIS database is used to determine whether sufficient water storage will be available to meet projected calendar year 2040 public water supply needs. For FY 2004, the Governor recommends \$250,000 for the continued development of the GIS database.

MOU—Operations & Maintenance. A portion of the water supply storage space purchased through a 1985 Memorandum of Understanding (MOU) with the Corps of Engineers is held in reserve. Operation and maintenance costs are not paid through the Water Marketing and Water Assurance Programs, as there are currently no users of these reservoirs. To maintain and operate this reserve storage space, the Governor recommends \$419,385 for FY 2004. This budget recommendation ensures that sufficient funding is available to meet this obligation.

PMIB Loan Payment for Storage. During the 1994 Legislative Session, funding was provided to purchase additional water storage space that was still expected

to be available under the 1985 MOU with the Corps of Engineers. In addition to the \$13.6 million appropriated to the Kansas Water Office, the 1994 Legislature provided statutory authority to borrow from the Pooled Money Investment Board. A total of \$1,972,310 was borrowed. The term of the loan was for ten years with interest based on the average rate on investments during the previous fiscal year. The first payment was made in FY 1998. For FY 2004, the Governor recommends \$263,110.

Stream Gauging Program. Since 1895, the state has contracted with the United States Geological Survey to operate a network of stream gauging stations. These stations provide real-time streamflow and reservoir level data throughout the state. For FY 2004, the Governor recommends \$353,203 for this program.

Technical Assistance to Water Users. The Governor recommends \$339,737 for FY 2004 to provide

educational and technical assistance to irrigators and municipalities in the preparation of water conservation plans. The Kansas Water Office is required to provide technical assistance to all water users who are required to develop a water conservation plan. A special emphasis is placed on public water suppliers with 30.0 percent or more of "unaccounted for" water.

Department of Wildlife and Parks

Stream Monitoring. The Governor recommends \$40,000 from the State Water Plan Fund for FY 2004. The purpose of this program is to determine the potential adverse effects of pollution on fish and wildlife in Kansas streams. Data are also used to measure the progress towards surface water pollution reduction. This project is conducted with cooperation from the Kansas Department of Health and Environment.

State Employees

Salary Increases

The Governor's budget recommendations to the 2003 Legislature include a proposal to increase the pay of most state employees by 1.5 percent for FY 2004. The State General Fund portion of the cost of the salary plan will be appropriated to a single reserve account, rather than being included in the budget of each state agency, and will be distributed to the appropriate accounts of each state agency with the approval of the Director of the Budget. Similarly, the Director of the Budget will certify to Accounts and Reports the increase in each special fund with a limitation the amount necessary to implement the pay plan. Consistent with the policy of the Governor not to make a recommendation on the budget submission of the Judicial Branch and the Legislative Branch, salary increases for these separate branches of government are not included.

Classified Employees

Effective June 8, 2003, the first pay period attributable to FY 2004, the Governor recommends an increase in the base for all classified employees totaling 1.5 percent. The salary increase is estimated to cost \$14.0 million from all funding sources, including \$7.1 million from the State General Fund.

Funding is also provided to finance the cost of longevity bonus payments for eligible classified employees. The bonuses are calculated on the basis of \$40 per year of service for those who have at least ten years of state service to 25 years, or a maximum of \$1,000. Included in the budget for this purpose are funds totaling \$13.4 million from all funding sources, including \$6.5 million from the State General Fund.

Unclassified Employees

The 1.5 percent increase in base pay is also recommended for employees in the unclassified service. As in the past, the salary increase will be made available in the form of a merit pool to be distributed by agency heads based on their estimation of employee performance. Included in the increase is the salary of elected officials of the Executive Branch,

including the Governor, Lieutenant Governor, Attorney General, State Treasurer, Insurance Commissioner, and Secretary of State. Increases for unclassified personnel of the Regents institutions will be distributed by the Board of Regents. The cost of the pay proposal for unclassified employees is estimated to be \$12.9 million from all funding sources, of which \$6.4 million is from the State General Fund.

Employee Benefits

Rate Increases for Group Health. The composite rates included in state agency budgets for group health insurance have increased between 9.0 percent and 13.2 percent from FY 1998 through FY 2002. During this period, the only decrease occurred in FY 2000 at 2.3 percent. For FY 2003, the composite rate increased by 26.9 percent, which resulted from a decision by the Health Care Commission not to increase employee premiums for Plan Year 2002.

Also utilized to keep the cost to employees down was the final spend down of the reserve fund. The 12.2 percent composite rate increase for FY 2004 is lower than the increase for FY 2003. However, the reserves are now depleted, and the claims obligations that have been incurred but not paid out have caused available financing to fall below what is actuarially required. Therefore, future composite rates will have to take into consideration the cash needed on hand to pay claims and premiums. In addition, the financing that would be necessary to return to the actuarial requirements will also need to be taken into account. The increased cost added to agency budgets totals \$18.2 million from all funding sources, with \$9.2 million from the State General Fund.

KPERS Death & Disability Moratorium. For the last quarter of FY 2003 and all four quarters of FY 2004, the Governor recommends a moratorium on employer contributions to the KPERS Death and Disability Insurance Fund. In addition, the Governor recommends transferring special revenue funds that would have been utilized for payment to the KPERS Death and Disability Insurance Fund to the State General Fund. As a result of previous investment

returns, the fund has a sufficient balance to extend the six-month moratorium that was authorized by the 2002 Legislature for the first half of FY 2002.

The additional quarter of moratorium payments in FY 2003 will generate savings of approximately \$6.1 million from all funding sources, including \$4.6 million in State General Fund KPERS school contributions, \$670,000 in State General Fund regular KPERS contributions, and \$858,000 in special revenue fund expenditures. For FY 2004, the moratorium will generate approximately \$21.1 million in savings from all funding sources, including \$15.4 million in State General Fund KPERS school contributions, \$2.4 million in State General Fund regular KPERS contributions, and \$3.4 million in special revenue fund expenditures.

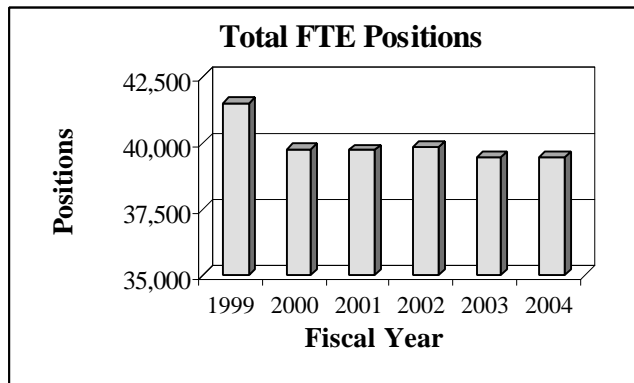
The budgets of state agencies affected by this moratorium have not been adjusted for this recommendation. For State General Fund budgeted amounts, the Governor recommends that Accounts and Reports, with the approval of the Director of the Budget, reduce each State General Fund appropriation that has amounts budgeted for KPERS Death and Disability payments. For special revenue funds amounts budgeted for the payment of KPERS Death and Disability will be transferred to the State General Fund.

State Workforce

Changes to the Workforce. The long-term trend in the number of FTE positions has seen a reduction that approximately corresponds to the overall slowdown in the growth of the state's financial resources. The FTE count in FY 1996 totaled 44,060.5 and the recommendation for FY 2004 totals 39,500.1. This represents a reduction of 10.4 percent over that eight-year period. From FY 1996 through FY 2001, the trend was a steady decline. For FY 2002, the trend was reversed with an increase of 160 positions. However, FY 2003 resumes the downward trend with a drop of 402 positions. FY 2004 is nearly the same as FY 2003. The recent trend is illustrated in the graph.

A number of position changes between FY 2003 and FY 2004 are program relocations from one agency to another as a result of budget recommendations proposed by the Governor. Most of these result in

only a small net difference or no difference at all to the total state workforce. The relocations involving positions include parts of the crime victims federal grant programs in the Attorney General Office to the Governor's Office, the Alcohol Beverage Control Division of the Department of Revenue to the Highway Patrol, Kansas, Inc. being merged into the Department of Commerce and Housing, and regulation of nursing facilities from Department of Health and Environment to the Department on Aging.



A few positions have been added to several state agencies: positions at the Department of Administration to maintain the utility and operating systems at the SBG Building, motor carrier/railroad safety inspectors at the Corporation Commission, auditing positions in support of tribal gaming activities at the Racing and Gaming Commission, a non-license pharmacy inspector at the Board of Pharmacy, a research position at Commerce and Housing, and a space sales assistant at the State Fair. In addition, 3.0 federally funded non-FTE unclassified permanent positions have been added to the Juvenile Justice Authority to administer a new federal grant program. In addition to these changes, 57.0 FTE positions will be added in FY 2004 to the Topeka Juvenile Correctional Facility to reflect the opening of the new maximum-security unit.

On the other hand, there are a number of deletions or reductions that account for the net decrease in positions in FY 2004. The largest reductions occur in the state hospitals by eliminating positions that have been vacant because of a lacking of funding. Other reductions include a vacant clerical position at the Human Rights Commission, reducing from 5.0 to 3.0 the members of the Board of Tax Appeals, quality assurance positions and marketing outreach positions at the Department on Aging, administrative appeals

hearing personnel at the Department of Health and Environment, a clerical position for the Guardianship Program, and vacant instructor positions at the School for the Blind and the School for the Deaf, eliminating the Ombudsman for Corrections, reducing from 4.0 to 3.0 the members of the Parole Board, and eliminating the Criminal Justice Information System Project Manager at the Kansas Sentencing Commission.

Counting the State Workforce. The state workforce includes all positions that are permanently assigned. It excludes temporary help, both those on the state payroll and those used on a contractual basis through temporary employment services. The permanent positions fall into two groups. The first includes full-time equivalent (FTE) positions, some of which are constrained by a limitation in the appropriations bill, while others are not, notably Regents institutions, the Legislative Branch, the Judicial Branch, and the Offices of the Governor and Lieutenant Governor. The second group, named non-FTE unclassified permanent positions, are employed by the authority of KSA 2002 Supp. 75-2935(i) and are approved by the Governor's Office for most Executive Branch positions of this type. They are not limited in number by the appropriations process. As unclassified employees, they are not subject to civil service regulations for purposes of recruitment or compensation. However, they are permanent because employees in these positions participate in the state's retirement system.

Caution should be exercised in comparing position totals from year to year. FTE positions have remained the same over the years. Therefore, a valid comparison can be made with them from one year to the next. However, FY 2004 represents only the second year in using the non-FTE unclassified permanent classification. Prior to FY 2003, some temporary positions were included in the state workforce totals because a way had not been found to exclude them.

Statewide Summary of Salaries. The table on the next page details expenditures for salaries and wages from all agencies, including the salaries of several agencies that would ordinarily be excluded from reportable expenditures to avoid double counting. In this way, a complete view of salaries and wages can be presented.

The base salary components are presented in the upper part of the table, and the benefits are itemized below those. The dollars for the proposed salary increase are incorporated into the table in the appropriate categories. The pay plan includes only the Executive Branch of government. The anticipated savings from the death and disability moratorium is reflected in the retirement section.

A year ago, only an estimate of the portion of total salaries financed from the State General Fund was reported. However, modifications have been made to the budget system since then that allow an accurate State General Fund amount to be reported.

Caution should be exercised about the significance of the dollar amounts in the table. In a number of instances, the Governor's recommendations have included overall reductions to an agency's operating budget that are not categorized by type of expenditure. However, because salaries and wages constitute a major portion of the budget, it is likely that these overall reductions will also decrease the amount of funding available to support the state workforce. Therefore, the table probably overstates salaries and wages.

The same is true of positions. The number of positions has not been systematically decreased to correspond to the level of dollars actually available because the focus has usually been on the authorized position limitation, rather than an estimate of positions filled. Therefore, more positions are reported than the budget can actually support.

Statewide Salaries & Wages

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Authorized Positions					
Classified Regular	749,328,495	771,282,419	772,258,865	5,768,528	780,876,016
Classified Temporary	10,452,607	9,477,840	9,359,059	3,743	9,544,908
Unclassified Regular	644,828,376	624,775,986	625,037,822	6,273,462	639,099,576
Other Unclassified	139,145,897	135,029,087	132,667,087	507,121	131,610,160
New Positions	--	--	127,212	--	127,212
Authorized Total	\$ 1,543,755,375	\$ 1,540,565,332	\$ 1,539,450,045	\$ 12,552,854	\$ 1,561,257,872
Shift Differential	2,411,827	2,151,485	2,135,655	--	2,229,876
Overtime	13,377,007	10,793,610	10,832,921	--	11,086,389
Holiday Pay	3,543,398	3,371,107	3,118,462	--	3,278,998
Longevity	10,191,120	10,471,150	11,227,664	--	11,241,357
Total Base Salaries	\$ 1,573,278,727	\$ 1,567,352,684	\$ 1,566,764,747	\$ 12,552,854	\$ 1,589,094,492
Employee Retirement					
KPERS	33,919,170	39,090,351	44,233,131	209,650	40,641,361
Deferred Compensation	330,158	380,134	392,092	--	404,343
TIAA	48,127,418	48,008,706	51,938,967	21,385	51,472,954
Kansas Police & Fire	2,568,714	2,328,461	2,336,934	--	2,373,415
Judges Retirement	2,658,142	2,624,557	3,658,102	32,804	2,553,922
Security Officers	5,079,012	6,126,438	6,398,016	--	5,992,132
Retirement Total	\$ 92,682,614	\$ 98,558,647	\$ 108,957,242	\$ 263,839	\$ 103,438,127
Fringe Benefits					
FICA	106,357,070	111,014,913	111,168,855	331,753	112,659,176
Workers Compensation	14,042,202	13,856,401	15,155,992	45,797	15,327,665
Unemployment	983,894	887,117	1,625,914	4,677	1,622,036
Retirement Sick & Annual Leave	6,306,701	6,212,488	6,203,548	18,033	6,292,180
Employee Health Insurance	98,217,833	129,498,935	144,986,029	522,974	144,310,741
Family Health Insurance	23,553,155	29,082,952	32,513,018	197,964	32,349,939
Regents GTA/GRA Insurance	247,318	455,977	455,977	--	455,977
Total Fringe Benefits	\$ 342,390,787	\$ 389,567,430	\$ 421,066,575	\$ 1,385,037	\$ 416,455,841
Subtotal: Salaries & Wages	\$ 1,915,669,514	\$ 1,956,920,114	\$ 1,987,831,322	\$ 13,937,891	\$ 2,005,550,333
(Shrinkage)	--	(91,065,860)	(85,688,534)	5,581,742	(99,421,029)
Total Salaries & Wages	\$ 1,915,669,514	\$ 1,865,854,254	\$ 1,902,142,788	\$ 19,519,633	\$ 1,906,129,304
State General Fund Total	\$ 923,268,543	\$ 895,620,184	\$ 957,974,822	\$ 16,801,369	\$ 904,788,146
FTE Positions	39,892.3	39,490.4	39,947.8	118.0	39,500.1
Non-FTE Unclassified Perm. Pos.	1,241.8	1,185.4	1,170.3	24.0	1,170.3
Total State Positions	41,134.1	40,675.8	41,118.1	142.0	40,670.4

Amounts include Off Budget expenditures for the Department of Administration, as well as the Departments of Wildlife & Parks and Transportation salaries and wages associated with the construction program budgeted as capital improvements.

Kansas Intergovernmental Transfer Program

KSA 2002 Supp. 75-4265 authorizes the establishment of the Kansas Intergovernmental Transfer Program (KSIT). This program allows the state to draw down additional federal Medicaid funding for long-term care services. Initial transfers totaled \$109.5 million in FY 2001 and \$104.6 million in FY 2002. Currently, 20 states draw down extra federal money through this program. However, because of changes in federal regulations, the program will be changed significantly in FY 2003 after two quarterly transfers. After the first two transfers of FY 2003, which totaled \$51.9 million, the amount that can be drawn down will total only a few million dollars for the balance of FY 2003 and for each year thereafter.

Under the program, the Secretary of Aging transfers monies from the State General Fund and the federal matching funds to nursing facilities run by local governments that have signed participation agreements with the Department on Aging. Then, after deducting a participation fee for themselves, the facilities transfer the state and federal funds back to the Secretary of Aging. The amount that had been transferred from the State General Fund is then transferred back to the State General Fund.

Distribution of the Funds

For transfers occurring before July 1, 2001, 60.0 percent was transferred to the Senior Services Trust Fund, 15.3 percent was transferred to the State Medicaid Match Fund—SRS, 9.7 percent was transferred to the State Medicaid Match Fund—Department on Aging, 10.0 percent was transferred to the Long-Term Care Loan and Grant Fund of the Department on Aging, and 5.0 percent was transferred to the HCBS Programs Fund of the Department of Social and Rehabilitation Services.

For transfers occurring on and after July 1, 2001, KSA 2002 Supp. 75-4265 provides for 70.0 percent to be transferred to the Senior Services Trust Fund, 5.0 percent to the Long-Term Care Loan and Grant Fund, and 25.0 percent to be split between the state Medicaid match funds in the Department on Aging and SRS. However, in the 2001 Omnibus Bill, the Legislature directed that the amounts that were to be transferred to

the Senior Services Trust Fund be transferred instead to the newly created intergovernmental transfer (IGT) funds in the Department on Aging and the Department of Social and Rehabilitation Services. The bill provided for the transfers to the Senior Services Trust Fund to be diverted in this manner until an aggregate of \$51.0 million had been put into the IGT funds, \$44.0 million to the SRS fund, and \$7.0 million to the Aging fund.

The 2002 Legislature continued the diversion to the IGT funds until the end of the program and transferred \$47.4 million in FY 2002 from the Senior Services Trust Fund to the IGT funds. The Legislature also transferred \$34.8 million in FY 2003 from the Senior Services Trust Fund to the IGT funds. The Legislature then approved transfers of \$18.5 million in FY 2003 and \$28.9 million in FY 2004 from the State General Fund to the Senior Services Trust Fund. The intent was to use funding from the trust for State General Fund cashflow purposes and replace it later to fund a larger pharmacy assistance program in future years. However, the Legislature did not pass a bill to create a new pharmacy assistance program. Therefore, the Governor vetoed the transfers from the State General Fund to the Senior Services Trust Fund. If a bill to create a new pharmacy assistance program were passed in the future, appropriations to a trust could be made at that time. The Legislature also approved transfers to the State General Fund of \$500,000 from the SRS Medicaid Match Fund and \$500,000 from the Aging Long-Term Care Loan and Grant Fund in FY 2003. No provisions were made to replace this funding in the future.

As a part of the November 2002 allotment, it is recommended to transfer the balance of \$8.3 million from the Senior Services Trust Fund and the uncommitted balance of \$7.4 million from the Long-Term Care Loan and Grant Fund to the State General Fund. If the Legislature approves these transfers, most of the funding from the Kansas Intergovernmental Transfer Program will have been exhausted. The Department on Aging estimates that an additional \$4.0 million in FY 2003 and \$8.0 million in FY 2004 will be received through the smaller transfer program. The Governor recommends that this funding be expended

in the Home and Community-Based Services for the physically disabled and the developmentally disabled in the Department of Social and Rehabilitation Services.

Senior Services. An amount of \$65.7 million was transferred to the Senior Services Trust Fund in FY 2001, and \$22.2 million was transferred into the fund in FY 2002. Based on the diversion plan no other transfers to this fund will occur. In FY 2002, \$47.4 million was transferred out of the fund, and in FY 2003, \$34.8 million was transferred out of the fund. It is recommended that the balance be transferred to the State General Fund in FY 2003. Until the trust is depleted, the Senior Services Trust Fund will be invested by the Kansas Public Employees Retirement System, with interest earnings credited to the Senior Services Fund quarterly. Expenditures from the Senior Services Fund can be used for projects intended to reduce future Medicaid costs, for seniors to avoid premature institutionalization, for a state match for senior service programs authorized by federal law, for improvement of the quality of life for customers of long-term care programs, or for financial assistance under the Senior Pharmacy Assistance Program.

KSA 75-5961 authorizes the Senior Pharmacy Assistance Program in the Department on Aging to assist low-income citizens with the cost of prescription drugs. To become eligible, persons must be age 62 or older. The Secretary of Aging is allowed to adjust the eligibility limits. The Secretary can also adjust maximum benefits, co-payments, and eligible drugs. The act took effect on July 1, 2001. If the federal government had created a national pharmacy program, the bill would have been suspended and the state Senior Pharmacy Assistance Program would not have begun.

For FY 2003 and FY 2004, the Governor recommends funding of \$1.2 million for the Senior Pharmacy Assistance Program. Investment income generated from the Senior Services Trust Fund and transferred to the Senior Services Fund in FY 2001 was \$1.3 million. Investment income generated from the Senior Services Trust Fund and transferred to the Senior Services Fund in FY 2002 was \$3.2 million. The first two quarterly payments of FY 2003 totaled \$742,959. If the Legislature approves the liquidation of the Senior Services Trust Fund, there will be no more investment

income. At the current expenditure level of \$1.2 million per year, the current balance of \$3.3 million would fully fund the Senior Pharmacy Assistance Program in FY 2004 and FY 2005, and \$900,000 would be left for FY 2006. The Department on Aging is currently working on the possibility of starting a Pharmacy Waiver Program through Medicaid. If the waiver were approved, matching federal funding of \$1.8 million would bring total program funding to \$3.0 million per year.

Long-Term Care. The Long-Term Care Loan and Grant Fund is used to make loans and grants under the Long-Term Care and Loan Grant Program. The agency started the program in FY 2002 with expenditures of \$2.1 million. The 2002 Legislature transferred \$500,000 from this fund to the State General Fund in FY 2003. The agency has committed a total of \$4.0 million for FY 2003. Along with the November 2002 allotment, it is recommended to transfer the uncommitted balance of \$7.4 million from the Long-Term Care Loan and Grant Fund to the State General Fund.

Medicaid Match. The state Medicaid match funds can be used in a variety of Medicaid programs administered by the Department on Aging and the Department of Social and Rehabilitation Services. For FY 2003, the approved amounts of \$12.3 million for the Home and Community-Based Services for the Developmentally Disabled Waiver and \$10.9 million for the Home and Community-Based Services for the Frail Elderly Waiver are recommended. The 2002 Legislature approved a transfer of \$500,000 from the SRS Medicaid Match Fund to the State General Fund in FY 2003. Current estimates project a shortfall of \$1.7 million in the SRS Medicaid Match Fund and \$3.8 million in the Aging Medicaid Match Fund at the end of FY 2003. However, transfers from the Long-Term Care Loan and Grant Fund and the IGT funds are recommended to cover those shortfalls.

Home & Community-Based Services. The HCBS Programs Fund was to be used only in FY 2001. However, more money than expected was transferred to this fund in FY 2001. Therefore, a carry forward balance was available in FY 2002. For FY 2003, the Legislature approved the use of the balance of \$226,077 for the Home and Community-Based Services for the Frail Elderly.

IGT Funds. The IGT funds were used in FY 2002 and will be used in FY 2003 to fund Home and Community-Based Services Waivers in the Department on Aging and the Department of Social and Rehabilitation Services. For FY 2003, the Legislature approved \$7.5 million for the Home and Community-Based Services Waiver for the Frail Elderly and \$52.5 million for the Home and Community-Based Services Waiver for the Developmentally Disabled. State General Fund expenditures in each of these programs were reduced

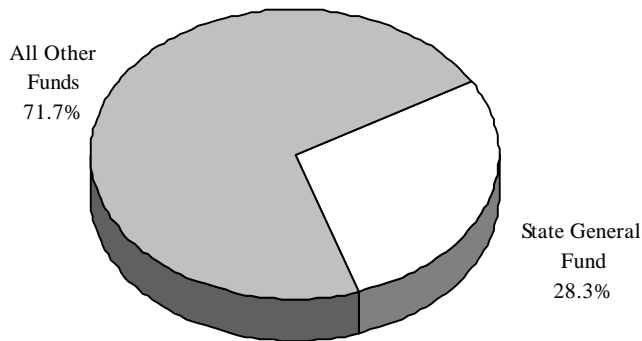
by the amount recommended for the IGT funds. The Legislature also approved a transfer of \$10.0 million from the IGT fund to the Title XIX Fund used to support the state hospitals. The Governor recommends that funding from future transfers be utilized in the SRS IGT Fund to finance the Home and Community-Based Services Waivers for the developmentally disabled and the physically disabled. The Governor recommends additional expenditures of \$4.0 million in FY 2003 and \$8.0 million in FY 2004 for these programs.

General Government Summary

The General Government function includes agencies that provide overall policy guidance to state agencies, collect and distribute state revenues, and implement regulatory functions. This function of government includes the budgets of elected officials; the Judiciary; administrative agencies, such as the Corporation Commission, the Insurance Department, the Kansas Racing and Gaming Commission; and the other professional licensing and regulatory boards. Included in this function are 20 agencies with biennial budgets, 19 financed entirely from fees and one, the Governmental Ethics Commission, funded partly from the State General Fund and partly from special revenue funds.

The FY 2003 State General Fund recommendation for most non-biennial agencies incorporated a 2.0 percent and a 3.9 percent allotment reduction. For most General Government agencies these reductions were maintained in FY 2004 and additional reductions recommended. For FY 2004, for the biennial agencies and a selected number of predominately fee-funded agencies, the Governor recommends 5.9 percent, or approximately \$3.5 million, in reductions in fee fund expenditures. The savings resulting from these reductions are recommended to be transferred to the State General Fund.

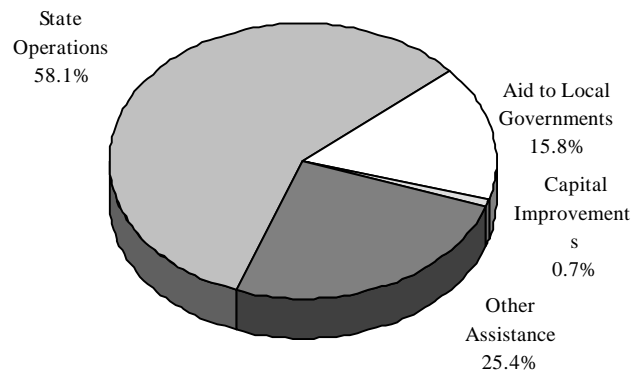
How It Is Financed



Fiscal Year 2004

The Governor recommends a total of \$659,318,394 in the FY 2003 and \$597,926,733 in FY 2004. These totals include \$187,313,685 in FY 2003 and \$169,149,981 in FY 2004 from the State General Fund. The State General Fund recommendation in FY 2004 represents a decrease of \$18.0 million, or 9.7 percent, from the FY 2003 Governor's estimate. The FY 2003 State General Fund recommendation incorporates a 2.0 percent allotment reduction made in August 2002, or \$2,339,916, and a 3.9 percent, or \$2,952,064, allotment reduction made in November 2002. The Legislature and Judiciary were exempt from the allotment reductions. As part of the allotments, the remaining payments, \$48.0 million, in FY 2003 for the three local revenue transfers were eliminated.

How It Is Spent



Fiscal Year 2004

The Governor institutes a new policy in the treatment of the Judicial Branch and Legislative Branch. In the submission of budget proposals, the Governor will not presume to review or adjust the budgets of the Judiciary and Legislature, but will simply include as a "place holder" the exact budget passed by the Legislature in the previous fiscal year.

The Governor recommends that the State Treasurer and the Secretary of State be entirely funded by fees. For the State Treasurer, the loss of State General Fund monies will be implemented in FY 2004. For the Secretary of State, the change will be implemented over FY 2004 and FY 2005. The budget includes an additional \$1.2 million from the State General Fund for FY 2004 debt service payment for the Statehouse renovation on the \$15.0 million in bonds for construction of an underground parking garage.

Executive Branch Agencies

Department of Administration

For FY 2004, from all funding sources, the Governor recommends \$22,070,172 for the portion of the budget that is reported in statewide expenditure totals. An amount of \$19,312,708 of this total will be financed from the State General Fund. For the portion of the Department's budget that is not reportable, commonly referred to as the "Off Budget," the Governor recommends \$105,234,311 for FY 2004. The number of positions recommended for the Department totals 910.3 positions, of which 887.2 are FTE and 23.1 are non-FTE unclassified permanent.

Compared to the budget approved for FY 2003 from the State General Fund by the 2002 Legislature, the recommendation for FY 2004 represents a reduction of 23.7 percent. A part of the reduction is attributable to a decrease for the On Budget, a decrease that is similar to reductions in the budgets of other agencies financed from the State General Fund. Most of this decrease was accommodated by reducing State General Fund monies from the On Budget and adding equivalent amounts to several parts of the Off Budget, notably the Information Technology Fund in DISC and the Accounting Services Recovery Fund in Accounts and Reports. This action also involved relocating 12.0 FTE positions to the Off Budget. This shift of expenditures from the On Budget to the Off Budget allowed the overall expenditure level, when taking the On Budget and Off Budget together, to be maintained. In this way, the Department was able to accommodate the loss of State General Fund dollars without experiencing a significant adverse effect on its operations overall.

A larger part of the Department's reductions comes from the Off Budget. The Off Budget of the Department is not usually included directly in the budget reductions affecting state government because, by its nature, it receives no direct appropriation from the State General Fund. However, for FY 2004, the Governor's recommendation makes a number of reductions in agencies not financed from the State General Fund. These reductions are intended to represent equivalent efficiencies and program eliminations that are expected from State General

Fund agencies as they re-evaluate their operations and the programs for which they are responsible as a result of the current budget situation.

Therefore, for the Department of Administration, an amount was estimated based on what the Off Budget's reductions would have been if it had been subject to the allotments imposed on most state agencies in August and November 2002. This amount, totaling approximately \$5.0 million in addition to the reductions mentioned previously, has been deleted from the State General Fund of the On Budget for FY 2004 in order to capture this expected level of savings. In this way, the entire budget of the Department of Administration, both On and Off, will reflect the reduced resource level being experienced by the state budget as a whole. For purposes of reporting expenditures, these reductions are treated as Governor's adjustments without specifying individual categories of expenditure to allow the agency maximum flexibility in adjusting to the new level of funding.

New Staff for the SBG Building. The Security Benefit Group Building at 7th and Harrison in Topeka will be renovated through debt financing for the Department of Transportation, which will become the sole occupant during FY 2004. To ensure proper maintenance and care of the facility, the Governor recommends \$161,197 from Off Budget funds for the addition of 5.0 FTE positions. The positions include a Physical Plant Supervisor I and 4.0 Building System Technicians to maintain the utility and operating systems of the building.

Kansas Corporation Commission

The Kansas Corporation Commission (KCC) is the regulatory agency that oversees rates for major utilities, petroleum exploration and production, and some facets of the transportation industry. In addition, the KCC serves as a significant participant in the development of energy policy for the state. The primary function of the Commission is to protect the public's interest through efficient and impartial resolution of jurisdictional issues.

The Governor recommends a budget of \$15,819,071, the majority of which is financed from fees assessed against regulated industries. The remainder of the Commission's budget is financed with federal funds. The Governor's recommendation will allow the Commission to maintain consistent performance while ensuring that rates for electricity, natural gas, and telecommunications services are reasonable.

The Governor adds 2.0 FTE positions as Motor Carrier/Railroad Inspectors and \$86,179 from the Motor Carrier License Fee Fund in FY 2004. These positions will be part of the KCC's new safety training program for all Kansas-based motor carriers. Also in FY 2004, the Governor reduces expenditures by 5.9 percent and transfers the savings to the State General Fund. This action results in reductions totaling \$948,821 in the Administrative Division.

Abandoned Oil & Gas Well Plugging. The Governor's recommendation for FY 2004 includes expenditures of \$1.2 million from the Abandoned Oil and Gas Well Fund. This fund was established during the 1996 Legislative Session for the purpose of investigating, remediating, and plugging oil and gas wells which were abandoned prior to July 1, 1996. These wells present a threat to public health and the environment. As established, the fund can receive \$400,000 each year from the State General Fund, the State Water Plan Fund, and the Conservation Fee Fund. However, in FY 2004, no transfers will be made from the State General Fund or the State Water Plan Fund. The fund will receive only the transfer from the Conservation Fee Fund, as well as one half the state's share of the monies received from the federal government under the Mineral Leasing Act, which is estimated to be \$598,000 in FY 2004.

Citizens' Utility Ratepayer Board

The primary responsibility of the Citizens' Utility Ratepayer Board (CURB) is to represent the interests of residential and small business utility consumers in proceedings before the Kansas Corporation Commission. In support of CURB's responsibilities, the Governor recommends \$580,552 from the agency's fee fund and 5.0 FTE positions in FY 2004. The recommendation reflects a 5.9 percent, or \$36,400, reduction in expenditures, which will be transferred to the State General Fund.

Kansas Human Rights Commission

The Commission strives to eliminate and prevent discrimination in the workplace, public accommodations, and housing throughout the state. The agency works to investigate complaints in a thorough and professional manner. The open case inventory at the end of FY 2002 was 597. The agency anticipates a total of 597 open cases at the end of FY 2003 and 644 in FY 2004. One method of reducing the backlog is through mediation contracts with Kansas Legal Services. This program, which brings together public and private financing, has gained the agency national acclaim.

The Governor's recommendation recognizes the need for continuing funding for the contracts with Kansas Legal Services and education services. Therefore, reductions to the agency's base budget are made in salaries and wages through increased shrinkage and the elimination of a full-time clerical position. The recommendation for FY 2004 is \$1,706,173 from all funding sources, with \$1,333,830 from the State General Fund.

Board of Indigents' Defense Services

The Board of Indigents' Defense Services provides legal defense services to individuals who are charged by the state with a felony and judged indigent by the courts. The Board operates nine trial level public defender offices, an appellate defender office, and a death penalty defense unit. It utilizes appointed and contracted counsel to provide defense services. In FY 2003, the Governor recommends \$16,004,036 for total expenditures, of which \$15,577,051 is from the State General Fund, and includes a total supplemental appropriation of \$1,550,000 for the Assigned Counsel Program and Death Penalty Defense Unit. This includes a total of \$1,928,489 for the Death Penalty Defense Unit. As a result of the large number of pending death penalty cases, more money will be spent on this program than ever before.

For FY 2004, the Governor recommends \$14,631,312 for total expenditures, of which \$14,218,312 is from the State General Fund. The Governor's recommendation includes \$4,794,869 for payments to assigned counsel. The Governor recommends 165.0 FTE positions for the agency.

Health Care Stabilization Fund Board of Governors

The Health Care Stabilization Fund Board of Governors mandates basic professional liability insurance for all active Kansas health care providers. The agency establishes and authorizes the Health Care Stabilization Fund and Health Care Provider Insurance Availability Plan. The Governor's recommendation of \$29,596,952 for FY 2004 continues operations of the Health Care Stabilization Fund Board of Governors and its 16.0 FTE positions. The agency's budget is reduced by a 2.0 percent shrinkage rate and a 5.9 percent reduction. The 5.9 percent reduction totaling \$57,385 will be transferred to the State General Fund. All expenditures are from the Health Care Stabilization Fund. The Governor is also recommending that the agency become a biennial budget agency starting with the 2006 -2007 biennium.

Of the total recommended by the Governor, the majority of these expenditures, approximately \$25.6 million, represent claims to be paid from the Health Care Stabilization Fund. Another \$3.9 million is for professional service costs for defense of the Health Care Stabilization Fund and to represent health care providers. The agency estimates that it will process 611 active cases in FY 2004 and close 330 cases.

Kansas Public Employees Retirement System

The mission of KPERS is to safeguard the retirement system's assets by adhering to the highest standards of fiduciary and professional care, to comply strictly with the law, and to conduct business in a courteous, timely and effective manner. The Governor's budget recommendation maintains the agency's current level of performance in the administration of the retirement system and oversight of the investment portfolio. The total recommended budget for the agency in FY 2004 is 26.4 million from the KPERS Fund, including support for 85.0 FTE positions. The recommendation includes \$18.5 million for investment-related expenses, \$6.7 million for administrative costs, and \$1.2 million for the agency's imaging technology project. The scope of this project was redefined over the last two years. The project is expected to continue for at least two more fiscal years.

Retirement benefits are not budgeted as reportable expenditures to avoid the double counting of employer contributions in the state budget. The table below shows actual and estimated KPERS—Regular and KPERS—School benefit payments.

	<u>Regular</u>	<u>School</u>
FY 1997	\$201.6	\$195.1
FY 1998	216.1	212.9
FY 1999	237.4	235.2
FY 2000	251.2	254.7
FY 2001	274.7	284.3
FY 2002	303.9	331.6
FY 2003	316.2	345.6
FY 2004	335.3	362.4

Department of Commerce & Housing

The Department of Commerce and Housing works to build the capability of communities and businesses to develop, innovate, diversify, and expand in a manner that creates wealth, quality jobs, and a superior quality of life for Kansans. The Governor's budget recommendation totals \$112,137,305 in FY 2004, including \$17.4 million from the Economic Development Initiatives Fund. This is the second year that the agency will receive monies from the EDIF in the form of an operating grant instead of by program. The total recommendation funds 151.5 positions.

The Department's FY 2003 budget includes proceeds from the sale of the Olathe travel information center. The proceeds of the sale totaled \$926,177. The funds will be used for additional advertising and purchasing furniture and equipment for the Belle Plaine travel information center. The Belle Plaine center was destroyed in a fire in April 2002. It is scheduled to open in spring 2003.

The Governor's recommendation reduces the agency's budget by a net of \$765,260, including \$879,282 from EDIF, for FY 2004. The Governor recommends that the responsibilities and operations of Kansas, Inc. be merged into Commerce and Housing, thus abolishing

Kansas, Inc. as an independent state agency. This increases Commerce and Housing's operating expenditures by \$169,350, including \$55,328 from the EDIF. It also adds 1.0 Research Analyst position and 1.0 non-FTE unclassified permanent position.

The Governor also reduces the agency's EDIF expenditures by 5.0 percent, or \$934,610. The reductions will reduce the amount and number of grants, loans, and other assistance to Kansas communities and businesses. The majority of the reductions primarily are proposed in the agency's Business Development Division. Further discussion of this agency's budget can be found in the Economic Development Initiatives Fund in the Budget Issues section of this volume.

Kansas Technology Enterprise Corp.

The Kansas Technology Enterprise Corporation (KTEC) is a quasi-public corporation owned by the State of Kansas. KTEC fosters innovation and the development of technology. Its programs fall under research, investment, and business assistance. The Governor's FY 2004 budget recommendation for KTEC is \$13,953,820, including \$10.6 million from the Economic Development Initiatives Fund and \$2.9 million in federal funds.

The Governor reduces salary expenditures by \$283,434 from the EDIF. The reduction is the result of savings from vacant positions and deletion of salary increases. The agency has consolidated some of its operations. The agency's programs are also reduced compared to the previous year, including \$146,813 from centers of excellence, \$133,229 from EPSCoR, \$73,984 from research matching funds, and \$69,323 from commercialization. The effect of the budget cuts is to reduce assistance to businesses in the form of less grant money offered and services provided. Further discussion of this budget can be found in the section on economic development.

Kansas, Inc.

Kansas, Inc. is the state's economic development "think tank." It undertakes planning for the economic development of the state. The agency's primary

activities include strategic planning, economic and policy research, evaluation of the state's economic development programs, and partnerships and communications with the private sector. The Governor recommends that Kansas, Inc.'s responsibilities and operations be merged into the Department of Commerce and Housing and that Kansas, Inc. be abolished.

Kansas Lottery

The Kansas Lottery strives to produce the maximum amount of revenue for the state and to maintain the integrity of all Lottery games. The Governor recommends total expenditures of \$60,211,857 for FY 2004. The Governor reduces operating expenditures by 5.9 percent, or \$542,800. The savings from this reduction will be transferred to the State General Fund. All Lottery expenditures are funded through revenues generated from the sale of Lottery tickets. The Lottery is mandated by statute to remit all excess revenues to the State Gaming Revenues Fund. The agency does not receive monies from the State General Fund, and no tax-generated revenue sources are used to support the Lottery. The agency projects total sales of \$209.8 million for FY 2004, with the state receiving approximately \$60.3 million of the revenue. A complete explanation of the State Gaming Revenues Fund is found in the subsection of the same name in the Budget Issues section of this volume.

Kansas Racing & Gaming Commission

The Racing and Gaming Commission consists of two programs: Racing Operations and Gaming Operations. The Racing Operations Program regulates statewide horse and dog racing activities, including the conduct of races, parimutuel wagering, and the collection of parimutuel taxes, admission taxes, and licensing fees. These fees are deposited in the Racing Fund, with a portion of receipts going to the State Gaming Revenues Fund, which supports economic development, facilities at correctional institutions, and local juvenile detention facilities. The Governor recommends \$4.9 million in FY 2003, for the Racing Operations Program. The agency revised its FY 2003 budget by decreasing salaries based on employee turnover and reducing other operating expenditures in

response to decreasing revenue from racing activities. The Governor also recommends \$4,866,113 for the Racing Operations Program in FY 2004 and 43.0 positions.

The Gaming Operations Program fulfills the state's responsibilities relative to the State-Tribal Compacts and the Tribal Gaming Oversight Act in the regulation of tribal gaming in Kansas. Responsibilities include conducting background checks of the agency's employees, monitoring compliance with internal controls and gaming rules, and monitoring compliance with licensing criteria. An amount of \$1,485,362 and 24.0 positions are recommended for the Gaming Operations Program in FY 2004. This budget recommendation includes \$133,234 for a business office that will track the costs of background investigations of casino personnel on a per case basis. The new office is the result of issues raised by the four tribal casinos as to how the costs of the backgrounds are allocated among the Native American tribes. Expenses for the new office include salaries for 3.0 new FTE positions as well as associated operating expenditures. All gaming operations are financed through the Tribal Gaming Fund, which is capitalized through assessments to the four tribal casinos.

Department of Revenue

The Kansas Department of Revenue collects taxes for the state. The Department's responsibilities also include registration of motor vehicles and licensure of drivers, and they have included regulation of the alcoholic beverage industry. The Governor recommends \$81,497,783 from all funding sources, with \$31,261,742 from the State General Fund, in FY 2003. This is a reduction of a little more than \$2.1 million from the agency's approved budget. Much of the money is being replaced with funding from the Electronic Databases Fee Fund.

Other reductions that were made to the agency's current year budget include the delay of capital outlay spending for replacement of computer equipment and related software and support. The three main components of this reduction include delaying the replacement of 275 computers, delaying the replacement of 152 Windows NT servers in the Department's data center, and the expiration of maintenance support on the Moxaix call management

server. The last item provides support for all telephone tax collection activity. Funding for FY 2003 allows for staffing of 1,196.0 FTE positions.

The Governor recommends \$78,858,152 from all funding sources, with \$25,213,302 from the State General Fund, for FY 2004. This is a reduction of nearly 22.0 percent from the recommendation for FY 2003. Almost \$4.5 million of the estimated \$7.0 million State General Fund reduction is being replaced by other funding sources, such as the Division of Vehicles Operating Fund, the Electronic Databases Fee Fund, and the Vehicle Information Processing System-Computer Assisted Mass Appraisal Fee Fund (VIPS-CAMA). The Governor is recommending that the Legislature increase vehicle title fees by \$2 each in order to raise an additional \$1.6 million for the VIPS-CAMA Fund to help fund the Department's operations. Receipts to the EDF consist of fees paid to the Department for motor vehicle records. The Department is the sole source of this information, and the Secretary of Revenue has the authority to set the amount of fees paid for these records.

The Governor also recommends an increase in driver's license fees from \$12 to \$18 for FY 2004. This will raise \$2,075,000 for the State Highway Fund, which will be transferred from the Department of Transportation to the Department of Revenue to offset further the use of State General Fund monies. Total funding for the Department of Revenue allows staffing for 1,158.0 FTE positions for FY 2004. Also in FY 2004, funding for the Division of Alcohol and Beverage Control, along with its 38.0 FTE positions, is recommended to be moved to the Kansas Highway Patrol.

Board of Tax Appeals

The purpose of the Board of Tax Appeals is to ensure that all property in the state is assessed in an equal and uniform manner. The Board hears appeals from taxpayers. This includes property tax issues regarding exemptions or valuation questions. The Board resolves conflicts regarding issues between many taxing authorities and the taxpayers of the state, corrects tax inequities, determines when properties qualify for an exemption from taxation, authorizes taxing subdivisions to exceed current budget limitations, and issues no-fund warrants.

For FY 2003, the Governor recommends the reduction of the Board from five members to three beginning in January 2003. The resultant savings for the last half of FY 2003 total \$100,000 from the State General Fund. For FY 2004, the Governor recommends \$1,546,993 from all funding sources, with \$1,232,493 from the

State General Fund, to fund 26.0 FTE positions. The recommendation includes the replacement of some of the agency's State General Fund money with a new filing fee fund and the full year savings of the reduction of the Board's membership from five members to three.

Biennial Budget Agencies

The 1994 Legislature authorized a biennial budgeting process for regulatory agencies, beginning in FY 1996. All of these agencies are general government agencies that regulate either a profession or an industry operating in Kansas. At the time biennial budgets were initiated, these agencies were funded entirely from fees charged to licensees. However, beginning in FY 2001, the Governmental Ethics Commission became a biennial budget agency. The Commission is the only biennial agency with a State General Fund appropriation. For the next biennial cycle in FY 2006-FY 2007, the Governor recommends that the Emergency Medical Services Board and Health Care

Biennial agencies are relatively small in both size of budget and number of personnel employed. Recommended amounts in FY 2004 range from \$19,463 for the Abstracters' Board of Examiners to \$5,722,154 for the Banking Department. Two agencies employ no full-time staff, and the Banking Department's 85.0 FTE positions represent the largest staff of all the biennial budget agencies. The Governor recommends \$16.9 million for all 20 biennial agencies in FY 2004 and \$18.3 million in FY 2005. The table on this page displays the recommended budgets of the biennial agencies.

Biennial Agencies		
	<u>FY 2004</u>	<u>FY 2005</u>
Abstracters' Board	19,463	20,878
Accountancy	229,318	247,178
Bank Commissioner	5,722,154	6,193,944
Board of Barbering	108,200	116,147
Behavioral Sciences	492,147	536,449
Board of Cosmetology	646,361	709,827
Credit Unions	821,258	888,964
Dental Board	316,519	342,272
Governmental Ethics	558,660	590,016
Healing Arts	2,044,816	2,189,707
Hearing Aid Dispensers	18,702	21,486
Mortuary Arts	213,457	232,754
Board of Nursing	1,327,001	1,425,835
Board of Optometry	104,373	111,616
Pharmacy	582,222	628,333
Real Estate Appraisal	221,439	289,324
Real Estate Commission	711,117	784,379
Securities Commissioner	2,048,842	2,213,647
Technical Professions	512,756	556,422
Veterinary Examiners	239,223	214,047
Total	\$16,938,027	\$18,313,225

Stabilization Fund Board of Governors be added to the group of biennial agencies. The Emergency Medical Services Board, as part of the Public Safety function of government, will be the first non-general government agency to become biennial.

5.9 Percent Reductions. For FY 2004, the recommendation includes a 5.9 percent reduction in expenditures for biennial and a few other selected agencies from the amount that would be recommended under normal circumstances. The reduction matches the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003, which was 2.0 percent in August 2002 and 3.9 percent in November 2002. The 5.9 percent reduction is intended to be an adjustment to operating expenditures overall without identifying specific expenditure categories. It is intended that these agencies evaluate their operations and realize savings equivalent to those expected of State General Fund agencies.

The amount saved from the reductions totals \$3,490,250. These amounts in each of the agencies affected will be captured and transferred to the State General Fund. The FY 2004 reduction will not permanently affect the agencies' budget base. In FY 2005, therefore, the 5.9 percent reduction is restored, and there is a minor increase in expenditures to reflect rate increases in fringe benefits, specifically group health and KPERS.

In the case of most biennial agencies, the 5.9 percent reduction represents the only significant adjustment to the FY 2004 budget. However, there are several agencies with other budget issues. These are described below. The table on the next page illustrates the effect of the 5.9 percent reduction on the agencies affected. All but two of them are General Government agencies. The two exceptions, the Fire Marshal and Emergency Medical Services, are Public Safety agencies.

Board of Accountancy

The Board of Accountancy uses a variety of means to ensure that persons with the designation of certified public accountant meet the public's need for high quality accounting services. The Governor's recommendation allows \$40,000 for the Board of Accountancy to investigate complaints against certified public accountants.

Banking Department

The agency's base budgets in FY 2004 and FY 2005 included a proposed pay upgrade of administrative employees as well as promotional salary increases for the majority of the financial examiners. At the same staffing level of 85.0 FTE positions, these salary increases inflated the base budget by \$124,594 in FY 2004 and \$231,453 in FY 2005. The Governor's

Effect of 5.9 Percent Reductions on Selected Agencies for FY 2004

	<u>Base Budget</u>	<u>5.9 Percent Reduction</u>	<u>Other Adjustments</u>	<u>Gov. Rec.</u>
Abstracters' Board of Examiners	20,683	(1,220)	--	19,463
Board of Accountancy	243,696	(14,378)	--	229,318
Bank Commissioner	6,205,523	(358,775)	(124,594)	5,722,154
Kansas Board of Barbering	131,856	(6,784)	(16,872)	108,200
Behavioral Sciences Regulatory Bd.	528,004	(30,857)	(5,000)	492,147
Board of Cosmetology	686,887	(40,526)	--	646,361
Dept. of Credit Unions	872,750	(51,492)	--	821,258
Dental Board	336,365	(19,846)	--	316,519
Governmental Ethics Commission	578,513	(33,369)	13,516	558,660
State Board of Healing Arts	2,173,024	(128,208)	--	2,044,816
Bd.of Exam. Hearing Aid Dispensers	19,875	(1,173)	--	18,702
Board of Mortuary Arts	226,841	(13,384)	--	213,457
Board of Nursing	1,410,203	(83,202)	--	1,327,001
Board of Optometry Examiners	111,917	(6,544)	(1,000)	104,373
Board of Pharmacy	577,376	(36,505)	41,351	582,222
Real Estate Appraisal	235,323	(13,884)	--	221,439
Real Estate Commission	755,704	(44,587)	--	711,117
Securities Commissioner of Kansas	2,177,303	(128,461)	--	2,048,842
State Board of Technical Professions	544,905	(32,149)	--	512,756
Board of Veterinary Examiners	278,651	(14,999)	(24,429)	239,223
Kansas Corporation Commission	17,481,713	(948,821)	(713,821)	15,819,071
Citizens' Utility Ratepayer Board	616,952	(36,400)	--	580,552
Health Care Stabilization Fund	29,669,667	(57,385)	(16,330)	29,595,952
Kansas Lottery	60,754,657	(542,800)	--	60,211,857
Insurance Department	20,194,662	(613,757)	(1,000,000)	18,580,905
Emergency Medical Services Board	858,974	(51,269)	110,000	917,705
State Fire Marshal	3,691,952	(179,475)	--	3,512,477
Total	\$ 151,383,976	\$ (3,490,250)	\$ (1,737,179)	\$ 146,156,547

recommendation removes the inflated costs in both years.

Board of Examiners in Optometry

The FY 2003 recommendation includes increased expenditure authority of \$21,472. Part of the additional funding is for the salary of a new office manager. In the past the agency has employed part-time clerical workers. The remaining additional funding is for contract legal fees. This increase is for investigations and legal correspondence, addressing incidents of vendors selling contact lenses to persons with expired prescriptions or no prescription at all.

Board of Pharmacy

Because of the salary level, the Board of Pharmacy has had difficulty in recruiting and retaining pharmacy

inspectors. In FY 2002, a new position, a Non-Licensed Pharmacy Inspector, was created to help alleviate this problem. The Governor's budget recommendation for FY 2003 includes increased expenditure authority from the agency's fee fund and 1.0 additional FTE position. The recommendation will allow the agency to employ 2.0 Licensed Pharmacy Inspectors to concentrate on investigations and 2.0 Non-licensed Pharmacy Inspectors to perform annual pharmacy inspections.

Board of Veterinary Examiners

The agency's FY 2004 base budget request is recommended to be reduced by \$24,429 to reflect a projected decrease in fee revenues. The decline in fees is a result of the fact that many veterinarians, both in-state and out-of-state, receive their education and initial licensure in Kansas but move out of state to practice and therefore do not review their license.

Executive Branch Elected Officials

Office of the Governor

The revised estimate of expenditures for FY 2003 totals \$5,871,025, including \$2,040,477 from the State General Fund. In January 2003, half way through the current fiscal year, a portion of the Crime Victims Program in the Office of the Attorney General was relocated and organized as the Federal Grants Program in the Office of the Governor. The relocated grants program in the Governor's Office is financed from a number of federal sources. Also transferred were 6.0 FTE positions to administer the program.

The 2002 Legislature abolished the Satellite Office in Wichita, providing funding for the first quarter of FY 2003 sufficient to allow for the orderly closure of the office. Accordingly, the office ceased to operate October 31, 2002.

For FY 2004, the recommendation for the Governor's Office totals \$12,741,004, \$1,599,031 from the State General Fund and \$11,141,973 from federal grant funds. Starting in this fiscal year, the Byrne grants that have been administered in the Sentencing Commission are also recommended to be relocated and included in the Federal Grants Program in the Governor's Office. The level of financing from the State General Fund for FY 2004 represents a reduction of 7.0 percent compared to the FY 2003 budget approved by the 2002 Legislature. The Office of the Governor, including administration, federal grants, and the Governor's residence at Cedar Crest, is authorized 34.0 FTE positions. This budget for the latter half of the current fiscal year and all of FY 2004 will be subject to adjustment as it is organized under the new administration.

Office of the Lieutenant Governor

The Governor recommends an FY 2004 budget totaling \$112,093 from the State General Fund. The level of funding for the office has been reduced 7.2 percent compared to the budget approved by the 2002 Legislature for FY 2003. The funding level supports 3.0 FTE positions. The budget for the latter half of FY 2003 and all of FY 2004 will be subject to

development and internal adjustments as the office becomes organized under the new administration.

Attorney General

The Attorney General is a constitutionally-elected officer of the state's executive branch of government and is responsible for defending the interests of the State of Kansas in all actions and proceedings, civil or criminal. Key responsibilities of the office include enforcement of the state's Consumer Protection, Charitable Solicitations, and Charitable Trusts Acts. Coordination of the Crime Victims Compensation Board and the Child Death Review Board are also major responsibilities.

For FY 2003, the Governor recommends \$17,743,180 from all funding sources, with \$5,262,951 from the State General Fund. This includes a reduction of a little more than \$4.0 million from all funding sources, including a reduction of \$342,195 from the State General Fund as a result of the allotments. The non-State General Fund portion of the reduction is related to the transfer of federally funded grants to the Governor's Office effective on January 1, 2003.

The FY 2004 budget recommendation of \$13,164,950, of which \$4,200,785 is from the State General Fund, finances 113.0 positions. It includes over \$5.5 million in grants and assistance to victims of crime. This is a reduction of a little more than \$7.2 million to this program as many of the federally funded grants were moved to the Governor's Office. The overall recommendation is a reduction of \$1,012,372 from the State General Fund in the agency's base budget and a reduction of \$8,615,763 from all funding sources.

Along with the transfer of the federally funded grants to the Governor's Office, reductions are made to the funding of the water litigation lawsuits and the salaries and wages of the other programs in the office. The reduction of \$750,000 to the water litigation for FY 2004 is in anticipation of the settlement of both cases by the end of that fiscal year. Expenditures for salaries and wages are reduced by increasing shrinkage in nearly all programs.

Kansas v. Colorado Water Rights Litigation. The special master assigned to the case is in the process of concluding testimony and writing his final report. The state has received some of the water owed to it by Colorado and monetary damages are in the process of being determined. The table below shows actual and estimated funding for the litigation from FY 1984 through FY 2003. The Governor's budget includes \$946,204 in FY 2003 to complete litigation of this case.

Kansas v. Colorado Funding			
<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
1984	96,032	1995	506,250
1985	70,424	1996	1,042,688
1986	281,324	1997	921,800
1987	651,449	1998	730,715
1988	511,045	1999	950,215
1989	746,490	2000	1,523,871
1990	1,655,812	2001	878,174
1991	3,213,075	2002	1,124,546
1992	1,313,943	2003	946,204
1993	655,060		
1994	354,457	Total:	\$ 18,173,574

Kansas v. Nebraska Water Rights Litigation. The Attorney General filed suit in May 1998 against the State of Nebraska to settle a dispute between Kansas and Nebraska over Republican River water rights. The case was accepted by the U.S. Supreme Court and is currently being heard by a special master appointed by the Supreme Court. The case is in the process of settling but still requires the determination of several aspects that should allow for the conclusion of the case by the end of FY 2004. As shown in the following table, the Governor recommends funding in the amount of \$566,105 from the State General Fund in FY 2003 and \$412,002 in FY 2004.

Kansas v. Nebraska Funding			
<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
1998	173,570	2002	1,210,598
1999	277,571	2003	566,105
2000	177,448	2004	412,002
2001	606,483	Total:	\$3,423,777

Insurance Department

The Insurance Department works to assure an affordable, accessible, and competitive insurance market by supervising, controlling, and regulating the insurance industry in the state. Insurance Department expenditures include administration of the Workers Compensation Fund and payment of claims. Claims are projected at \$2.5 million for FY 2004, a reduction from past years. Actual claims paid fell from \$10.6 million in FY 1999 to \$3.3 million in FY 2002. Legislation passed in 1993 limits the fund's liability to cases in which the accident occurred prior to July 1, 1994, except for insolvent or uninsured employers and reimbursements. The agency estimates that the number of active workers compensation cases will decline from 4,030 in FY 2002 to 3,955 in FY 2003 and 3,880 in FY 2004. Because of the decline in workers compensation cases, \$4.0 million will be transferred from the Workers Compensation Fund to the State General Fund during FY 2003.

To address accessibility concerns, the agency will expend \$98,207 from a federal grant to study Kansans without health insurance in FY 2003. The agency will also continue to provide technical support to its Senior Health Insurance Counseling for Kansas Program. A total of \$324,506 will be expended in FY 2003 and \$326,308 in FY 2004. For FY 2004, the Governor recommends \$18.6 million from the agency's various fee funds. The Governor's recommendation reduces the agency's operating request by \$613,757, or 5.9 percent. The savings generated by this reduction will be transferred to the State General Fund. The Governor also recommends that the agency's premium tax revenue be used as an additional revenue source for the State General Fund. The agency currently retains 1.0 percent of premium tax receipts. This change yields an additional \$100,000 to the State General Fund in FY 2003 and \$850,000 in FY 2004.

Secretary of State

The primary duties of the Office of the Secretary of State are to register corporations doing business in the state, supervise and provide assistance to local election officers in all elections, and administer the State Uniform Commercial Code. The Secretary of State also appoints notaries public, maintains a registry of trademarks, and supervises the engrossing of all

legislative acts and compilation of the *Session Laws of Kansas*. A primary goal of the agency is to provide accurate and efficient service to its customers, not only in the information provided, but also in the filing of documents and the processing of orders. The agency receives more than 300,000 pieces of mail and more than 200,000 telephone inquiries annually.

The Governor's recommendation for FY 2004 finances 56.0 FTE positions in the Office of the Secretary of State. Funding from all sources totals \$3,554,695. Of this total, \$834,707 is from the State General Fund. The Governor recommends a two-year plan to allow the agency to become totally fee funded. The agency's request for State General Fund dollars is reduced by \$800,000 for FY 2004. Expenditures from four of the agency's fee funds are increased by \$200,000 each. Fee levels will have to be reviewed and increased to accomplish the recommendation. Additionally, salaries are reduced by \$88,036 from the State General Fund from the level that the agency had requested. This reduction increases shrinkage to 11.6 percent from the requested rate of 7.9 percent.

State Treasurer

The Treasurer deposits all state revenues, except KPERS monies, and is responsible for all disbursements. Investment of state monies and the money of cities, counties, schools, and other local governments are made through the Pooled Money Investment Board and the Municipal Investment Pool.

The Governor recommends \$35.3 million from all funding sources in FY 2004. The agency's base budget request for \$1.6 million from the State General

Fund is not recommended. Instead an equal amount from the Unclaimed Property Expense Fund is recommended. The Governor recommends that the agency charge a fee on claims made through the Unclaimed Property Program to offset agency costs. This will be similar to the Debt Set-Off Program in the Department of Administration. Additionally, the recommendation does not include funding for one administrative position, and shrinkage has been increased from the base budget level of 4.4 percent to 6.5 percent. Two important State General Fund transfers to local governments are the local ad valorem tax reduction (LAVTR) and the county and city revenue sharing (CCRS). These transfers were reduced by one half of their approved level in November 2002, the second FY 2003 allotment reduction. For FY 2004, the Governor does not recommend any transfers from the State General Fund for LAVTR or CCRS.

Pooled Money Investment Board. Even though the Board is a program in the Treasurer's budget, it is responsible for its own administrative functions. The 7.0 FTE positions manage the pool of available state monies and designate various state bank depositories for state and special monies in demand deposit and interest-bearing accounts. The Pooled Money Investment Portfolio contains approximately \$1.2 billion in investments, with an earned FY 2003 yield averaging 1.65 percent through November 2002. The Pooled Money Investment Board's responsibilities further include the active management and administration of the Kansas Municipal Investment Pool. Total balances, which include deposits and earned interest for cities, counties, and schools, were \$311.0 million at the end of November 2002, with a total annual yield of 1.15 percent.

Legislative Branch Agencies

The Governor recommends that the budgets for the Legislative Branch be left untouched by the executive budget process. The Governor leaves the budgets of the five legislative agencies as requested for FY 2003. For planning purposes, and to present a complete budget that accounts for all available State General Fund resources, the Governor includes funding for FY 2004 at the exact amount approved by the 2002 Legislature for FY 2003. This change comes from a request the Judiciary has made for some years. The Governor will honor this request to acknowledge the Judiciary as a separate branch of government for budgetary purposes. Because the legislative agencies also constitute a separate branch, the Governor proposes to treat them in the same way.

Legislative Coordinating Council

Members of the Legislative Coordinating Council receive compensation and reimbursement for expenses related to monthly meetings of the Council and oversee funding for operating expenditures of the Legislative Branch. The budget for this agency supports 13.0 FTE positions that work in Legislative Administrative Services. The Legislative Coordinating Council budget request of \$706,770 from the State General Fund for FY 2003 is a reduction of \$126,292 from the approved, all generated from prior year savings. In keeping with the Governor's recommended policy for this agency, \$687,365 from the State General Fund is included for FY 2004.

Legislature

For FY 2004, the Governor includes \$12.6 million, of which \$12.5 million is from the State General Fund. The recommendation funds a support staff of 33.0 FTE positions, as well as temporary positions during the legislative session. The largest expenditure category is legislative compensation. Legislators receive daily compensation and a subsistence allowance per day

during the session of the Legislature, plus a monthly allowance for those months the Legislature is not in session.

Legislative Research Department

To support a staff of 37.0 FTE positions, the Governor includes \$2,440,921, all from the State General Fund, for FY 2004. The Legislative Research Department performs all research and fiscal analysis for legislative committees and individual legislators.

Legislative Division of Post Audit

The Legislative Division of Post Audit is responsible for the annual statewide audit of financial statement of the Division of Accounts and Reports; financial compliance audits of certain agencies required by law, compliance and control audits, and performance audits. Audit topics are selected by the Legislative Post Audit Committee. The Division expects to issue 30 performance audits in each of FY 2003 and FY 2004. The Governor returns the budget to its original FY 2003 approved level, which includes \$1,752,139 from the State General Fund for FY 2004. The recommendation supports the existing 21.0 FTE positions.

Revisor of Statutes

The Governor passes on a budget of \$2.4 million from the State General Fund for the Revisor of Statutes and the agency's staff of 26.0 positions. The office provides bill drafting services to the Legislature, as well as editing and publishing annual supplements and replacement volumes for the *Kansas Statutes Annotated*. Because the inventory is at sufficient levels, the Revisor does not plan to publish any volumes of the statute books in FY 2004, but will draft 2,500 legislative documents.

Judicial Branch Agencies

Judiciary

The Judiciary's budget includes financing for the Kansas Supreme Court, Court of Appeals, judicial and professional review boards and commissions, and most of the personnel costs of 105 district courts. Over 97.0 percent of the Judiciary's State General Fund budget is dedicated to salary costs. This is because 99.0 percent of district court non-salary operating expenditures are funded by the 105 counties.

Under the unified court system of Kansas, the Supreme Court, Kansas' highest court, is charged with supervision of the entire court system. The Court of Appeals is an intermediate appellate court and has jurisdiction over all appeals from the district court, except appeals from a district magistrate judge and direct appeals to the Supreme Court.

The state is divided into 31 judicial districts, and one district judge can serve several counties in sparsely populated areas of the state. However, in the more populated counties the district court can have more than one judge. For example, the 18th judicial district has 26 district court judges. District court operations account for 1,665.8 FTE positions in the Judiciary, which has a total of 1,819.3 FTE positions.

For FY 2003, the Governor includes \$96,480,762 from all funding sources, of which \$80,965,866 is from the State General Fund. The increase in expenditures from the budget approved by the 2002 Legislature for the current year is funded from special revenue funds, particularly the Judiciary's Emergency Surcharge Fee Fund, which was established by a Supreme Court Order on March 22, 2002. Receipts to the fee fund are from increases to several court filing fees. Funding of more than \$3.3 million is estimated for FY 2003.

The Judiciary for some time has requested the Governor to forward its budget request to the Legislature without recommendation because it is a separate branch of government entitled to submit a budget in the same way the Executive Branch does.

Starting with FY 2004, the Governor will honor this request. For purposes of submitting a complete budget that accounts for all the financing available from the State General Fund, the Governor utilizes as a "placeholder" the budget approved for the Judiciary by the 2002 Legislature for FY 2003 and intends to follow the same practice each year thereafter.

For FY 2004, the Governor recognizes the amount approved for FY 2003 by the 2002 Legislature, which is \$92,940,817 from all funding sources for the unified court system. Of this amount, \$80,941,470 is financed from the State General Fund. The total includes nearly \$1.5 million the Judiciary requested from special revenue funds in aid and grants in the base budget, reflecting the Judiciary's continuing efforts to assist local governments in child support enforcement, access to justice for all citizens, and innovative dispute resolution.

Judicial Council

The Judicial Council was created in 1927 to review the volume and condition of business in the courts, the methods of court procedure, the time between the initiation of litigation and its conclusion, and the condition of dockets compared to finished business at the close of the term. The ten-member Council is made up of eight appointees of the Chief Justice and the chairpersons of the Judiciary Committees of the House and Senate.

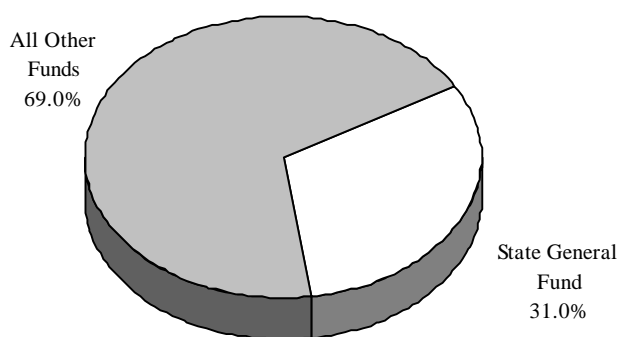
An amount of \$311,842 is recommended for FY 2004, all of which is from the agency's Publications Fee Fund. The Governor recommends that no State General Fund be appropriated to the Judicial Council any longer, starting in FY 2004, so the agency will be required to adjust the prices for its publications accordingly. The funding includes financing for publication of the 2002 supplements to *PIK-Criminal 3d*, *2002 Kansas Probate Forms*, *Kansas Municipal Court Manual*, and *PIK-Civil 3d*. The Judicial Council has 4.0 FTE positions.

Human Resources Summary

The Human Resources function of state government contains the agencies that provide a variety of assistance programs to Kansans. The services provided in this function include welfare assistance; medical services; unemployment insurance benefits; care and counseling for veterans, the elderly, developmentally disabled, and mentally ill; and preventive health services through local health departments.

Although the next budget cycle will be a challenging one for the state, social services remains a priority in the budget. Recommendations include caseload funding for welfare and medical assistance to the poor, disabled, and aged. The budget also funds the anticipated number of children in foster care and adoption who are waiting for permanent homes. Welfare-to-Work programs will receive \$12.1 million in federal funds in FY 2003 and the same amount in FY 2004. The Governor also recommends \$9.3 million from the State General Fund to maintain the availability of nutrition services for the elderly.

How It Is Financed

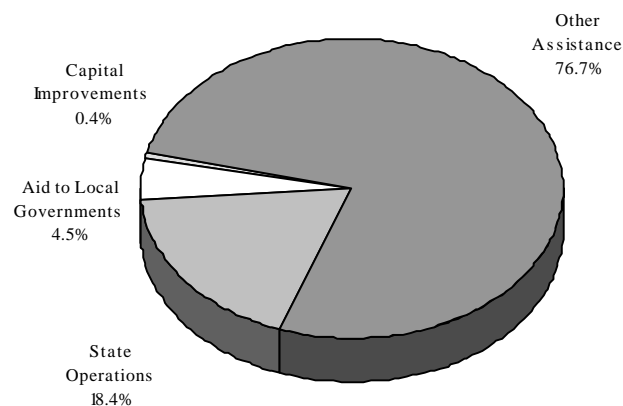


Fiscal Year 2004

The Governor recommends expenditures totaling \$3.0 billion in FY 2003, of which \$827.0 million is from the State General Fund. For FY 2004, a total of \$3.1 billion is recommended, of which \$978.1 million is from the State General Fund. For state operations, the expenditures recommended for this function total \$590.1 million in the current fiscal year and \$578.4 million in FY 2004 from all funding sources.

Positions in this function of government constitute approximately 21.2 percent of the total state workforce. The Governor recommends funding for 8,171.7 FTE positions and 175.2 non-FTE unclassified permanent positions in FY 2004.

How It Is Spent



Fiscal Year 2004

Other assistance, grants, and benefits constitute approximately 79.3 percent of the Human Resources budget for which the Governor recommends \$2.3 billion in the current year and \$2.4 billion in FY 2004. The recommendation includes \$1,041.1 million for medical assistance and \$265.8 million for unemployment insurance claims. The Governor also recommends \$57.0 million to provide health insurance for approximately 33,466 uninsured children, and \$263.4 million for other assistance to the mentally ill and developmentally disabled.

A total of \$54.3 million is recommended for home and community services for the frail elderly. The recommendation for aid to local governments totals \$142.3 million in the current year and \$142.8 million in FY 2004. The FY 2004 amounts include \$7.0 million for local health services, \$70.0 million for community mental health centers and community developmental disability organizations, and \$65.8 million for other social programs. The Governor's recommendation includes funding from the Children's Initiatives Fund of \$500,000 for the Infant and Toddlers Program and \$500,000 for Tobacco Prevention Programs.

Social & Rehabilitation Services

The Governor's recommendations for the Department of Social and Rehabilitation Services total \$1,987.6 million for FY 2003 and \$2,149.4 million for FY 2004. They include State General Fund expenditures of \$626.4 million in the current year and \$739.1 million in FY 2004. The recommended budget includes salaries and wages for 4,053.5 positions in FY 2003 and FY 2004.

Of the FY 2004 expenditures recommended by the Governor, \$1,759.3 million, or 81.8 percent, finances assistance payments to individuals or to vendors who provide medical or other services to individuals in need. A total of \$92.6 million, or 4.3 percent, finances aid to local governments, which, in turn, provides services to agency clients. The recommendation for state operations in FY 2004 totals \$289.6 million, including the staffing costs for coordinating social services, administering 11 SRS area offices and associated branch offices, and providing vocational rehabilitation services to agency clients. Finally, the Governor recommends \$6,480,891 in FY 2004 for capital improvements at state institutions and agency offices. The capital improvement recommendation includes debt service for construction of a new state security hospital at Larned.

Budget Approach

In developing its budget, SRS proposed several programs for reduction or elimination to meet the anticipated budget difficulties during FY 2004. This meant that not all services could continue at the same level or amount as in previous years or even as approved for FY 2003. The agency's proposed reductions were reviewed and a budget recommended that meets two key principles.

Rather than make across-the-board cuts, programs within SRS were reviewed and the reductions targeted to minimize the effect on children and the most vulnerable Kansans. In addition, rather than eliminating entire programs, the recommendation makes reductions in programs that can be restored when the state budget situation improves. This focus led to recommendations reducing rates paid for services or increasing eligibility requirements to

receive benefits. For example, the Medicaid rates paid to Intermediate Care Facilities for the Mentally Retarded are reduced by 10.0 percent, and reimbursement for prescription drugs and the number of brand name prescriptions a Medicaid recipient can receive each month is limited.

At the same time, the Governor's recommendation does enhance some programs. Examples include increased funding to reduce the waiting lists for the Home and Community Based Services Waivers and to allow Medicaid eligibility to children "aging out" of the foster care system. The anticipated caseloads for HealthWave health insurance for children and child care assistance are fully funded. The Governor's recommendation also funds the consensus caseload estimates for Temporary Assistance to Families, Medicaid, Foster Care, and Adoption.

Management across the SRS System. The FY 2004 budget recommendation includes several reductions in the SRS administrative operations. The agency's choices reflect the importance placed on providing direct services to Kansans in the most effective way possible. The SRS budget was also viewed as a system, including the state hospitals, to create management efficiencies and identify funding needs.

Key administrative changes include consolidating Rainbow Mental Health Facility with Osawatomie State Hospital and moving the administrative responsibility for the Sexual Predator Treatment Program to Larned State Hospital. SRS is also closing 23 county offices and identifying alternative ways of providing services to clients in those counties. Other reductions include imposing a hiring freeze in the SRS central office, relying more on SRS staff for information technology changes, and limiting travel and supply expenditures throughout the agency.

Economic & Employment Assistance

Welfare Reform. The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 replaced the original welfare program, Aid to Families with Dependent Children. The new law ended the statutory entitlement to assistance and instituted a five-

year lifetime eligibility limit. The new Temporary Assistance for Needy Families (TANF) Program, illustrated in the table below, provides financial assistance to poor families with dependent children based on income and family size.

Families with incomes less than 32.0 percent of the federal poverty level may qualify for assistance. Under this requirement, a family of three earning less than \$403 per month would be eligible. All families receiving Temporary Assistance to Families, the state's version of TANF, are eligible for Medicaid. Welfare Reform also gave Kansas more flexibility to design public assistance programs, added reporting requirements on the state, mandated child support enforcement procedures, and established work requirements for families receiving cash assistance.

The TANF Program is funded from a \$101.9 million appropriation from the federal government and a state match of \$62.0 million. The state match is known as maintenance of effort and is the minimum amount required by the federal government to receive the TANF block grant. The state was able to reduce its maintenance of effort from \$70.4 million in FY 1998 to the current level by successfully attaining federal back-to-work requirements for welfare recipients.

Temporary Assistance to Needy Families			
<i>(Dollars in Millions)</i>			
	FY 2002	FY 2003	FY 2004
Beginning Balance	\$41.2	\$43.7	\$33.8
Revenue:			
State Funds	49.4	52.0	48.3
Federal TANF Grant	101.9	101.9	101.9
Total Revenue Available	\$192.5	\$197.6	\$184.0
Expenditures:			
Administration	4.0	4.6	4.5
Program Staff	19.3	17.5	17.4
Temporary Assistance for Families	49.0	54.6	59.8
Employment Services	8.2	11.0	12.4
Child Care Regulation & Grants	6.7	6.7	6.7
Children's Services	35.0	37.3	34.1
Alcohol & Drug Abuse Services	0.6	1.4	1.4
Total Expenditures	\$122.9	\$133.1	\$136.2
Earned Income Tax Credit Match*	\$13.8	\$13.8	\$13.8
Transfers:			
Child Care Development Fund	(15.8)	(20.4)	(20.4)
Social Services Block Grant	(10.2)	(10.2)	(4.3)
Ending Balances	\$43.7	\$33.8	\$23.1

* The Earned Income Tax Credit is included in the Department of Revenue budget

Beginning in FY 2001, SRS was allowed to count refunds paid through the Earned Income Tax Credit as part of the state maintenance of effort.

As part of the program expenses, the agency will transfer up to \$10.2 million to the Social Services Block Grant to finance existing social service programs. The table also shows a significant increase in funds transferred to the Child Care Development Fund, which is used to finance the state's day care programs for low income working families.

The table details the ending balances in the program, which will reach an estimated \$23.1 million in FY 2004. Congress is expected to reauthorize the TANF Program in 2003, and the balance is needed to provide funding in the first quarter of the state fiscal year until the new federal fiscal year begins on October 1, 2003.

Child Care Rates & Caseloads. As part of its welfare reform strategy, the state places a priority on keeping low-income families working, rather than providing direct cash assistance. To this end, the agency encourages work by providing child care assistance. To be eligible, families must work at least 30 hours each week and be at or below 180.0 percent of the federal poverty level. To ensure compliance with federal reimbursement guidelines, the state adjusted its child care rates for FY 2003 to 65.0 percent of community average rates.

Child Care					
Fiscal Year	Persons Served	Percent Change	Total (\$000)	Avg. Cost	Percent Change
1997	12,144	(7.3)	27,990	192.07	10.7
1998	12,617	3.9	32,851	216.98	13.0
1999	13,231	4.9	37,610	236.88	9.2
2000	14,524	9.8	44,226	253.75	7.1
2001	15,312	5.4	46,636	253.81	0.0
2002	16,151	5.5	50,815	262.19	3.3
2003	17,037	5.5	55,359	270.78	3.3
2004	17,917	5.2	61,141	284.37	5.0

The Governor's recommendation provides the resources necessary to subsidize child care for an average of 17,037 children each month in FY 2003, which is a 8.9 percent increase in expenditures over the previous year. For FY 2004, the Governor recommends increasing expenditures by 10.4 percent to provide child care services for an average of 17,917

persons each month. The preceding table details the history of the program.

Temporary Assistance for Families. In FY 2003, the Governor recommends \$54.6 million to finance benefits for an average of 38,315 persons each month. For FY 2004, caseloads are expected to increase to an average of 41,650 persons each month, for total assistance of \$59.8 million. These amounts are shown in the table below along with amounts from prior years.

Temporary Assistance for Families					
Fiscal Year	Persons Served	Percent Change	Total (\$000)	Avg. Cost	Percent Change
1997	57,762	(19.4)	83,170	119.99	(0.1)
1998	39,751	(31.2)	55,454	116.25	(3.1)
1999	32,757	(17.6)	46,260	117.68	1.2
2000	30,692	(6.3)	42,660	115.83	(1.6)
2001	31,788	3.6	44,674	117.11	1.1
2002	34,453	8.4	49,217	119.04	1.6
2003	38,315	11.2	54,599	118.75	(0.2)
2004	41,650	8.7	59,756	119.56	0.7

The table shows that the decline of the TAF caseload has reversed, with caseloads now surpassing the FY 1998 levels. Weakening in the Kansas economy has contributed to the increase in TAF assistance.

General Assistance. The table below displays actual and budgeted expenditures for General Assistance. The Governor recommends expenditures of \$6.9

General Assistance					
Fiscal Year	Persons Served	Percent Change	Total (\$000)	Avg. Cost	Percent Change
1996	4,440	(15.6)	7,754	145.54	1.3
1997	3,740	(15.8)	6,450	143.72	(1.2)
1998	2,323	(37.9)	4,390	157.49	9.6
1999	2,301	(0.9)	4,250	153.92	(2.3)
2000	2,220	(3.5)	4,183	157.02	2.0
2001	2,616	17.8	4,939	157.33	0.2
2002	3,152	20.5	5,973	157.91	0.4
2003	3,630	15.2	6,900	158.40	0.3
2004	3,570	(1.7)	7,305	170.52	7.7

million in FY 2003 and \$7.3 million in FY 2004. The FY 2003 amount will fund benefits to an average of 3,630 persons each month. For FY 2004, General Assistance benefits will be limited to 24 months. The

2002 Legislature approved the time limit as part of the FY 2003 budget, but delayed the start of the 24 months to July 2002. The Governor recommends moving the start of the 24 months to January 2002 and providing intensive services to long-term recipients to move onto federal disability benefits or other services. In all, the recommendation will finance benefits for 3,570 individuals each month during FY 2004.

Employment Training & Vocational Rehabilitation. The Governor's recommendation will provide employment training to more than 14,724 low income or disabled Kansans each month during FY 2004. The recommended budget in FY 2004 includes \$12.1 million for employment assistance to TAF recipients and Food Stamp recipients and \$14.5 million for vocational rehabilitation. The budget also provides \$3.5 million to local governments and private agencies to assist clients in developing work skills and assistive technologies.

Health Care Programs

Medical Assistance. For FY 2003, the Governor adopts the consensus caseload estimate of \$950.0 million to provide medical care to low income and disabled Kansans. The current year caseload estimate represents a 15.0 percent increase over FY 2001 and a \$55.8 million increase over the approved budget for FY 2003. The recommendation includes pending \$15.5 million in Medicaid claims during FY 2003. The pended claims will be paid with the FY 2004 appropriation.

For FY 2004, the consensus caseload estimate for medical assistance totals \$1,070.0 million. The number of persons served by Medicaid continues to increase, as illustrated in the following table. Most of the growth in persons comes from low income children and families on cash assistance; however, these groups are relatively inexpensive to serve. The medically needy, blind, disabled, and aged populations have the highest demand for services, with greater costs. One of the largest cost drivers is the cost of prescription drugs, which made up 25.5 percent of Medicaid expenditures in FY 2002.

Although the Governor adopts the consensus caseload estimate, she recommends several policy changes to limit the growth in medical expenditures. To control

the cost of pharmaceutical services, the budget recommendations reduce the reimbursement rate for optional prescription services and changing the reimbursement formula for other prescriptions. These changes are estimated to save \$4.6 million. Medicaid recipients will also be limited to five brand name prescriptions each month and a 31-day supply of each prescription, rather than a 34 day supply, for a savings of \$14.0 million. Additional classes of drugs, primarily anti-inflammatory drugs, will be included in the preferred formulary to save \$1.5 million.

The budget recommendation also limits benefits in the MediKan Program. MediKan is a state-funded program that provides medical benefits to people awaiting determination for federal disability benefits. This provides medical benefits for those receiving General Assistance. The budget includes limiting

Medical Assistance					
Fiscal Year	Persons Served	Percent Change	Total (\$000)	Average Cost	Percent Change
1997	189,587	(2.8)	484,405	212.92	15.8
1998	177,569	(6.3)	470,345	220.73	3.7
1999	173,939	(2.0)	544,037	260.65	18.1
2000	188,210	8.2	608,189	269.29	3.3
2001	197,999	5.2	686,298	288.85	7.3
2002	211,585	6.9	824,614	324.78	12.4
2003	233,457	10.3	919,165	328.10	1.0
2004	259,100	11.0	1,041,068	334.83	2.1

MediKan benefits to 24 months beginning in January 2002. MediKan was intended to be a temporary benefit and the time limit, along with the limitation on General Assistance, reinforces the limited nature of these programs. This change saves \$1.8 million from the State General Fund.

The budget also reduces the rate paid to hospitals for acute and inpatient care of Medicaid clients. Reducing these rates created a significant amount of savings while affecting a relatively small number of clients. The rate change is estimated to save \$12.7 million. The recommendation also reduced \$1.4 million from Regular Medical Assistance to reduce the rate paid to community mental health centers for services provided to MediKan clients.

With the recommended policy changes, the Governor's budget recommendation for Regular Medical Assistance totals \$1,041.1 million in FY

2004. This amount will serve a projected average of 259,100 persons each month.

HealthWave. The FY 2004 recommendation includes \$57.0 million to provide insurance coverage to an average of 33,466 children each month who live in families with incomes less than 200.0 percent of the federal poverty level. HealthWave is financed with \$13.7 million from the State General Fund and \$41.3 million in other funds. Federal funds are made available by Title XXI of the federal Balanced Budget Act of 1997. The Governor also recommends \$2.0 million from the Children's Initiatives Fund to finance HealthWave benefits.

Home & Community-Based Services. In an attempt to curb costs of Medicaid in nursing homes, the federal government allows states to design community programs as an alternative to institutional placements. The waived programs are matched at the state Medicaid rate of approximately 60.0 percent. SRS administers five waiver programs and the Department on Aging has two. The table on the next page illustrates the expenditures by program for home and community-based services. It illustrates the rapid growth and popularity of these programs over the past five years.

Several of the HCBS waiver programs are partially funded from the Intergovernmental Transfer approved by the 2000 Legislature. The Governor's budget uses these funds with State General Fund dollars as the state match for federal funds.

Home & Community-Based Services for the Developmentally Disabled. This waiver targets adults and children who are born with a variety of developmental disabilities. Through institutional downsizing, clients are often shifted out of state hospitals or intermediate care facilities for the developmentally disabled, allowing more individuals to be served for the same amount of money. The Governor's recommendation for FY 2003 totals \$192.2 million, of which \$24.8 million is from the State General Fund. The remainder of the state contribution is funded from the SRS Intergovernmental Transfer Fund and the State Medicaid Match Fund. The Governor includes \$51.3 million from these Intergovernmental Transfer Fund monies for FY 2003.

For FY 2004, the Governor recommends \$205.2 million for the developmental disabilities waiver. The amount of State General Fund monies was increased to \$74.2 million for FY 2004 because the majority of the Intergovernmental Transfer was exhausted in FY 2003. However, the FY 2004 recommendation does include \$5.0 million that represents ongoing revenue from the Intergovernmental Transfer. The Governor includes \$6.6 million in her recommendation to reduce the waiting lists for Developmental Disability services.

and 64 who need assistance to perform normal daily activities and who would be eligible for nursing facility care. The Governor recommends a total of \$57.1 million in the current year and \$58.2 million in FY 2004. The State General Fund portions of these programs total \$6.2 million in FY 2003 and \$19.6 million in FY 2004. This program also is funded with \$16.5 million in FY 2003 and \$3.0 million in FY 2004 from the Intergovernmental Transfer Fund.

Home & Community-Based Services for the Physically Disabled (PD). This waiver targets disabled children and adults between the ages of 16

Policy changes that reduce expenditures in the PD waiver are recommended in FY 2004. The recommendation eliminates services for individuals who do not meet the required Level of Care score.

Home & Community-Based Services Waivers

(Dollars in Thousands)

	FY 1999 <u>Actual</u>	FY 2000 <u>Actual</u>	FY 2001 <u>Actual</u>	FY 2002 <u>Actual</u>	FY 2003 <u>Gov Est.</u>	FY 2004 <u>Gov Rec.</u>
Department of Social & Rehabilitation Services						
Physically Disabled	43,386	52,369	57,605	60,528	57,103	58,186
Head Injured	4,308	4,847	3,608	3,883	5,917	5,963
Technology Assisted	69	126	153	122	154	211
Developmentally Disabled	156,893	170,351	175,760	189,468	192,216	205,173
Total SRS Waiver Programs	\$ 204,657	\$ 227,693	\$ 237,126	\$ 254,001	\$ 255,390	\$ 269,532
State General Fund Portion	\$ 79,916	\$ 86,793	\$ 79,401	\$ 2,389	\$ 32,448	\$ 96,265
<i>Percent Growth</i>	38.0%	11.3%	4.1%	7.1%	0.5%	5.5%
Department on Aging						
Frail Elderly	34,922	46,500	49,528	54,275	54,275	54,275
Targeted Case Management	5,655	5,048	5,020	5,248	5,044	5,236
Total Aging Waiver Programs	\$ 40,577	\$ 51,548	\$ 54,548	\$ 58,876	\$ 59,776	\$ 59,511
State General Fund Portion	\$ 16,245	\$ 20,154	\$ 12,214	\$ 6,829	\$ 5,080	\$ 23,417
<i>Percent Growth</i>	33.0%	27.0%	5.8%	7.9%	1.5%	(-0.4%)
<i>(Persons Served)</i>						
Physically Disabled	2,890	3,204	3,603	3,747	3,874	3,900
Head Injured	86	86	74	100	120	150
Technology Assisted	30	30	34	36	37	40
Developmentally Disabled	5,120	5,244	5,044	5,539	5,650	5,617
Total SRS Waiver Programs	8,126	8,564	8,755	9,422	9,681	9,707
Frail Elderly	4,284	4,877	5,237	5,697	5,048	4,806
Targeted Case Management	3,641	4,145	4,127	4,273	4,203	4,364
Total Aging Waiver Programs	7,925	9,022	9,364	9,970	9,251	9,170

The score is currently 25; however, the people who were on the waivers before the score was raised to 25 have been able to continue receiving services. The recommendation would make approximately 350 ineligible for the PD waiver and save \$3.8 million in FY 2004.

Home & Community-Based Services for the Head Injured & Technology Assistance. These waivers target people with traumatic head injuries resulting in long-term disability and children dependent on medical technology. These waivers address one-time expenses for equipment and services, as well as respite and personal services. The Governor's budget recommendations provide \$5.9 million for the Head Injured Waiver in FY 2003 and \$6.0 million in FY 2004. The Governor recommends \$154,000 in FY 2003 and \$211,000 in FY 2004 for the Technology Assistance Waiver.

Home & Community-Based Services for the Frail Elderly. The recommendation provides \$54.3 million for FY 2004 to meet projected demand. The program targets elderly persons age 65 and over who would meet the requirements for nursing home placement. When this waiver was renewed in FY 2000, the functional eligibility score to qualify for the program was raised from 15 to 26. This coincides with minimum eligibility for nursing facility placement.

Mental Health Services. The Mental Health Reform Act provides for increased community services and establishes a timetable for a corresponding reduction in hospital beds. The act charges the community mental health centers with the responsibility of being the "gatekeepers" of the public mental health system. All admissions to state hospitals go through the participating community mental health centers. The act also requires community mental health centers to provide services to all clients regardless of ability to pay, but emphasizes services to adults with severe and persistent mental illnesses and children with severe emotional disturbances.

For community mental illness programs the Governor recommends a total of \$71.6 million from all funding sources for FY 2004. This includes \$10.2 million in state aid to community mental health centers—the same amount as FY 2003, \$13.1 million for nursing facilities, and \$47.9 million for grants to community mental health providers and the statewide Family Centered Systems of Care Program.

The remainder of the mental health budget appears as part of Regular Medicaid. The Mental Health Initiative 2000 passed during the 2001 Legislative Session was designed to use State General Fund and local funds to match additional federal dollars. As part of the refinancing, SRS raised the Medicaid rates for a variety of mental health services. Community mental health centers used existing dollars to draw down the additional federal funds. This shifted part of the expenditures for mental health from this program into Medicaid.

Part of the recommendation includes a reduction in mental health grants and a reduction in the state only payments for mental health services. The budget includes a \$1.5 million reduction in the State General Fund portion of mental health grants. The remaining grants will be targeted to services for clients with severe and persistent mental illness and other crisis services required under the Mental Health Initiatives 2000.

The Governor recommends that \$1.0 million from the State General Fund and \$1.8 million from the Children's Initiatives Fund be used for the Children's Mental Health Waiver Program in FY 2004. This initiative strengthens the natural support for children with severe disturbances through their families and communities. The program expands community-based mental health services to provide early intervention, help in maintaining family custody, and prevention of more costly and restrictive treatment. The Department estimates that an average of 11,000 children will receive services in FY 2004. The funding for this waiver is included in the Regular Medicaid budget for FY 2004.

Community Support Services. To enable people with developmental and physical disabilities to live in community settings, the Department provides funding to a variety of community organizations and programs. The Governor recommends \$25.4 million in FY 2003 and \$22.3 million in FY 2004 for aid to 28 community developmental disability organizations to coordinate services, such as assisted living and sheltered workshops. The recommendation reduces the amount of flexible community support grants by \$1.5 million. The recommendation includes \$1.3 million for aid to independent living centers serving the physically disabled. The Governor also recommends \$17.0 million in FY 2004 for intermediate care facilities for

the mentally retarded (ICFMR). These facilities provide 24-hour care, for an average of 315 mentally retarded individuals each month, but the caseload declines as more community services are provided. The Governor also recommends a 10.0 percent reduction in the rates paid to ICFMRs to save \$2.0 million.

Children & Family Policy

Family Preservation. The Governor's recommended budget provides \$13.4 million in FY 2003 and \$13.5 million in FY 2004 to provide services to families at risk of having children removed from the home and placed in the custody of SRS. The main parts of these services are the contract for family preservation services and family services provided directly by SRS caseworkers. The Governor recommends \$9.5 million in FY 2003 and \$10.0 million in FY 2004 for the family preservation contract to serve approximately 3,050 families each year. The family preservation contract was reduced by \$1.8 million in FY 2003 through the allotment procedure and that reduction was also taken in FY 2004. Also a 2.5 percent rate reduction carries forward \$255,489 in savings from the November allotment. The budget recommendation for family support services totals \$3.8 million in FY 2003 and \$3.5 million in FY 2004. The FY 2004 recommendations eliminate the Protection Reporting Center and returning responsibility for taking after business hours calls for child protective services to the local SRS offices. This reduction saves \$312,998 in FY 2004.

Foster Care. The Governor recommends \$88.0 million in the current year and \$87.2 million in FY 2004 for foster care and family reintegration services. Foster Care includes payments to families and group foster homes for care and services provided to children placed in the homes. SRS also provides clothing, transportation, counseling, and other goods or services on behalf of a specific child.

Placements in the Foster Care Program are provided through private contracts with five providers across the state. The contracts, beginning in FY 2001, were based on a per child, per month rate. Within that rate, the contractors were responsible for placing children with foster parents, developing a permanency plan for

the child, providing specialized mental health treatment, as needed, and reintegrating the child with its family or into another permanent living arrangement. The contract was amended in FY 2003 to include a base monthly rate for the contractor's fixed expenses and to shift mental health services out of the contracts.

The consensus caseload estimate for FY 2003 was \$93.0 million to serve an average of 3,042 children each month. The current year allotment reduced that amount by \$2.0 million and an additional \$3.0 million was reduced to account for a change in the way federal Social Security benefits are accounted for in the budget. In FY 2004, the consensus caseload estimate increases to \$95.0 million with an expected 3,005 children each month in foster care. The budget recommends continuing the allotment reduction by reducing the contracted rates by 4.4 percent in FY 2004, for a savings of \$4.8 million. The Social Security change further reduces the caseload estimate by \$4.2 million in FY 2004.

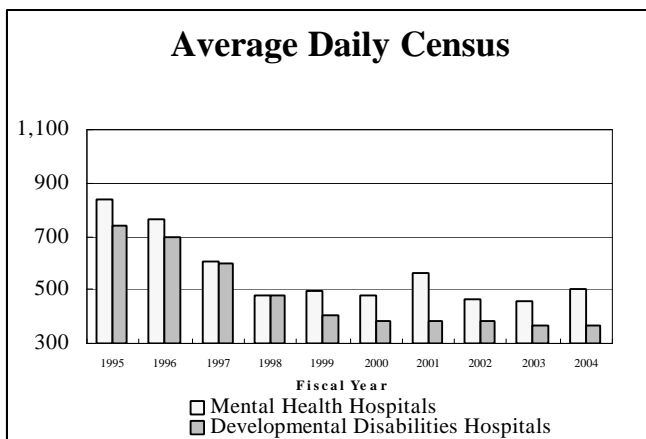
Adoption & Permanency Services. The Governor recommends \$53.0 million for adoption and other programs to place children in permanent homes in FY 2003 and \$54.1 million in FY 2004. These programs benefit children whose parents' rights have been terminated or relinquished in an effort to provide the child with a permanent family. Adoption placements are coordinated through a contract with the Kansas Children's Service League. The contractor is responsible for recruiting adoptive families and preparing children for adoption. The statewide contract pays the contractor a monthly rate for every child awaiting placement. The Governor recommends \$33.6 million for the FY 2003 average monthly caseload of 1,620 children and \$34.4 million for the FY 2004 average monthly caseload of 1,622 children. The adoption contract rate is reduced in the budget recommendation by 2.5 percent, saving \$360,457 in FY 2003 and \$900,000 in FY 2004.

Adoption subsidy payments are made to families who adopt a child with special emotional or physical needs. Expenditures are for ongoing subsidy payments, and, when appropriate, for non-recurring costs associated with the adoption of a special needs child. The Governor recommends \$17.9 million in each of FY 2003 and FY 2004 for these purposes.

State Hospitals

Kansas has operated state hospitals since Osawatomie Insane Asylum was established in 1863. For many years, the system of state hospitals included four mental health institutions and four institutions for the developmentally disabled. However, in 1988, Norton State Hospital closed and its clients were relocated to community facilities and the remaining developmental disability hospitals. Since then, the trend has been a reduction in the number of institutions.

Shift to Community Service. In recent years, the primary statewide issue facing mental health and developmental disability institutions has been the shift from institutional to community-based treatment programs. There has been a concerted effort to avoid “warehousing” of the mentally ill and developmentally disabled and to treat clients in the least restrictive environment possible. As a result, through expansion in state aid to community mental health centers and organizations for the developmentally disabled, the community delivery system has grown considerably to accommodate populations that had previously been



institutionalized. Through new programs within the community infrastructure and with the advent of antipsychotic medications, clients are able to avoid being institutionalized or are treated at state hospitals for shorter periods of time. This has resulted in a steady decline in the state hospital population as shown in the above graph.

Mental Health Hospitals

The projected average daily census in the hospitals in FY 2004 is 505. Expenditures of \$61.3 million are

included in the recommendation. The table below illustrates the recommended operating expenditures, average daily census, and daily cost per client for each hospital from FY 1989 through FY 2004. There are three main funding sources for operating expenditures

Expenditures for Mental Health & Developmental Disabilities

Fiscal Year	State Hospitals	Community MH	Community DD	Total Community
1989	134.9	12.3	43.1	55.4
1990	146.2	24.4	54.6	79.0
1991	151.9	26.9	67.8	94.6
1992	150.9	31.7	78.7	110.4
1993	151.0	38.5	87.1	125.6
1994	152.6	49.3	101.0	150.3
1995	149.3	56.2	113.0	169.2
1996	143.6	64.2	131.0	195.2
1997	135.9	79.6	153.0	232.6
1998	104.3	82.5	179.3	261.8
1999	104.1	94.4	205.1	299.5
2000	101.7	103.2	216.5	319.7
2001	105.4	104.9	216.3	321.2
2002	107.0	68.7	246.2	314.9
2003	103.4	70.8	237.5	308.3
2004	109.2	71.6	244.5	316.1

of the mental health hospitals: the State General Fund, fee funds, and federal Medicaid Title XIX funds. Capital improvements for the hospitals are funded through the State Institutions Building Fund. Fees from patient health insurance, Medicare, Social Security, and patient and family payments are collected. In the mental health institutions, only children, adolescents, and the elderly qualify for Medicaid reimbursements. The Governor’s recommendations for both institutions are detailed below.

Mental Health Hospitals

	Daily Census	Operating Budget	Daily per Client (\$)
Larned	280	34,811,915	341
Osawatomie	180	19,655,672	299
Rainbow	45	6,819,608	415
Total	505	\$61,287,195	\$332

Larned State Hospital

The Governor recommends \$34.8 million in FY 2004 for Larned State Hospital, of which \$25.5 million is from the State General Fund. The recommendation includes an enhancement of \$1,589,719 from the State General Fund to finance the census growth in the Sexual Predator Treatment Program (SPTP) in FY 2004. It is projected that the average daily census of SPTP will increase to 85.0 residents in FY 2004 from 60.8 in FY 2002. The total amount will allow the Hospital to provide residential and medical services to an average resident population of 280 patients with a staff of 663, including 45.0 new FTE positions associated with the census growth of SPTP. Even with the increase, the recommendation reduces the Hospital's FTE positions by 129.8 to reflect the actual number of positions that it will be able to fund in FY 2004. The recommendation will allow for full accreditation from the federal Health Care Financing Center for Medicare and Medicaid Services (CMS).

Osawatomie State Hospital

For FY 2004, \$23.0 million is recommended, with \$9.3 million from the State General Fund. The recommendation funds 436.3 FTE positions. The recommendation deletes 113.1 FTE positions to reflect the actual number of positions the Hospital can fund. It continues full accreditation from the Joint Commission on Accreditation of Hospitals and certification from CMS.

Rainbow Mental Health Facility

As part of the original budget request, the Department of Social and Rehabilitation Services proposed to close Rainbow Mental Health Facility (RMHF) by the end of FY 2003 and to consolidate it with Osawatomie State Hospital in FY 2004. The Governor recommends that RMHF continue in FY 2004 and that \$6,819,68 be appropriated, of which \$3,867,158 is from the State General Fund. The amount recommended will support a staff of 112.3 positions, which reflects the actual number of positions that the Facility will be able to fund in FY 2004.

Developmental Disability Hospitals

The estimated average daily census in the hospitals will be 366 in FY 2004. The Governor recommends \$44.6 million for the developmental disability hospitals. The recommended operating expenditures, average daily census, and daily cost per client for each hospital in FY 2004 are shown in the table below. Operating expenditures are funded mainly from the State General Fund, fee funds, and federal Medicaid Title XIX funds. Additional federal funding is available for community programs.

Developmental Disability Hospitals			
	<u>Daily Census</u>	<u>Operating Budget</u>	<u>Daily per Client (\$)</u>
KNI	181	24,247,416	367
Parsons	185	20,361,666	302
Total	366	\$44,609,082	\$334

Kansas Neurological Institute

The Governor recommends \$24.2 million for the agency in FY 2004, of which \$9.8 million is from the State General Fund. The amount recommended will support a staff of 531.0 positions, including 530.0 FTE positions, to care for an average daily population of 181 residents at the Institute. The recommendation reduces the Institution's FTE positions by 123.5 to reflect the actual number of positions that the Institute will be able to fund in FY 2004.

Parsons State Hospital & Training Center

The recommendation for FY 2004 totals \$20.4 million and includes \$6.9 million from the State General Fund. The Governor's recommendation funds 425.1 positions and allows the agency to continue the residential and medical services to its patients. The recommended amount will allow the Hospital to provide residential and medical services to an average resident population of 185 patients. The recommended number of positions represent a reduction of 89.3 vacant positions in the Hospital.

Other Human Resources Agencies

Department on Aging

The Governor's recommendation of \$417.8 million for FY 2004 includes \$163.5 million from the State General Fund to finance nursing home services, community-based services, case management, the Senior Care Act, nutrition services, and other services for Kansans over the age of 65. The Department on Aging operates most of the programs provided by the state to serve the elderly. The services are provided by area agencies on aging and other providers.

Administration. The budget includes several changes in the agency's Administration Program. For FY 2004, elimination of the Outreach and Marketing Commission and 10.0 FTE positions is recommended. The functions of this commission, including outreach, information, and referral services, will be divided among other administrative personnel. The Governor further recommends that the State General Fund savings of \$424,359 created by the elimination of these FTE positions be utilized in the Senior Care Act Program.

The budget recommendations also close the Quality Review Division of the Quality Assurance Commission and 30.0 FTE positions. The other divisions within this commission will perform representative statistical sampling instead of individual reviews of customer plans of care. With the elimination of 30.0 FTE positions, this recommendation will create savings of \$1,194,469, including \$617,541 from the State General Fund.

Finally, the Governor recommends that the Department on Aging take the responsibility for nursing facility regulation, a function currently performed by the Department of Health and Environment (KDHE). Funding of \$6.8 million, including \$1,197,965 from the State General Fund, and 116.0 FTE positions are added to the Department's administrative budget to reflect this change in operations. Equal funding amounts and FTE positions are deleted in the KDHE budget.

Long-Term Care. Included in the FY 2004 recommendation is \$381.8 million for long-term care

for the elderly Kansans who are eligible for the Medicaid Program. The State General Fund portion of this cost is \$150.3 million.

The recommendation includes \$54.3 million for the Home and Community-Based Services for the Frail Elderly, including \$21.4 million from the State General Fund. The budget includes the cost of nursing home care for the elderly who are eligible for Medicaid. Nursing facility services are estimated to be \$322.0 million, of which \$126.7 million is from the State General Fund. Finally, the recommendation includes \$5.5 million for Targeted Case Management, of which \$2.2 million is from the State General Fund.

The funding for long-term care programs reflects continued emphasis on the use of community-based treatment for people who benefit from that kind of care. Nursing home placement is reserved for elderly people who need specialized care that cannot be delivered in a community-based setting.

The following table illustrates that until the current year, the number of persons receiving home and community-based services (HCBS) was growing. The 2002 Legislature approved a FY 2003 amount that is \$4.0 million lower than actual FY 2002 expenditures for this program. The recommended amount for FY 2004 is the same as the FY 2003 approved amount. Because of increasing costs, fewer people are expected to receive services in FY 2003 and FY 2004. Home and Community-Based Services include adult day care, sleep cycle support, personal emergency response, health care attendant services, wellness

Long-Term Care Programs			
	FY 2002	FY 2003	FY 2004
	Actual	Gov. Est.	Gov. Rec.
HCBS Services:			
Budget (<i>in millions</i>)	\$ 58.2	\$ 54.3	\$ 54.3
Persons	5,697	5,048	4,806
<i>Percent Change</i>	8.9	(11.4)	(4.8)
Nursing Homes:			
Budget (<i>in millions</i>)	\$298.2	\$301.8	\$322.0
Persons	10,979	10,950	10,950
<i>Percent Change</i>	(1.6)	(0.3)	--

monitoring, and respite care. The number receiving nursing home services is expected to remain steady. However, nursing facility caseloads could begin to increase if waiting periods for HCBS services become too long.

Nutrition & Meals. The Governor recommends \$9.3 million, \$2.3 million from the State General Fund. The recommendation will provide for nutrition grants for 3,514,658 meals to the elderly under the Older Americans Act Meals Program. The following table compares the number and cost per meal recommended in FY 2003 and FY 2004 to actual FY 2002 amounts.

Nutrition Program			
	FY 2002	FY 2003	FY 2004
	<u>Actual</u>	<u>Gov. Est.</u>	<u>Gov. Rec.</u>
Budget	\$8,840,080	\$9,257,121	\$9,345,671
Number of Meals	3,627,306	3,514,658	3,514,658
<i>Cost per Meal</i>	<i>\$4.30</i>	<i>\$4.33</i>	<i>\$4.33</i>

General Community Grants. The Senior Care Act Program, funded through the State General Fund, provides general community grants that allow the customer to remain in a community-based setting rather than an institutional one. The agency also provides services for older Americans, especially those at risk of losing their independence, through federal Older Americans Act funding. The act provides for supportive in-home and community-based services, such as nutrition, transportation, and case management. The Governor recommends \$11.7 million for general community grants. The State General Fund portion of the recommendation is \$6.4 million. The FY 2004 recommendation reduces funding for this program by 11.3 percent, or \$822,319, as compared to the FY 2003 approved amount. The entire reduction will be taken in the Senior Care Act Program where no federal funding will be forfeited and nutrition services will not be affected. The participants in this program have higher income levels than those who participate in the HCBS Frail Elderly Waiver Program.

The Governor's recommendation includes \$1.2 million for the Senior Pharmacy Assistance Program in FY 2003 and FY 2004. The funding for this program is provided from earnings on the Senior Services Trust Fund, which is part of the Kansas Intergovernmental Transfer Program.

Kansas Guardianship Program

The Kansas Guardianship Program recruits and trains volunteers to serve as court-appointed guardians and conservators for disabled adults who are found by courts to be in need of these services. The Governor's budget recommendation provides \$1,000,506 from the State General Fund for FY 2004, a reduction of \$53,843 from the State General Fund. As part of the recommendation, 1.0 FTE office assistant position has been eliminated, saving \$28,869, and travel and rent are reduced by \$24,974. The budget recommendations will allow the agency to provide guardians to 1,140 individuals.

Health & Environment—Health

The mission of the Department of Health and Environment is to protect and promote the health of Kansans by providing community and personal health services, ensuring adequate sanitary conditions in public facilities and health facilities, as well as regulating and promoting environmental safety. The Department attempts to prevent disease and injury by protecting, promoting, and improving Kansans' health through a variety of public health service programs. These programs are designed to protect Kansans from communicable diseases, ensure healthy and safe adult and child care facilities, inspect food services for proper sanitation, assess environmental health risks, improve access to medical care, and promote healthy lifestyles which may help in diminishing chronic diseases.

For FY 2004, the Governor recommends \$107.0 million, including \$16.9 million from the State General Fund. The recommendation includes State General Fund expenditure reductions of \$5.7 million. These reductions include savings from amounts budgeted for vacant positions and operating expenditures, such as communication costs and aid programs. The agency's shrinkage rate will be increased. The recommendations include State General Fund financing for the Teen Pregnancy Prevention Program in both FY 2003 and FY 2004. The Governor maintains the levels of aid and grants in the agency's base budget from the Children's Initiatives Fund for tobacco use prevention programs, Healthy Start, and the Infants and Toddlers Program.

Recommended expenditures for aid and grants to local governments, agencies, and individuals total \$60.7 million. Of the expenditures for the Division of Health, \$77.4 million is from federal funding sources.

The Division of Health will receive Health Resources and Services Administration (HRSA) federal funds in FY 2003 as part of an improvement plan for small rural hospitals. The Governor recommends \$953,552 for FY 2003 to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA), and implement quality improvement techniques to reduce medical errors.

The Governor's recommendation includes a change to the Center for Vital Statistics Program that will make the program fee-funded. The recommendation will raise each fee by \$1, change the distribution of fee revenue, and replace the program's \$1.9 million of State General Fund financing with fee revenue.

As part of the Governor's recommendations for FY 2004, the Nursing Home Regulation section of the Division of Health will be transferred to the Department on Aging. The transfer out of the Division includes 116.0 FTE positions and \$6.8 million.

In addition, the Administrative Appeals section has been eliminated and those responsibilities will be handled by the Office of Administrative Hearings in the Department of Administration. The consolidation will save \$150,000 in FY 2004 and reduce the number of FTE positions in the Division of Health by 2.5.

Community-Based Services. The Governor maintains current funding of \$1.5 million for community-based services in FY 2004. Through this program communities establish comprehensive and continuous primary health care for clients and facilitate access to hospital and specialty care. Local health departments and nonprofit organizations are eligible to apply for funding. The program supports integrated primary health care and reduces duplication by encouraging local organizations to link services and facilitate access to care.

Aid to Local Health Departments. The Governor maintains the current level of funding of \$5.0 million for this program in FY 2004, which provides funding to local health departments. The services provided are

widely varied and include immunizations, screenings, and laboratory services. The funds will provide services in all 105 counties.

Women, Infants, & Children Program. Expenditures of \$30.0 million in FY 2004 will provide Women, Infants, and Children (WIC) Program services that include nutrition screening, counseling, education, and food supplements for infants, children, pregnant women, and breast-feeding women. The goal of the program is to improve the health status and nutrition of pregnant women, mothers, and young children.

State Homeland Security. In response to the September 11, 2001 terrorist attacks and the subsequent dissemination of anthrax spores through the mail, the U.S. Congress passed, and President Bush signed, PL 107-38, *The 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States*. A portion of the supplemental funding is to fund increased state and local preparedness against the threat of bioterrorism. The funds will be used to upgrade infectious disease surveillance and investigation procedures, enhance the readiness of hospitals to deal with large numbers of sick and injured persons, enhance public health laboratories, and improve emergency communications systems.

Kansas has received \$12.2 million to support public health system preparedness. The funds will be administered by the Health Resources and Services Administration (HRSA) and the Centers for Disease Control and Prevention (CDC). Of the \$12.2 million, \$1.3 million is be dedicated to hospital preparedness, and the remaining \$10.9 million is for public health improvements. According to the legislation, this funding was to be a one-time appropriation for the 2002 federal fiscal year. States have to spend these funds within two years, and spending is restricted to an approved detailed plan that addresses certain focal areas. The detailed plan submitted by the Division of Health was approved by the federal government, and the Division received \$11.8 million of Homeland Security funds in July 2002.

Department of Human Resources

The FY 2004 Governor's recommendations for the Department of Human Resources include a total of

\$333,568,316 from all funding sources, with \$1,891,612 from the State General Fund. This agency's expenditures are dominated by benefits paid to unemployed workers, which are projected to be \$265.8 million in FY 2004. The recommendation will allow the agency to provide services and support the existing 940.4 FTE positions.

Unemployment Benefits. Current year unemployment payments provided to individuals to replace part of their wages lost as a result of involuntary unemployment are expected to be \$335.8 million, with the federal Temporary Unemployment Insurance Compensation (TEUC) Act making up \$50.0 million of the increase in benefit payment for FY 2003 over the previous year. The unemployment rate for Kansas is estimated to be 4.7 percent for FY 2003 and 4.4 percent for FY 2004. The unemployment rate in Kansas has been consistently below the U.S. rate since January 1980. For FY 2004, unemployment insurance payments are estimated at \$265.8 million. Part of the reduction in benefit payments comes from the expected expiration of the TEUC funding.

Workforce Investment Act. The Workforce Investment Act of 1998 (WIA) is the culmination of a multi-year effort to reform the nation's job training, adult education, vocational rehabilitation, and other workforce preparation programs. Much of the Department's federal funding comes through its training and education programs. Full implementation for all states was completed by July 1, 2000. The cornerstone of WIA is the One-Stop Career Center system. The One-Stop Career Center system links employment, education, and training services in a coherent network of resources at the local, state, and national level. This new system connects the nation's employers to a variety of qualified job seekers and provides job seekers with access to employment and training opportunities locally and across the country.

The U.S. Department of Labor awarded Kansas a total of \$6.75 million of One-Stop implementation funds to be spent over three years. The funds are being used to link together the many job training and public workforce programs currently in existence. The goal of the One-Stop Career Center system is to improve the process of recruitment, hiring, and training for employers and job seekers.

Federal Welfare-to-Work Grant. Moving people from welfare to work is one of the primary goals of federal welfare policy. The Balanced Budget Act of 1997 pursues that goal by authorizing the U.S. Department of Labor to provide grants to states and communities to create job opportunities for the hardest-to-employ recipients of TANF. In FY 1998, the Department received \$6.7 million in federal monies, which was matched with \$3.3 million from the State General Fund. An additional \$500,000 was provided in FY 2000 to match \$1.0 million in federal dollars. In addition, the agency will receive \$2.0 million in federal Welfare-to-Work funds in FY 2003 and \$1.2 million in FY 2004.

Workers Compensation. The Kansas Workers Compensation Act is self-contained, no-fault legislation which requires most employers operating in Kansas to provide benefits in the form of salary indemnification and medical treatment to employees who suffer accidental, physical injury or occupational diseases arising out of and in the course of employment. The Division of Workers Compensation spent \$1.1 million in FY 2000 to make major improvements to its computer system. The new system incorporates recommendations made during the 1999 Legislative Session, replacing outdated computers and allowing for electronic transmission of data. A contract is being negotiated for developing an Electronic Data Interchange protocol. This will reduce paperwork for both the agency and its customers. The system will allow for subsequent reporting, which includes costs for legal, indemnity, rehabilitation, and medical costs until the claim is closed.

Commission on Veterans' Affairs

The Commission on Veterans' Affairs provides assistance to Kansas veterans and their dependents in obtaining U.S. Department of Veterans Affairs benefits and operates care facilities for veterans. The Governor recommends \$20.5 million from all funding sources for the agency in FY 2004. The State General Fund portion of the recommendation is \$4.7 million.

Veterans' Homes. The Commission operates both the Kansas Soldiers' Home in Fort Dodge and the Kansas Veterans' Home in Winfield, which opened in FY 2000. For the Veterans' Home in FY 2004, the Governor recommends \$5.9 million, including \$1.4

million from the State General Fund. Under the Governor's recommendation, the Veterans' Home can open the first floor of Triplett Hall. Triplett Hall will be the third of four buildings to open at the Home. The first floor of this building will provide 40 additional skilled nursing beds.

Cemeteries. The Governor recommends \$7.5 million in FY 2003 and \$7.0 million in FY 2004 to continue construction of four veterans' cemeteries. The cemetery at Fort Dodge is complete. The cemeteries at Winfield and Wakeeney will be completed in FY 2004, while planning for the Fort Riley Cemetery will begin in FY 2004. All construction expenditures reflected in the current and budget years are funded through federal Veterans Administration grants. To begin operations of the Veterans' Cemetery Program, the Governor recommends \$154,414 from the State General Fund in FY 2003 and \$226,277 from the State General Fund in FY 2004.

Administration & Veterans' Services. For the Administration Program in FY 2004, the Governor recommends \$1.8 million, including \$1.7 million from the State General Fund. The agency operates veterans'

service centers in 14 field offices throughout the state and six organizational offices in the three federal VA hospitals. The Governor's recommendation reduces requested expenditures in the Administrative Program by \$283,658 from the State General Fund. The Governor recommends the consolidation of the organizational offices, from two in each hospital to one in each hospital. The Governor also recommends reorganization of the 14 veterans' service centers to reduce operational expenditures. The Commission will close and/or combine offices and revise itinerant schedules.

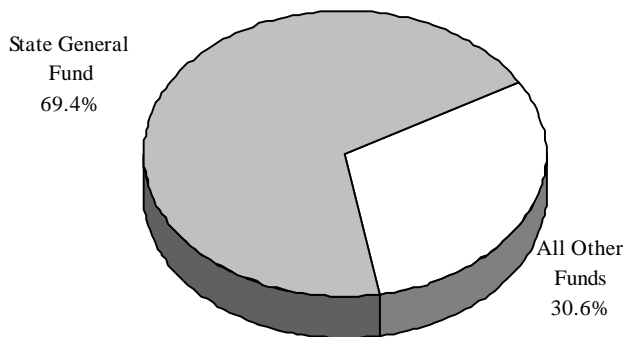
The recommendation continues residential and nursing home care for veterans and their families at the Kansas Soldiers' Home. The estimated operating cost for FY 2004 is \$5.0 million, including \$1.4 million from the State General Fund. The Governor's budget provides funding for 146.8 FTE positions to staff the institution.

The Community-Based Outpatient Clinic located at the Kansas Soldiers' Home provides medical services to residents of the Home and other eligible veterans. The Governor recommends expenditures of \$230,963 from the Clinic Fee Fund in FY 2004 for the program.

Education Summary

All expenditures for state support of primary, secondary, and postsecondary education are included in the Education function of government. Agencies in this function are the Board of Regents and the various institutions under its jurisdiction; the Board of Education, including the School for the Deaf and School for the Blind; the Historical Society; the Kansas Arts Commission; and the State Library. For Education, the Governor recommends \$4.38 billion in FY 2003 and \$4.37 billion in FY 2004. Of these amounts, \$3.02 billion in FY 2003 and \$3.03 billion in FY 2004 are from the State General Fund. The FY 2003 amount includes supplemental funding to cover fully the state's share of local option budgets. In FY 2004, despite a difficult budget situation, the Governor maintains funding for public education at the FY 2003 level. In addition, special education is folded into the base school finance formula. Funding for postsecondary education is also retained at the FY 2003 level after the allotment reductions are accounted for.

How It Is Financed

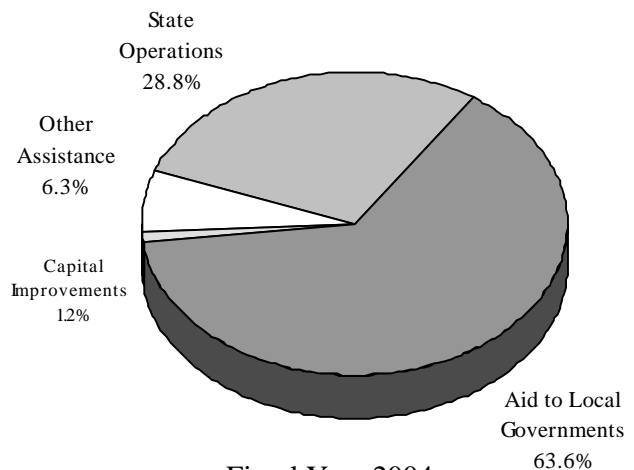


Fiscal Year 2004

Funding decreased approximately \$5.4 million. This is primarily due to capital improvements made from restricted use funding in FY 2003, thereby causing a decline in FY 2004. Other smaller reductions include a reduction in funding for office operations of the Boards of Education and Regents. Funding for other assistance, grants, and benefits remains stable over the two-year period at \$276.3 million as does aid to local governments at \$2.8 billion.

Support for K-12 education provides funding for operation of public schools and special education aid, including education for gifted students, funding of KPERS employer contributions for schools, and other grants financed from the State General Fund. The Governor maintains funding in targeted areas from the Children's Initiatives Fund.

How It Is Spent



Fiscal Year 2004

In FY 2004, the Regents institutions will continue to receive funding through an operating grant, rather than the formula-driven funding that was used in the past. Universities will be evaluated based on need and the current economic environment. This method of funding will give the universities additional flexibility while continuing to allow for adequate oversight of the budget. Any new funding for the operating grants will go directly to the Board of Regents, which will distribute the new funding to universities.

For FY 2004, the Governor recommends keeping the universities at the FY 2003 level rather than making further reductions. The Board will not set tuition for the 2003-2004 school year until spring, so revenue from tuition cannot yet be determined. In FY 2001 and FY 2002, over \$41.0 million was appropriated for the implementation of SB 345. This four-year initiative was to provide additional funding for community colleges, Washburn University, and faculty salary increases at the Regents universities. Because of limited state funds, the third and fourth years of the initiative cannot be funded.

Elementary & Secondary Education

The *Kansas Constitution* establishes a ten-member State Board of Education for general supervision of public schools and educational institutions, except those delegated to the State Board of Regents. Under the guidance of the State Board of Education and the Board's appointed Commissioner of Education, the Department of Education provides funding and program guidance in carrying out state law for 303 unified school districts.

Public School Finance

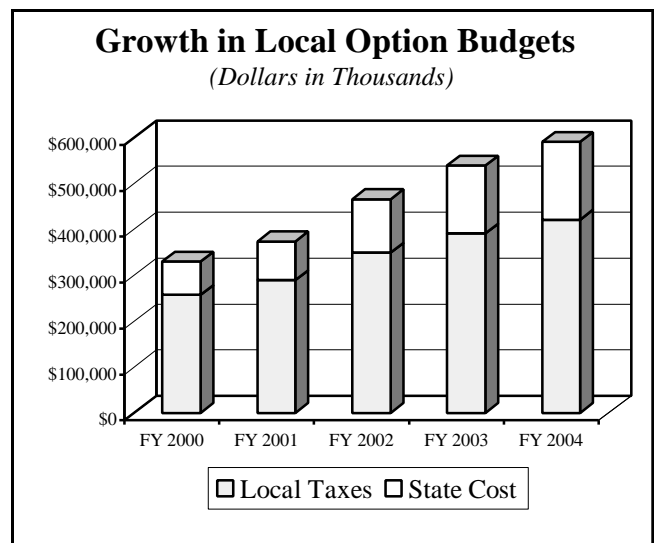
State General Fund Obligation. The basis for the Governor's recommendations is the estimate agreed upon by the Department of Education, the Division of the Budget, and the Legislative Research Department through the school finance consensus process. Estimates are developed twice a year on property tax revenue, student enrollment, adopted local option budgets, and capital improvement aid.

The 2002 Legislature approved base state aid per pupil (BSAPP) at \$3,890 for FY 2003. However, Governor Graves reduced the appropriation through the allotment process by \$15.3 million, bringing BSAPP to \$3,863, which is the basis for budget recommendations outlined in this budget report. The recommendation is based on an estimated enrollment of 577,948.8 weighted pupils. The number of students supported by the school finance formula was increased by 1,989.8 from the original estimate of 575,959.0 weighted pupils made a year ago. The increase is based on fall 2002 enrollments and results largely from increases in the number of students eligible for the at-risk, bilingual education, and vocational education weightings, as well as new facilities coming online.

FY 2003. The State General Fund recommendation for the base school finance formula is \$1,792.5 million in FY 2003, a net decrease of \$8.6 million from the amount approved by the 2002 Legislature. This reduction comes from the \$15.3 million allotment imposed by Governor Graves in August 2002 but was then increased by \$6.6 million to account for the additional student weightings discovered through the new enrollment data.

Kansas continues to experience remarkable growth in the state's share of local option budgets adopted by school districts. The current year recommendation includes \$148.4 million to fund the state's share, an increase of \$22.5 million from the approved level of \$125.9 million. The increase is generated by revised current year estimates that reflect not only substantive changes to the law governing this part of school budgets by the 2001 Legislature, but also accounts for more and more school districts with lower property valuations which are now accessing this source of funding.

Beginning in FY 2002, school districts were given new authority to channel state aid for special education through the school districts' general fund. This channeling increases the general fund base upon which the local option budget authority is calculated. As more districts adopt local option budgets, especially those with smaller tax bases, the state's costs rise. The graph below depicts recent growth in this area of the budget.



A revenue transfer from the State General Fund of \$47.2 million is included in FY 2003 to aid school districts with bond and interest payments, \$2.1 million more than the approved amount based on the most recent estimates of demand.

FY 2004. The total Governor's recommendation for FY 2004 for the base school finance formula is \$2,033.3 million, including \$2,027.6 million from the

State General Fund and \$5.7 million from the Children's Initiatives Fund. The recommendation funds the consensus estimated enrollment for the year, and maintains base state aid per pupil at \$3,863. Funding is continued another year from the Children's Initiatives Fund to maintain the Four-Year-Old At-Risk Program at 5,500 students, the entire population of children not served by Head Start or other programs. The FY 2004 amount is based on per pupil funding of \$3,863, for a weighted pupil enrollment of 577,352.6, according to consensus estimates.

Base State Aid to School Districts		
<i>(Dollars in Thousands)</i>		
	<u>FY 2003</u>	<u>FY 2004</u>
Estimated Obligation	\$ 2,479,516	\$2,726,517
Local Effort Estimates		
Property Tax	406,946	421,122
Cash Balance	2,190	2,190
Federal Impact Aid	10,000	9,000
Special Ed Serv. Aid	246,900	246,900
Other	(1,100)	(1,000)
Total Local Effort	\$ 664,936	\$ 678,212
Net State Cost*	\$ 1,814,580	\$2,048,305
Less: Local Remit.	17,600	15,000
Appropriation*	\$ 1,796,980	\$2,033,305

**Includes \$4.5 million in FY 2003 and \$5.7 million in FY 2004 from the Children's Initiatives Fund.*

One important policy change made by the Governor in the FY 2004 budget recommendations is that special education funding from the state is to be rolled into base state aid per pupil as a per pupil weighting. This policy change is supported by both the Kansas Board of Education as well as the legislative commissioned study by Augenblick & Myers, Inc. released in May 2002. Weighting special education students continues the state's policy to dedicate funds for the exclusive use of educating students with disabilities and does not assume that the proportion of students with disabilities is constant across all school districts. Also important will be the time and effort saved by teachers and administrators who will no longer have to document time spent serving individual types of students in order to receive the categorical aid.

The table above includes this roll-over of special education monies from the separate special education

category to the base state aid line-item in FY 2004. This change is the key factor for the increase in state appropriations for base state aid in FY 2004 over FY 2003.

As mentioned previously, state aid for local option budgets adopted by school districts is growing at a fast pace. The recommended FY 2004 budget includes \$156.0 million from the State General Fund for this aid program, an increase of \$7.5 million over the higher FY 2003 level.

The capital improvement transfer from the State General Fund of \$55.0 million is \$7.8 million more than FY 2003 and is reflective of the success school districts have had in passing bond issues. This item is maintained as a revenue transfer from the State General Fund and is no longer a demand transfer.

The 20.0 mill property tax levy and other local resources will finance 26.8 percent of the school finance obligation in FY 2003, and the State General Fund and other state monies will provide for the remaining 73.2 percent. The local contribution includes \$246.9 million to account for running special education aid through the districts' general funds for the purpose of enlarging the local option budget authority. For FY 2004, local resources are budgeted to finance 24.8 percent of the costs, with state resources paying 75.2 percent. Past years have seen a more dramatic shift resulting from reductions in the mill levy from 35.0 to 27.0 mills in 1997, and then to 20.0 mills in 1998.

Base State Aid per Pupil. Despite severe constraints on state revenues, the Governor does not further reduce base state aid per pupil in either FY 2003 or 2004. It is maintained at \$3,863.

Special Education Services Aid. Two years ago, the Governor proposed transforming state aid into a weighting under the school finance formula. The Legislature did not adopt this change, but did authorize school districts to channel special education monies through their general fund budgets. The effect of this change was to increase the local option budget authority beyond previous levels.

For special education services, \$251.0 million in state monies is recommended in FY 2004; however, it is now shown entirely as part of the general state aid appropriation, not as a separate categorical aid item.

At this level of funding, it is estimated that severely multi-handicapped students will result in student weightings of 2.667 and all other special education students will carry a weighting of .709. Legislation to change this aid program will be proposed to the 2003 Legislature, as well as reauthorization of the uniform 20-mill property tax levy and \$20,000 residential exemption.

It is estimated that state support will cover 84.0 percent of excess costs. Federal support is expected to be \$74.3 million, an increase of \$7.3 million, or 11.3 percent of the total estimated costs. The recommendation will support services to over 77,000 students, of which over 15,000 students will fall into the gifted category.

Four-Year-Old At-Risk Programs. In FY 2003, the Governor and Legislature approved the expenditure of \$12.7 million to provide competitive grants to fund early childhood education programs for up to 5,500 four-year-old at-risk students. The Governor maintains funding for these valuable intervention services in FY 2004. The funding necessary to provide these services is financed by a combination of monies from the State General Fund (\$8.2 million) and Children's Initiatives Fund (\$4.5 million).

Parent Education. For FY 2004, the Governor recommends continued funding for the state's program to assist parents. Total state funding of \$7.1 million is financed by \$4.6 million from the State General Fund and \$2.5 million from the Children's Initiatives Fund. The program's local match has been lowered in recent years (from 100.0 percent to 75.0 percent in FY 1999 and to 65.0 percent in FY 2001) to make the program more attractive to school districts. The Parent Education Program provides expectant parents and parents of infants and toddlers with advice and resource materials related to parenting skills, positive approaches to discipline, and development of self-esteem.

Department of Education

The Governor's recommended budget in FY 2003 is \$2.7 billion, of which \$2.3 billion is from the State General Fund. The FY 2004 recommendation is also \$2.7 billion, with more than \$2.3 billion of State General Fund financing. The table on the next page

outlines state, federal, and local support of elementary and secondary education. It does not include operations of the Department of Education.

KPERS—School Employer Contributions. As outlined elsewhere in this volume, the Governor recommends another moratorium on payments to the KPERS Death and Disability Fund in FY 2003 and 2004, similar to the one that occurred in FY 2002. The fiscal effect of the moratorium is outlined elsewhere in this volume, but is expected to reduce the state's obligation for KPERS—School by \$4.6 million in FY 2003 and \$15.4 million in FY 2004. Included in the proposed FY 2004 budget is an additional \$6.2 million from the State General Fund to address an expected shortfall in available monies in FY 2003 for KPERS—School payments. The state's contributions are invested by KPERS, along with other public employer contributions in the state, to finance retirement benefits to individuals employed by school districts, community colleges, and area vocational-technical schools.

Juvenile Detention Facilities. The state provides special support to meet the educational needs of students housed in juvenile detention facilities and a variety of other alternative juvenile placements. School districts receive aid based on twice the base state aid per pupil or the actual expenses of providing the educational services, whichever is less. For FY 2004, the Governor provides \$5.6 million from the State General Fund.

Teaching Excellence Grants. During FY 1999, the Department of Education and Emporia State University collaborated to establish a program promoting teacher excellence through meeting standards established by the National Board for Professional Teaching Standards. The Department of Education received \$40,000 to provide 40 grants of \$1,000 each to teachers to pay one-half the cost of participation. Teachers and their school districts provided the other half. Federal resources were tapped through the National Board to help defray a portion of the teacher's responsibility.

Funding for this program is maintained at \$110,000 for FY 2004, with the anticipation of 56 awards and 54 scholarships. Additional monies will be available for these teacher scholarships from the Scholarship Repayment Fund.

State, Local, and Federal Support of Elementary and Secondary Education in Kansas
(Dollars in Thousands)

	FY 2002 Actual		FY 2003 Gov. Rec.		FY 2004 Gov. Rec.	
	SGF	All Funds	SGF	All Funds	SGF	All Funds
General State Aid	1,807,213	1,825,685	1,784,232	1,802,532	2,019,332	2,035,557
Four-Year-Old At-Risk Program	3,518	8,018	8,248	12,748	8,248	12,748
Subtotal--General State Aid	1,810,731	1,833,703	1,792,480	1,815,280	2,027,580	2,048,305
Supplemental State Aid	116,569	116,569	148,427	148,427	155,956	155,956
Capital Improvement Aid*	40,008	40,008	47,216	47,216	55,000	55,000
Special Education Aid	242,679	299,601	249,792	317,287	--	74,280
Deaf-Blind Program Aid	110	110	110	110	110	110
KPERS Employer Contribution	98,392	98,392	116,748	116,748	138,941	138,941
Inservice Aid	2,592	2,592	2,600	2,600	--	--
Teacher Excellence Grants	119	120	110	110	110	110
Teacher Mentoring	891	891	--	--	--	--
Juvenile Detention Grants	5,170	5,170	5,484	5,484	5,599	5,599
School Violence Prevention	--	474	--	--	--	--
Optometric Vision Study and Services	--	300	--	300	--	300
Parent Education Grants	4,236	6,736	4,640	7,140	4,640	7,140
School Food Assistance	2,510	100,762	2,510	101,595	2,510	102,745
Ed. Research and Innovative Prog.	--	6,104	--	6,251	--	5,968
Driver Education Program Aid	--	1,595	--	1,579	--	1,580
Alcohol and Drug Abuse	--	2,687	--	2,750	--	2,750
Goals 2000	--	957	--	60	--	--
Elem. and Secondary Education Prog.	--	87,845	--	93,575	--	94,800
Federal Class Size Reduction Initiative	--	12,790	--	740	--	--
Federal School Renovation Grants	--	4,264	--	3,200	--	--
No Child Left Behind Act Fed. Grants	--	--	--	9,240	--	10,200
Improving Teacher Quality	--	--	--	20,000	--	20,000
Job Training Partnership Program Aid	--	4,679	--	4,850	--	4,850
Education for Economic Security Aid	--	2,581	--	300	--	--
Other Grants	335	435	45	270	140	365
Subtotal State & Federal Funding	\$ 2,324,343	\$ 2,629,367	\$ 2,370,163	\$ 2,705,113	\$ 2,390,586	\$ 2,729,000
<i>Amount Change from Prior Year</i>	<i>65,375</i>	<i>91,181</i>	<i>45,820</i>	<i>75,745</i>	<i>20,423</i>	<i>23,887</i>
<i>Percent Change from Prior Year</i>	<i>2.9%</i>	<i>3.6%</i>	<i>2.0%</i>	<i>2.9%</i>	<i>0.9%</i>	<i>0.9%</i>
Local General Aid Funding **	--	593,427	--	664,936	--	678,212
Local Supplemental Aid Funding	--	349,634	--	390,948	--	421,636
Subtotal Local Funding	\$ --	\$ 943,061	\$ --	\$ 1,055,884	\$ --	\$ 1,099,848
<i>Amount Change from Prior Year</i>	<i>--</i>	<i>36,369</i>	<i>--</i>	<i>112,823</i>	<i>--</i>	<i>43,964</i>
<i>Percent Change from Prior Year</i>	<i>--</i>	<i>5.8%</i>	<i>--</i>	<i>12.0%</i>	<i>--</i>	<i>4.2%</i>
Total State, Federal, & Local Funding	\$ 2,324,343	\$ 3,572,428	\$ 2,370,163	\$ 3,760,997	\$ 2,390,586	\$ 3,828,848
<i>Amount Change from Prior Year</i>	<i>65,375</i>	<i>373,076</i>	<i>45,820</i>	<i>188,568</i>	<i>20,423</i>	<i>67,851</i>
<i>Percent Change from Prior Year</i>	<i>2.9%</i>	<i>11.7%</i>	<i>2.0%</i>	<i>5.3%</i>	<i>0.9%</i>	<i>1.8%</i>

*Capital Improvement Aid switched from SGF demand transfer to revenue transfer in FY 2003.

** Local General Aid funding includes an estimated \$246.9 million in FY 2003 and FY 2004 to account for special education "flow through" adopted by 2001 Legislature.

Miscellaneous Grants. Included in the budget of the Department of Education are several pass-through grants to local organizations. The Governor recommends state funding of \$50,000 for the Communities-in-Schools Program, a drop-out prevention program. Continued support from the Children's Initiatives Fund of \$300,000 is provided in FY 2004 for the optometric services to students needing vision correction to improve learning.

Student Assessments. The 1992 School District Finance and Quality Performance Act mandated state accreditation of schools based on outcomes for school improvement and student performance established by the State Board of Education. Consistent with this act, the State Department of Education has made it a goal for all schools to demonstrate continuous improvement in student learning.

New standards have been adopted by the State Board of Education in recent years for reading, writing, mathematics, science, and social studies. Assessments based on the new standards in math, reading, and writing as well as alternative assessments will be administered in the 2002-2003 school year. The Governor's budget provides \$1.4 million for administration of student assessments in FY 2003 and \$1.2 million in FY 2004.

No Child Left Behind (NCLB) Act. President Bush signed legislation reauthorizing the Elementary and Secondary Education Act in January 2002. The new act embodies four key principles: stronger accountability for results; greater flexibility for states, school districts, and schools in the use of federal funds; more choices for parents of children from disadvantaged backgrounds; and an emphasis on teaching methods that have been demonstrated to work. The act also places an increased emphasis on reading, especially for young children, enhancing the quality of the nation's teachers, and ensuring that all children in America's schools learn English.

The act affects virtually every program authorized under the Elementary and Secondary Education Act — ranging from Title I and efforts to improve teacher quality to initiatives for limited English proficient students and safe and drug-free schools. States and school districts are still working through the requirements imposed by the act and how to administer them.

Discretionary Grants. As requested by the State Board of Education, the Governor includes \$130,000 from the State General Fund in FY 2004 for a Discretionary Grants Program. The State Board of Education will award monies to programs designed to improve teaching performance and academic achievement.

School for the Blind

The School offers many sources of support that include educational, residential, outreach, and health care for children with visual and other impairments until the age of 21. The School's curriculum includes all academic subjects necessary for accreditation by the Department of Education. All essential academic subjects are included in the curriculum; however, many students receive intensive instruction in special disability-specific learning skills, such as cane travel skills, technology, daily living, and Braille. An Individual Education Plan is developed for each student to measure progress and plan for the student's educational future goals. Students residing in the dormitory receive additional hours of instruction related to academics and special needs in order to develop into independent adults. The School expects to have 60.0 percent of its graduates living independently, and 75.0 percent of graduates enroll in a post-secondary or vocational-technical education program.

For FY 2004, the Governor recommends \$4,751,408 from all funding sources, including \$4,223,738 from the State General Fund, for the Kansas State School for the Blind for operating and capital improvement projects. The budget will include funding for services of supports on educational, residential, and additional outreach sources. In FY 2004, the School's reductions will require laying off 4.0 instructors, reducing summer school to two weeks, and furloughing non-teaching staff for three days. Enrollment for the School during the regular term and summer term is projected to be 154 for FY 2004. A staff of 89.5 FTE positions provides the services.

School for the Deaf

The Kansas State School for the Deaf provides a variety of services that include educational, residential, and health care for children with hearing and other

impairments between the ages of three and 21. The School's curriculum includes all academic subjects necessary for accreditation by the Department of Education, and students acquire a high school diploma upon completion of coursework. Students receive intensive instructions in special disability-specific learning skills with a special emphasis on speech and communication skills at the elementary level. An Individual Education Plan is developed for each student to measure progress. Enrollment for the School during regular term and summer term is projected to be 151 for FY 2003 and the same for FY 2004. The School expects 70.0 percent of students to increase math scores and 95.0 percent of students to increase reading scores from the previous year.

The School also serves some younger children in the Kansas City area as part of the Parents as Teachers Program to provide early language stimulation and promote communication skills appropriate to the age of the child. For FY 2004, the Governor recommends \$7,723,387 from all funding sources, including \$6,836,148 from the State General Fund. The School's budget will include funding for support services in educational, residential, and additional outreach services. The School will be able to continue basic services in the current year, but summer school and outreach services will be curtailed in FY 2004. A staff of 169.5 FTE positions provides services to the students, which is a reduction in 4.0 FTE instructor positions.

Postsecondary Education

The Board of Regents has the responsibility to coordinate all public postsecondary education in the state. The Board presents a unified budget for postsecondary education; approves core indicators of quality performance, develops a policy agenda for postsecondary education, and reviews institutional missions and goals.

The state provides financial support for six Regents universities, a medical school, a veterinary medical school, 19 community colleges, 16 technical colleges and schools, as well as Washburn University. In addition, the state provides approximately \$18.8 million in financial aid to students attending both public and private institutions in Kansas through numerous scholarship and grant programs. These monies are channeled through the Board of Regents with the exception of the Medical Student Loan/Scholarship Program, which is administered by the University of Kansas Medical Center.

For FY 2003, Governor Graves found it necessary to implement two allotment reductions to bring expenditures in line with state revenues. For the Board of Regents and the state universities, the first allotment in August was 0.75 percent of the State General Fund approved budget. The second allotment in November was 3.9 percent. For FY 2004, the funding for universities, including Washburn University, community colleges, vocational-technical schools, and adult education, are held to the FY 2003 level after allotments.

Enrollments. Kansas has an unusually high level of demand for postsecondary education. In addition, enrollments usually rise when the economy is poor. Recent university enrollments have generally increased and are outlined in the following table.

Qualified admissions took effect in the 2001-2002 school year. The 1996 Legislature directed the Board of Regents to establish admission standards for Regents institutions, beginning with FY 2002. The new qualifications will require high school graduates to have at least a 2.0 grade point average in pre-college curriculum prescribed by the Board of Regents, a minimum score of 21 on the American College

University Headcount Enrollment

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Univ. of Kansas	25,920	25,782	26,458
KU Med. Ctr.	2,409	2,408	2,391
Kansas State	21,929	22,396	22,762
Wichita State	14,810	14,854	15,534
Emporia State	5,616	5,823	6,005
Pittsburg State	6,418	6,723	6,751
Fort Hays State	5,506	5,626	6,392
Total Regents	82,608	83,612	86,293
Washburn	5,917	6,118	6,440

Testing Program (ACT), or a ranking in the top one-third of their high school class. There was a concern at the time the policy was being considered that qualified admissions would have a negative effect on enrollment. Enrollment appears to have been unaffected by the implementation of qualified admissions.

Board of Regents

The Governor recommends \$186,967,930, including \$124,380,626 from the State General Fund and \$14,076,750 from the Economic Development Initiatives Fund, for FY 2004. The budget will include funding for postsecondary education, student financial assistance, rehabilitation of facilities at the universities, operational support for the Board office implementation of KAN-ED, and a data coordination system for postsecondary institutions. The FY 2004 recommendation reflects a funding level equivalent to that of FY 2003 from the State General Fund for community colleges, Washburn University, and vocational and technical schools. Funding for scholarships increases slightly.

Kansas Higher Education Coordination Act. The 1999 act created a higher education coordinating role for the Board; changed the funding mechanisms for the community colleges and Washburn University; and provided for Regents faculty salary increases. In addition, it established performance funding for postsecondary institutions to begin in FY 2003. The

four-year funding plan associated with the Higher Education Coordination Act was implemented in FY 2001 and FY 2002 at approximately \$21.0 million in each year. The requested \$45.1 million for FY 2003 and \$62.3 million for FY 2004 are not recommended because of the decline in state revenues.

KAN-ED. The 2001 Legislature authorized the Board of Regents to develop an implementation plan for KAN-ED. The Board has completed that work. The purpose of the KAN-ED network will be to operate and maintain a broadband technology-based network to which schools, libraries, and hospitals may connect for broadband Internet access for distance learning and for other communication needs. Implementation of the system began on January 1, 2003, with \$5.0 million in funding from the Kansas Universal Service Fund. Funding will continue from this source through FY 2005 but cannot exceed \$10.0 million a year. Beginning in FY 2006, the funding is expected to come from the State General Fund.

Research Initiative. During the 2002 Legislative Session a \$120.0 million bond issue was approved to fund four research projects: construction of a life sciences research center at the KU Medical Center, construction of a food safety research facility at Kansas State University, expansion of an aeronautical engineering complex at Wichita State University, and equipping of a newly purchased research building at the University of Kansas.

Debt service on the project bonds will begin in FY 2005. The state will be responsible for the first five years of debt service at a total cost of \$50.0 million. After that time the universities will assume responsibility for the debt service from revenue generated by the facilities.

Postsecondary Education

In FY 2004, the Governor recommends \$133,227,503, including \$108,306,372 from the State General Fund and \$13,076,750 from the Economic Development Initiatives Fund, to fund adult basic education, community colleges, vocational-technical schools, and Washburn University. The budget recommendations eliminate \$192,500 in State General Fund dollars for FY 2004 for the Honors Academy and the Midwestern Higher Education Commission dues.

Adult Basic Education. The Adult Basic Education Program provides services to adults with less than a high school education. The Governor recommends \$4,646,862, including \$1,048,998 from the State General Fund, for FY 2004.

Community Colleges. Postsecondary education opportunities are provided by the 19 community colleges to a variety of residents. The community colleges had a combined enrollment of 117,160 in the 2001/2002 school year. In addition to the traditional students who enter college directly from high school, there are a large number of students attending who wish to gain technical training either to further existing careers or begin new careers. The community colleges are assets to Kansas through education, workforce development, lifelong learning, and cultural opportunities for communities. The Governor recommends \$80,958,169 for community colleges for FY 2004 from the State General Fund. This is the same amount that is approved for FY 2003.

Area Vocational-Technical Schools. Sixteen area vocational-technical schools operate in Kansas. Of these, seven function under the supervision of school districts, five are affiliated with community colleges, and four are independent technical colleges. These schools have no authority to increase local mill levy rates. They can receive budget increases only by increased state funding or transfers from community college or school district operating budgets.

The schools educate both high school students and postsecondary students, as well as provide training opportunities in cooperation with local business leaders. The Governor recommends \$28,376,265, including \$15,299,515 from the State General Fund and \$13,076,750 from the Economic Development Initiatives Fund, in FY 2004. The majority of this funding, \$25,630,765, will be used for operating expenditures and is the same amount approved for FY 2003. The remaining funding will be used for capital outlay, technical innovations, and internships.

Washburn University. The state has provided support to Washburn since 1961. Currently, the Board of Regents administers the state operating grant for Washburn University. The Governor recommends \$10,102,336 for FY 2003 and for FY 2004 from the State General Fund. Washburn served 5,074 students in the fall of 2002.

Student Financial Assistance

Financial aid administered by the Board of Regents includes funding for student scholarships and grants. For FY 2004, the Governor recommends \$16,226,883, including \$13,683,352 from the State General Fund and \$1.0 million from the Economic Development Initiatives Fund (EDIF). The Governor recommends the use of EDIF monies to replace State General Fund dollars and dwindling repayment funds that are unavailable. Total funding in FY 2004 for financial aid is \$57,186 more than in FY 2003. Financial assistance includes the programs described below. The exception is the \$2,556,764 Medical Student Loan/Scholarship Program administered at the KU Medical Center.

Comprehensive Grant. Initiated in FY 1999, this grant is for the financially needy Kansas residents attending a Regents institution, Washburn University, or a Kansas private college. The purpose is to ensure that higher education remains open to all students who qualify. The Governor recommends \$11,765,441, including \$10,379,878 from the State General Fund and \$750,000 from the Economic Development Initiatives Fund, for FY 2004. The funding will assist approximately 7,844 students.

State Scholarship Program. This grant is designed to assist financially needy Designated State Scholars. Students are designated scholars on the basis of completing the Kansas Scholars Curriculum with an index number, utilizing an ACT Composite Score and the cumulative high school GPA. For FY 2004, the Governor recommends \$1,268,199, including \$1,193,199 from the State General Fund. The funding will assist approximately 1,268 students.

Vocational Scholarship Program. The Governor recommends \$126,275, including \$121,275 from the State General Fund, for FY 2004. This will finance 253 awards for vocational training programs.

Minority Fellowship Program. For FY 2004, the Governor recommends \$68,000 for this fellowship. The funding will assist eight students. This program is under review by the U.S. Department of Education and no new fellowships have been awarded since FY 2000. The Board plans to continue to fund renewals for the current participants. The purpose of this program is to recruit and retain minority students in graduate education programs at Regents institutions.

Osteopathic Scholarship Program. This program is for Kansas' residents who attend accredited osteopathic medical schools in other states. The education of these students is partially funded by the state in exchange for one year of primary care service in Kansas for each year of scholarship support. Recipients who do not serve must repay the scholarship amount plus interest. For FY 2004, the Governor recommends \$480,000 from the Osteopathic Scholarship Program Repayment Fund. This will fund 32 students at a cost of \$15,000 each.

Optometry Scholarship Programs. The Governor and the Legislature authorized contracts between the Board of Regents and selected schools of optometry for approximately 31 students. The Governor recommends \$123,818, including \$113,850 from the State General Fund, in FY 2004. Students are ranked academically by the optometry schools and are funded in that order.

Teacher Scholarship Program. The purpose of this program is to reduce the teacher shortage in hard-to-fill disciplines and underserved areas. Typically 80.0 percent of the scholarships are awarded to students majoring in special education. To finance 83 students in FY 2004, the Governor recommends \$396,744, including \$326,744 from the State General Fund.

Nursing Scholarship Program. For this need-based scholarship, the Governor recommends \$473,592, including \$243,592 from the State General Fund. Students seeking a nursing scholarship must locate a sponsor who will pay up to one-half the scholarship stipend and agree to employ the recipient within six months of licensure. Recipients must provide one year of service to the sponsor for each year of scholarship support. Recipients who do not serve must repay the scholarship plus interest. The recommendation will fund approximately 153 scholarships.

ROTC Scholarship Program. For FY 2004, the Governor recommends \$186,401 from the State General Fund for Reserve Officer Training Corps scholarships. This funding will provide 75 awards.

National Guard Educational Assistance Program. This program provides tuition assistance to National Guard members. The Legislature transferred this program from the Adjutant General to the Board of Regents beginning in FY 2003. For FY 2004, the Governor recommends \$475,028, including \$225,028

from the State General Fund and \$250,000 from the Economic Development Initiatives Fund. This will fund approximately 280 awards.

Regents Institutions

With state revenues restricted, universities must continue to streamline their operations to stay within their funding or rely on other sources of revenue. In the current year the universities raised their tuition at different rates, ranging from 6.4 percent at Fort Hays State to 25.2 percent at the University of Kansas. The increases softened but did not eliminate the effect of current year allotment reductions. The larger institutions did set aside a portion of the tuition increase to enhance the learning process for students. But the universities have still been forced to eliminate some programs and hold positions vacant. The Governor recommends that in FY 2004 the universities be held at the FY 2003 level after taking allotment reductions into account. The universities have two basic types of funding. "General use funds," which

include state funding, tuition, and selected other funds, can be used by the institutions for general operations. "Restricted use funds," such as federal grants, dormitory fees, parking fees, and other targeted funds, are available only for specific purposes. Prior to FY 2002, the Governor and Legislature established state university budgets using the general use model. Tuition revenue and State General Fund appropriations were combined to form a "general use budget." Adjustment of the general use budget was guided by a complex set of parameters that included enrollment and past tuition increases.

Operating Grants. In the fall of 2000, the Board of Regents proposed a university operating grant model to the Governor. The Governor recommended the concept to the Legislature, and during the 2001 Legislative Session, operating grants were implemented for the universities' FY 2002 budgets. Operating grants are appropriated without guidance from the state on how the funds should be spent. No limitations are placed on university funds, such as tuition. Universities must continue to follow the

Funding for Regents Universities						
	State General Fund	Other State		Misc. General	Restricted	
FY 2003	<u>Operating Grant</u>	<u>Funds</u>	<u>Tuition</u>	<u>Use Funds</u>	<u>Use Funds</u>	<u>Total</u>
U. of Kansas	131,222,584	5,683,043	104,880,744	3,534,569	199,212,875	444,533,815
KU Med. Ctr.	99,479,412	4,238,955	12,684,093	8,107,019	88,320,027	212,829,506
Kansas State U.	101,091,282	4,543,262	61,446,261	100,000	185,518,078	352,698,883
KSU--ESARP	46,456,360	2,449,712	--	8,048,622	58,220,320	115,175,014
KSU--Vet. Med.	9,545,175	78,392	6,685,751	8,779,086	2,752,764	27,841,168
WSU	62,738,280	2,081,922	32,678,325	--	53,823,289	151,321,816
ESU	29,231,556	1,162,583	10,274,774	269,347	17,671,356	58,609,616
PSU	31,826,710	1,034,165	13,366,057	293,998	19,716,738	66,237,668
FHSU	30,179,531	938,032	9,643,420	--	20,533,852	61,294,835
Total	\$ 541,770,890	\$ 22,210,066	\$ 251,659,425	\$ 29,132,641	\$ 645,769,299	\$ 1,490,542,321
FY 2004	<u>Operating Grant</u>	<u>Funds</u>	<u>Tuition</u>	<u>Use Funds</u>	<u>Use Funds</u>	<u>Total</u>
U. of Kansas	131,222,584	65,000	104,238,796	1,637,603	198,614,397	435,778,380
KU Med. Ctr.	97,312,648	2,416,764	12,684,093	7,127,019	87,869,760	207,410,284
Kansas State U.	101,091,282	--	61,261,999	100,000	193,835,088	356,288,369
KSU--ESARP	46,456,360	--	--	7,975,261	47,657,396	102,089,017
KSU--Vet. Med.	9,545,175	13,493	6,535,108	6,197,580	3,008,460	25,299,816
WSU	62,738,280	--	32,678,325	--	53,654,252	149,070,857
ESU	28,981,556	250,000	10,283,630	15,000	17,661,458	57,191,644
PSU	31,826,710	--	13,366,057	--	21,621,210	66,813,977
FHSU	30,179,531	--	9,643,420	--	20,012,134	59,835,085
Total	\$ 539,354,126	\$ 2,745,257	\$ 250,691,428	\$ 23,052,463	\$ 643,934,155	\$ 1,459,777,429

state's salary plan for classified employees. And an appropriation can be made to a university outside of the operating grant for specific purposes.

Operating grants are adjusted through the appropriations process. Any general increase in the operating grants will normally be appropriated in a lump sum to the Board of Regents for allocation to the individual universities. When the Board distributes the lump sum amount, it is at liberty to use its own criteria and is not required to distribute the funds across-the-board.

No formula governs changes in operating grant amounts. The state may take into account a number of variables, including the economy, the needs of the universities, and spending mandates. If reductions to university budgets are necessary, various criteria can be applied to determine the amount of the reduction. The Board has the authority to redistribute funds at any time.

Tuition. The cost of attending a Regents institution has been favorably compared to other public four-year institutions. Regents universities estimate that they will expend at least \$251.6 million from tuition

Resident Tuition Rates			
<i>(Fees not included)</i>			
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2003 Increase</u>
KU	\$ 1,166	\$ 1,460	25.2%
KUMC	5,190	6,283	21.1
KSU	1,166	1,459	25.1
KSU Vet. Med.	2,667	3,135	17.5
WSU	1,106	1,206	9.0
ESU	870	948	9.0
PSU	870	970	11.5
FHSU	870	926	6.4

revenues in FY 2004. In making the estimates, the universities assume the number of students and the tuition rates will remain constant in FY 2003 and FY 2004. The tuition expenditures will rise as new students are added into the equation. In addition, the FY 2004 tuition rates will not be set until late spring of 2003. Revenue from tuition is a significant source of income for the universities. This is especially true for the regional institutions that do not have alternative sources of income that the large research universities have. All of the universities implemented tuition increases for the 2002/2003 school year. The table in

the first column shows the increase for each university. In addition, required fees at each university range from \$238 at Fort Hays State University to \$321 at Wichita State University.

Despite the large increase in tuition, the cost on average of attending a Kansas public institution is below that of their peers. The table below shows this comparison.

FY 2003 Undergraduate Tuition & Fees for Full-time Students		
	Cost per Semester	
	<u>Resident</u>	<u>Non-Resident</u>
University of Kansas	1,742	5,343
University of Colorado	1,801	9,473
University of Iowa	2,096	6,917
U. of N. Carolina-Chapel Hill	1,884	7,526
University of Oklahoma	1,470	4,044
University of Oregon	2,202	7,967
Peer Average	1,890	7,185
<i>KU as % of Peer Average</i>	92.2%	74.4%
Kansas State University	1,722	5,352
Colorado State	1,718	6,353
Iowa State	2,055	6,401
North Carolina State	1,874	7,516
Oklahoma State	1,480	4,007
Oregon State	2,007	7,449
Peer Average	1,827	6,345
<i>KSU as % of Peer Average</i>	94.3%	84.3%
Wichita State University	1,528	4,916
University of Akron	2,899	6,307
Portland State University	1,943	6,633
Univ. Nevada-Las Vegas	1,245	5,138
Old Dominion	2,127	6,642
Oakland University	2,516	5,913
Peer Average	2,146	6,126
<i>WSU as % of Peer Average</i>	71.2%	80.2%
Emporia State University	1,227	3,873
Pittsburg State University	1,267	3,973
Fort Hays State University	1,164	3,744
NW Missouri State U.	2,205	3,656
Western Carolina U.	2,402	5,284
Salisbury State U.	1,301	5,759
Eastern Washington U.	2,440	3,916
Northern Michigan U.	1,790	5,928
Peer Average	2,028	4,909
<i>ESU as % of Peer Average</i>	60.5%	78.9%
<i>PSU as % of Peer Average</i>	62.5%	80.9%
<i>FHSU as % of Peer Average</i>	57.4%	76.3%

Emporia State University

Emporia State University's instructional programs include high-quality baccalaureate and graduate degrees for students of all ages and specialized continuing education for practitioners, including education professionals. The University's teacher education has the necessary depth to prepare teachers and specialized staff for careers in education.

The University addresses educational levels from preschool through postsecondary. Emporia State University strives to make a major contribution to excellence in the public schools. In addition to teacher education, a variety of other programs are offered. Those programs include liberal arts and sciences, business, and library information management. Recently the University has added a doctoral program in the School of Library Information Management.

The Governor's recommendation for FY 2004 is \$28,981,556 for the operating grant from the State General Fund. In addition, the Governor recommends \$250,000 from the State General Fund for the Reading Recovery Program. Emporia State's enrollment has increased by 389 students over the past two years, for a total enrollment of 6,005 in FY 2003.

Fort Hays State University

Fort Hays State University is the only state supported baccalaureate and graduate institution of higher education in the western half of Kansas. Its mission includes the application of computer technology to the educational environment and workplace curriculum. It is a rich resource for rural-oriented research and service. One of the University's goals is to become an eminent regional university by creating a campus environment that combines high technology and a personalized environment. To achieve this goal, it continuously upgrades the telecommunications and computing infrastructure, as well as integration of technology with the learning environment.

For FY 2004, the Governor recommends a \$30,179,531 operating grant from the State General Fund. Fort Hays is teaching an increasing number of credit hours because of its "virtual" university. The virtual university consists of classes presented over the Internet. The headcount enrollment at the University

has increased by 886 students over the past two years with a total headcount of 6,392 in FY 2003.

Kansas State University

For the Manhattan and Salina campuses of Kansas State University, the Governor's recommendation for FY 2004 is \$101,091,282 from the State General Fund for its operating grant. Funding will permit the University to maintain service to its growing population of 22,762 students. The student population has grown by 833 students in the past two years.

Kansas State University remains committed to the belief that its ranked faculty should teach undergraduate courses. It plans to increase the percentage of undergraduate credit hours taught by full-time ranked faculty and to ensure that the overall quality of instruction will continue to increase. Strategies on this key goal are to hire additional faculty, if subsequent enrollment increases require it; continue efforts to improve the utilization of faculty time and talent; renovate large classrooms to accommodate modern, state-of-the-art instructional technologies; and train graduate teaching assistants to be effective teachers.

KSU—Veterinary Medical Center

The Governor recommends \$9,545,175 for the Center's operating grant for the State General Fund for FY 2004. The Center provides veterinary medical education to approximately 400 students. In addition, the hospital and clinic provides veterinary services to the public.

Caseloads in the hospital and clinic are projected to increase 1.0 percent in the current year to 78,127 in part because of new services, such as transport of animals to and from the Manhattan facility throughout the region and on-site services to such places as local rodeos. In addition, the hospital has completed, with fees from services, a new oncology unit for the study of tumors. Currently the Medical Center is constructing, with private funds, an addition to the equine section. An Equine Performance Testing and Locomotion Center will provide clinicians and horse owners with access to sophisticated diagnostic instruments for evaluation of many performance

related issues. The Center will also have an exercise area providing a variety of surfaces for assessment of horses being led or ridden. The services encourage animal owners to use the Center's services, generating teaching cases for the veterinarian students.

Kansas State University—ESARP

For FY 2004, the Governor recommends \$46,456,360 for the operating grant from the State General Fund. The Extension Systems and Agriculture Research Program (ESARP) conducts research and provides community services. Its four primary areas of focus are agricultural industry competitiveness; natural resources and environmental management; food, nutrition, health and safety; and youth, family, and community development. ESARP does not generate tuition revenues but does receive federal land grant funding. In FY 2004, it is expected to receive almost \$8.0 million from this source. ESARP has 1,398.1 FTE positions, including agents in the communities.

Pittsburg State University

Pittsburg State University's primary objective is to offer strong undergraduate and graduate educational programs to those in its area. It is committed to fulfilling its statewide mission in technology and economic development by facilitating partnerships with secondary and postsecondary educational institutions, businesses, and industries. This commitment is displayed through the University's College of Technology, which is the center of technological excellence in the state.

For FY 2004, the Governor recommends \$31,826,710 from the State General Fund for the University's operating grant. The University's current enrollment is 6,751 students, an increase of 333 students over the past two years.

University of Kansas

The Governor recommends \$131,222,584 for the University's FY 2004 State General Fund operating grant. In addition, the Governor recommends \$45,000 from the State Water Plan Fund for the Geological

Survey to conduct research on the Ogallala Aquifer. The University will continue to provide graduate and undergraduate education to 26,458 students in the current year. Enrollment at the University has increased by 538 students over the past two years. The University is targeting a portion of its tuition increase to retaining and increasing faculty, student financial aid and services, and technology equipment.

University of Kansas Medical Center

Governance of the University of Kansas Hospital changed from the Kansas Board of Regents to a new public authority in FY 1999. The majority of hospital expenditures are no longer reflected in the state budget. However, the hospital still contracts and shares certain operating costs with the portion of the Medical Center that remains a state agency.

For FY 2004, the Governor recommends \$97,312,648 for the operating grant and \$2,166,764 for the Medical Student Loan/Scholarship Program from the State General Fund. The Medical Center's vision is to be the premier, customer-focused, academic health science system in the region by becoming a regional and national leader in the education of primary health care professionals and in research and clinical services related to the interdisciplinary center of rural health and other areas.

The University provides services to rural communities through clinics operated in several areas of the state by the Kansas City facility. In addition to telemedicine consultations performed through new technological means, service to rural areas and training for medical residents in family practice provided by the University through the Smoky Hill Family Practice Program in Salina. This program provides training specifically to family practice residents.

Medical Student Loan Program. The University also administers the Medical Student Loan/Scholarship Program. This outreach program is designed to provide an increased supply of general practice physicians to rural areas. For FY 2004, the Governor has included \$2,566,764, including \$2,166,764 from the State General Fund. This will fund approximately 90 students instead of the traditional 120 students. These loans are for all four years of the medical program. Recently, the program's repayment fund has

been dropping dramatically because more doctors are choosing to serve rather than repay their loans. The reduced state revenues make it difficult to provide the additional State General Fund monies to fund the program fully. The Governor has recommended that the State General Fund monies for this program be appropriated to a separate account so that it can be evaluated independently from the University's other operations.

Tele-Kid Health Care Link. The KU Medical Center launched a project in 1998 that made it the first in the country to deliver medical services to local schools. The Tele-Kid Health Care Link project uses a PC-based telemedicine technology that links physicians and children for clinical visits from the school nurse's office to the doctor's office.

In this project, KUMC pediatricians and other specialists are linked with children at various elementary schools in the Kansas City, Kansas vicinity. The Governor concurs that Wichita and rural children will also benefit from telemedicine technology that can bring health services directly into the schools; therefore, she recommends that \$250,000 in FY 2004 be spent on this program from the Children's Initiatives Fund.

KUMC will serve as a facilitator to link rural health providers with the schools in their service areas. In those cases where there are no local health providers or if back-up medical services are requested, KU

physicians could be available to provide clinical consultations.

Wichita State University

For FY 2004, the Governor recommends \$62,738,280 from the State General Fund for its operating grant. The University has an enrollment of 15,534 in the current year, which is an increase of 724 students over the last two years. Unique to this institution are the demographics of its students. Wichita State's average student is 28 years old and has 59 hours of transfer credit upon receipt of a bachelor's degree. Approximately 13.4 percent of Wichita State's students come from other countries. In keeping with this institution's demographics, many students take courses at the three sites that are in Wichita, but which are located off the main campus.

Wichita State is working to increase external funding for its research, training, and public service functions. The University brings experts to campus to offer workshops in the effort to improve the quality of research proposals. Collaboration is encouraged with local industries, such as Boeing, and with faculty of other universities to provide joint projects and proposals. One of the University's strengths is aviation engineering education and research. The University will be participating in the Board of Regents research initiative and upgrading its aviation research facilities.

Other Education Agencies

Kansas Arts Commission

The Kansas Arts Commission offers grants and technical assistance to various artists and arts organizations throughout the state. The Governor recommends \$1,995,300 from all funding sources for FY 2004, with \$1,503,950 from the State General Fund, for services provided by 8.0 existing FTE positions. Of the total budget, \$1,421,591 is for arts programming and \$573,709 is for administration. Funding is primarily from State General Fund appropriations and grants from the National Endowment from the Arts. The State General Fund base budget for the Kansas Arts Commission is reduced by \$80,964 in grants and aid to community organizations. The Commission expects to sponsor 90 statewide arts programs in FY 2004.

Historical Society

The State Historical Society collects, interprets, and disseminates materials and information related to Kansas history in order to assist the public in understanding and appreciating Kansas heritage and how it relates to the present. This purpose is accomplished in four significant ways: documentary and research applications, historic preservation assistance regarding local historic properties, the management of state historic properties, and the interpretation of history at the Kansas Museum of History.

The Governor's recommendation for FY 2004 is \$7,855,347 from all funding sources, with \$5,553,906 from the State General Fund. Funding for the Historical Society's state operations in FY 2004 imposes a high shrinkage rate of 10.7 percent, which

will require the agency to make reductions to the services it provides the public. Although private fund raising has been relatively successful, private dollars are not available to compensate for the proposed operating reductions. The FY 2004 budget includes a pass-through grant of \$27,930 for the Heritage Center in Dodge City. The Governor's recommendation also includes a \$79,135 grant to the Kansas Humanities Council. In FY 2004, the Humanities Council will use the state funds for community-based programming to match nearly \$500,000 in federal monies received through the National Endowment for the Humanities, as well as local funds across the state.

State Library

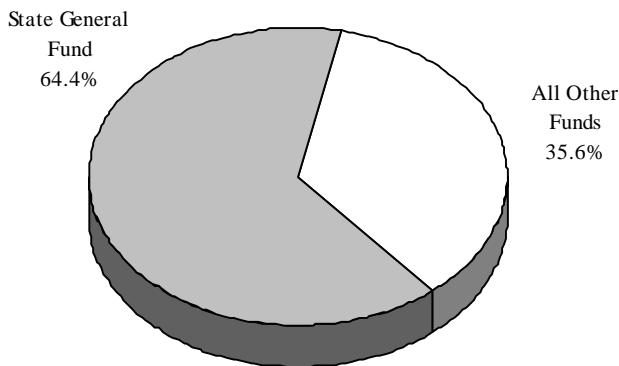
The State Library provides information services for state and local governments, for local libraries and their users, and for people who communicate with the library in the Statehouse or at its other service locations. The State Library distributes grants to libraries and serves in a coordinating and technical resource role to encourage cost-effective, community-based library services. In 2002, Kansas was ranked eighth in the nation by the *American Libraries* magazine, based on several measures, including per capita expenditures, the quantity of materials available, and the number of patron visits.

The Governor recommends \$6,516,104 from all funding sources, including \$4,917,857 from the State General Fund, for FY 2004 for services provided by the State Library, including the 27.0 existing FTE positions. Recommended reductions to the budget for the State Library are made to agency operations, as well as to support of local library operations.

Public Safety Summary

The primary purpose of the Public Safety Function is to preserve the safety of Kansas citizens. Agencies in this function include the Department of Corrections and eight adult correctional facilities, the Juvenile Justice Authority and four juvenile correctional facilities, the Adjutant General, the Emergency Medical Services Board, the State Fire Marshal, the Highway Patrol, the Kansas Bureau of Investigation, the Parole Board, and the Sentencing Commission. Public Safety agencies ensure the safety of Kansas citizens through management of the state correctional system, enforcement of fire and safety regulations, coordination and regulation of emergency services, serving the public in emergencies, investigation of crimes, and enforcement of state laws.

How It Is Financed



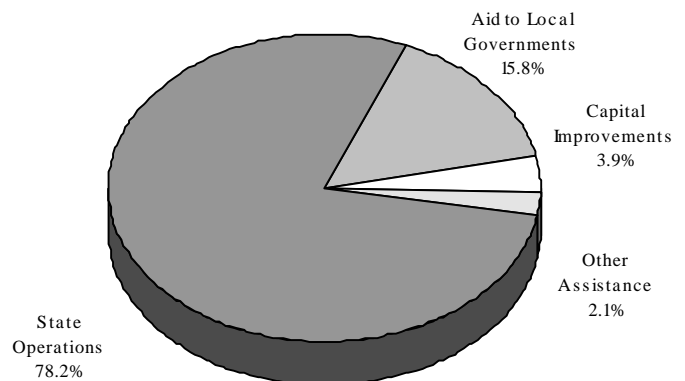
Fiscal Year 2004

The Governor recommends a budget of \$455.5 million from all funding sources, including \$300.7 million from the State General Fund, for this function in FY 2003. For FY 2004, \$448.8 million from all funding sources, including \$289.0 million from the State General Fund, is recommended for public safety agencies. Included in the FY 2004 recommendation is \$70.7 million for aid to local governments.

The FY 2004 recommendation for operation of the adult correctional system is \$238.7 million. The Governor's recommendation is based on an estimated capacity of 9,062 inmates. For the adult correctional system, the Governor recommends \$4.0 million in supplemental spending in FY 2003 from the State

General Fund. The supplemental appropriation will fund the unanticipated increase of 500 inmates for food service and medical care and restore part of the allotment reduction that was imposed on the corrections system in FY 2003.

How It Is Spent



Fiscal Year 2004

Expenditures also include \$89.6 million for the Juvenile Justice Authority and the juvenile correctional facilities under its jurisdiction. This includes \$13.0 million for grants to community corrections agencies and \$6.8 million for juvenile delinquency prevention grants. The Juvenile Justice Authority is building new facilities and remodeling or replacing portions of existing facilities. The recommendation includes funding to begin equipping and staffing the Juvenile Correctional Complex and the new Larned Juvenile Correction Facility, which will open in July 2003.

The Governor recommends, for the second half of FY 2003, that the Highway Patrol be funded by a transfer from the State Highway Fund. The transfer will be \$13.1 million for FY 2003 and \$31.0 million for FY 2004. It replaces the State General Fund portion of the Patrol's budget. In addition, \$2.9 million is recommended to allow the Patrol to fill trooper positions. In FY 2004, the Governor also recommends moving the Alcoholic Beverage Control Division from the Department of Revenue to the Highway Patrol. In the Adjutant General's budget, \$4.9 million for FY 2003 and \$684,812 for FY 2004 is provided for Ice Storm Disaster Relief.

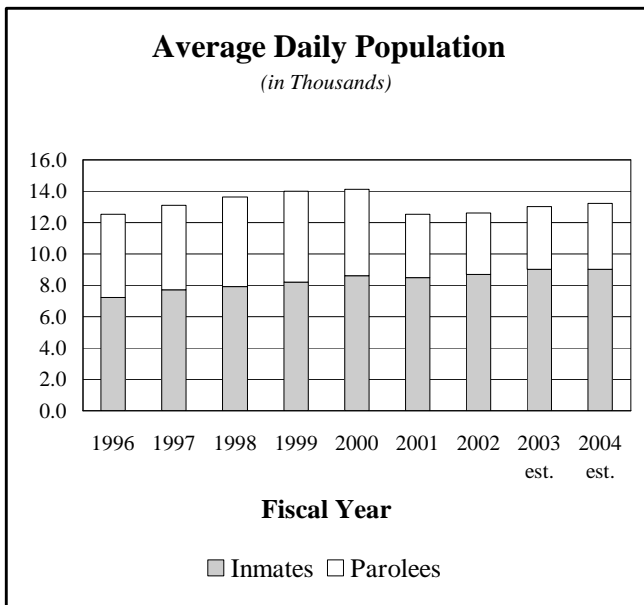
Corrections

Correctional System

The Kansas Correctional System comprises eight prison facilities, as well as the oversight of community corrections agencies. The eight adult prison facilities can be found in the communities of Norton, Winfield, Ellsworth, Larned, El Dorado, Hutchinson, Topeka and Lansing. There are currently 31 community corrections agencies that receive grants from the Department. Some agencies serve a single county, such as Sedgwick, Reno, Leavenworth, and Johnson Counties, while others are multi-county agencies.

Adult Prison Population

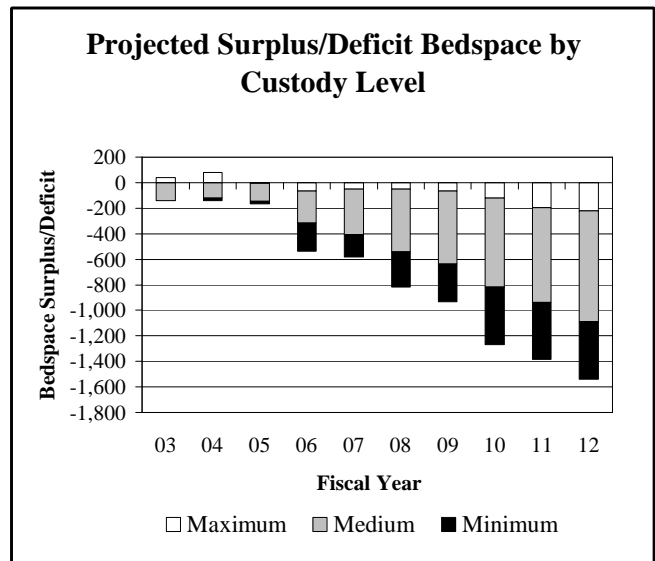
Each year, the Kansas Sentencing Commission releases its annual adult inmate prison population projections in September. The budgets for each facility, including medical and food service contracts that are budgeted in the Central Office, are based on this official projection. The latest projections by the Commission are higher than the year before. At the end of FY 2003, the Commission estimates that 9,044 inmates will be in the custody of the Secretary, which is 473 inmates greater than the previous model projected. According to the Commission, the increase can be attributed to additional new court commitments,



probation condition violators and probation violators with new sentences. At the end of FY 2004, the

Commission estimates a population of 9,004 inmates, which is 562 greater than previously estimated.

As the prison population continues to increase, there is concern about the capacity of bedspace at all custody levels for male inmates. As illustrated by the graph below with current facility configurations, the correctional system is expected to have a deficit of maximum security beds from FY 2005 through FY 2012, a deficit of medium security beds from FY 2003 through FY 2012, and a deficit of minimum security beds from FY 2004 through FY 2012.



Community Supervision

Community Supervision includes four subprograms: Parole and Post Release Supervision, Day Reporting Centers, Community Corrections, and the Labette Correctional Conservation Camp. Community Supervision is used as an alternative to incarceration. For the most part, offenders convicted of lower severity offenses are assigned to community supervision. An average daily population of 4,329 offenders in parole supervision and 4,311 offenders in community corrections is expected to be served by community corrections agencies in FY 2004.

Although the 2000 Legislature authorized three day reporting centers (DRCs) for the supervision of post-incarceration condition violators in the Kansas City,

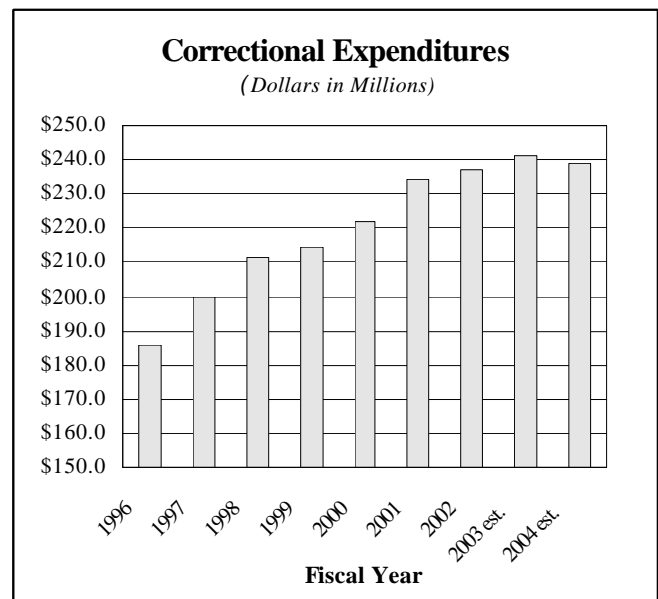
Topeka, and Wichita areas, only the Wichita and Topeka sites are operational. The Department abandoned plans for opening the Kansas City DRC, as no location was found to be acceptable to both the community and the Department. For FY 2004, the Governor recommends total expenditures of \$2.5 million from all funding sources, including \$254,400 from the State General Fund. The centers are financed through the federal Violent Offender Incarceration-Truth-in-Sentencing Grant funds on a 90.0 percent federal/10.0 percent state match.

Systemwide Recommendations

During FY 2003, State General Fund appropriations for the Department of Corrections systemwide were reduced by \$12.6 million by the two allotment reductions made by Governor Graves. In the first round allotments of \$4.3 million, the Department reduced offender programs by \$1.8 million, reduced community corrections grants by \$600,000, reduced central administration expenses by \$286,000, and parole and post-release supervision by \$200,000. The remaining \$1.4 million in reductions were made at the correctional facilities through increased shrinkage rates and various reductions in other operating expenditures.

In the second round of allotments, \$8.3 million was reduced from the Department's approved budget. To absorb the reductions, the Department further reduced central administration, the operating budgets of the correctional facilities, and community corrections grants. In addition, offender programs were reduced further by \$622,000; the Kansas Correctional Industries Fund was utilized to offset State General Fund bond payments in the amount of \$500,000; the Correctional Institutions Building Fund was utilized to offset State General Fund bond payments in the amount of \$300,000; and other expenditures of \$800,000 were reduced from the central office budget. To meet the reductions fully, the Department would also need to close the Stockton Unit, Osawatomie Unit, Toronto Unit, El Dorado North, Labette conservation camps, and the adult residential centers in Johnson and Sedgwick Counties. \$3.3 million is added to the budget in FY 2003 to avoid closure of the facilities. The Department will not begin any closure proceedings, pending approval of the additional funds by the Legislature.

For FY 2004, the Governor recommends expenditures of \$238.7 million from all funding sources, including \$210.6 million from the State General Fund. This recommendation is an increase of \$3.1 million over the Governor's revised expenditures from the State General Fund in FY 2003, while a reduction of \$2.2 million from all funding sources from FY 2003. Expenditures from FY 1996 to recommended expenditures in FY 2004 are illustrated in the following graph. The Governor's recommendations will keep all of the correctional facilities at current capacity levels, while reducing offender programs from FY 2003 levels. Offender programs are further discussed in the next section under the Department of Corrections.



Department of Corrections

For FY 2003, the Governor recommends a supplemental appropriation of \$4.0 million from the State General Fund for the inmate medical and food service contract. The unanticipated increase of approximately 500 inmates from the previous estimate constitutes \$733,963 of this recommendation. The remaining \$3.3 million is a restoration of allotment reductions the Department made to the food service and medical contracts in order to keep all correctional facilities open. Systemwide, the Department had to absorb a net \$12.6 million in State General Fund allotment reductions. As a result, the Governor recommends adding a total of \$4.0 million to the

agency's budget to fund the medical and food service contracts adequately.

For FY 2004, the Governor recommends \$108.7 million from all funding sources, including \$82.6 million from the State General Fund. Funding is provided to allow the Secretary of Corrections to continue oversight of the correctional system and to provide managerial and technical assistance to the state's correctional facilities and community-based programs. The recommended budget provides funding for administrative costs, community-based programs, offender programs, Kansas Correctional Industries, debt service, and capital improvements.

Offender Programs. The Governor recommends \$7.0 million for offender programs. This is a reduction of approximately \$2.7 million from FY 2003. However, specific areas of offender program reductions have not yet been identified. The Department provides rehabilitative programs and services to felony offenders in the state's correctional facilities, including vocational and technical education, and therapeutic communities for substance abuse rehabilitation.

Health Care. For FY 2004, the Governor recommends \$26.0 million to fund a contract with Prison Health Services, which covers all medical and mental health expenses for inmates housed in the state's correctional facilities.

Food Service. The Governor recommends FY 2004 expenditures of \$13.1 million to fund the food service contract with Aramark Corporation. All food service contract expenditures for the eight facilities are funded through the Central Office.

Kansas Correctional Industries. The Governor recommends expenditures of \$9.4 million from the Correctional Industries Fund for the operations of Kansas Correctional Industries. Correctional Industries is entirely self-supporting from the manufacture and sale of a variety of products and services. These are sold to government agencies and qualified organizations, such as state agencies and local governments.

El Dorado Correctional Facility

For FY 2004, the Governor recommends \$20.8 million from all funding sources, including \$20.7 million from

the State General Fund, to provide staff and support for the El Dorado Correctional Facility and 466.5 FTE positions. This recommendation will provide an operating capacity of 1,358 inmates.

Ellsworth Correctional Facility

The Governor recommends expenditures of \$10.5 million from all funding sources, including \$10.5 million from the State General Fund in FY 2004 for Ellsworth Correctional Facility. A total of 223.0 FTE positions is included for an operating capacity of 832 inmates.

Hutchinson Correctional Facility

For FY 2004, the Governor recommends \$24.6 million from all funding sources, including \$24.4 million from the State General Fund, for Hutchinson Correctional Facility. The recommendation supports 513.0 FTE positions and an operating capacity of 1,768 inmates.

Lansing Correctional Facility

To support 710.0 FTE positions at Lansing Correctional Facility in FY 2004, the Governor recommends expenditures of \$32.5 million from all funding sources, including \$32.4 million from the State General Fund. This recommendation provides an operating capacity of 2,489 inmates.

Topeka Correctional Facility

A total of \$11.2 million from all funding sources, including \$10.2 million from the State General Fund, is recommended by the Governor in FY 2004 for Topeka Correctional Facility. A total of 248.0 FTE positions is included for an operating capacity of 610.0 female inmates.

Larned Correctional Mental Health Facility

For FY 2004, the Governor recommends expenditures of \$7.9 million, all from the State General Fund, for the Larned Correctional Mental Health Facility. This recommendation provides for a total of 186.0 FTE positions and an operating capacity of 368 inmates.

Norton Correctional Facility

For FY 2004, the Governor recommends expenditures of \$12.3 million, including \$12.2 million from the State General Fund, for the Norton Correctional Facility. This recommendation provides for a total of 266.0 FTE positions and an operating capacity of 819 inmates.

Winfield Correctional Facility

The Governor recommends \$10.0 million from all funding sources, including \$9.8 million from the State General Fund, in FY 2004. The recommendation provides for a total of 201.0 FTE positions and an operating capacity of 770 inmates, including 248 inmates at the Wichita Work Release Facility.

Juvenile Justice

The duties of the Juvenile Justice Authority and the Commissioner of Juvenile Justice are outlined in the Juvenile Justice Reform Act of 1996. The Juvenile Justice Authority assumed responsibility for all juvenile offenders and operation of the juvenile correctional facilities on July 1, 1997. The agency's mission is to promote public safety, hold juvenile offenders accountable for their behavior, and improve the ability of youth to live productively and responsibly in their communities.

Juvenile Justice Authority

The Governor recommends 39.0 FTE positions and \$56.8 million, including \$29.4 million from the State General Fund, for FY 2004. This recommendation will allow the agency to continue to provide immediate intervention and community-based graduated sanctions programs. The Governor recommends an additional \$32.8 million, including \$31.1 million from the State General Fund, for the operation of the four juvenile correctional facilities.

The table below details actual and recommended expenditures for the Juvenile Justice Authority and facilities from FY 2002 through FY 2004.

In the agency's early years, the emphasis was on community planning and the development of community services. The agency provided communities with technical assistance and helped in the development of plans that met the individual needs of the community. Focus has shifted from community planning to implementation of those plans, which started in January 2000. Approximately \$47.3 million will be distributed to community providers in FY 2004. Of this, \$6.8 million will be provided for delinquency prevention programs.

The Authority continues to develop the Juvenile Justice Information System, with implementation set for July 2003. As the system becomes complete, expenditures are moving from development to the acquisition of data storage space and system maintenance. The Governor recommends \$1,055,066 from the State General Fund for this system and the

Juvenile Justice Expenditures & Funding

	FY 2002 <u>Actual</u>	FY 2003 <u>Gov. Rec.</u>	FY 2004 <u>Gov. Rec.</u>
Expenditures:			
Administration	4,288,544	5,435,720	5,112,194
Management Information System (non-aid)	1,454,783	1,055,066	1,140,282
Juvenile Community Corrections	6,832,509	6,963,872	6,963,872
Case Management	4,997,516	4,997,516	4,997,516
Intake & Assessment	4,803,111	3,614,623	4,068,613
Other Intervention/Graduated Sanctions	4,119,917	4,119,917	4,363,872
Prevention	7,721,858	6,406,209	6,770,696
Purchase of Services/Community Vendor Payments	17,428,161	16,581,394	17,720,413
Other Services to Communities	2,717,038	2,646,550	2,646,550
Capital Improvements, Planning, & Debt Service	9,569,883	5,011,456	3,030,000
Subtotal	\$ 63,933,320	\$ 56,832,323	\$ 56,814,008
Juvenile Correctional Facilities	30,485,851	29,846,529	32,771,182
Total	\$ 94,419,171	\$ 86,678,852	\$ 89,585,190
Funding:			
State General Fund	62,302,833	57,342,107	60,538,681
Federal Funds	13,739,953	10,265,325	8,774,460
Other Funds	18,376,385	19,071,420	20,272,049
Total	\$ 94,419,171	\$ 86,678,852	\$ 89,585,190

agency's Management Information System in FY 2003 and \$1,140,282 from the State General Fund in FY 2004.

The two allotment reductions for FY 2003 reduced the Juvenile Justice Authority's systemwide State General Fund appropriation by \$3,567,975. Central Office reductions included a \$1,735,606 decrease in intake and assessment grants and an \$890,588 reduction in purchase of service grants. To offset the reduction in intake and assessment grants, \$1.1 million from the Children's Initiatives Fund that had been appropriated for prevention grants was shifted to intake and assessment grants. Funding for the agency's management information systems and the Juvenile Justice Information System (JJIS) was reduced by \$85,000. This reduction will not delay the development of the JJIS, but will delay the acquisition of additional data storage space for the system.

Kansas Savings Incentive Program funding for employee training and related travel and information technology purchases at the Central Office and the facilities was reduced by \$78,494. Reductions at the four juvenile correctional facilities account for \$778,287 of the \$3.6 million systemwide reduction. Decreased funding at the facilities includes reductions in operating expenditures at Larned and a reduction of the school contract at Topeka. The Larned reductions will delay the opening of the replacement facility until FY 2004. The Topeka reduction will reduce the number of juvenile offenders who will be able to participate in work-study programs. Of the allotment reductions, the reduction in purchase of service grants and the school contract at Topeka will carry over into FY 2004.

Juvenile Correctional Facilities

The Authority oversees the juvenile correctional facilities at Atchison, Beloit, Larned, and Topeka. The facilities house juvenile offenders ages 10 to 23 who have been adjudicated under Kansas law and who have been ordered by the court to be held in state custody.

Population concerns at the facilities led the 2000 Legislature to approve funding for facility expansion. The population at the facilities has steadily increased since the implementation of the sentencing matrix in

FY 2000. Several factors have contributed to this increase. Under the matrix, only violent and chronic juvenile offenders are committed to the facilities. In addition, sentences are now longer than they were before implementation of the matrix. Finally, facility superintendents no longer have the authority to release juvenile offenders early. The combination of longer sentences and the inability of facilities to grant an early release has resulted in the increase in population.

Atchison Juvenile Correctional Facility

The Atchison Juvenile Correctional Facility houses 114 of the younger male offenders, ages 10 to 16 years old. Education, recreation, and counseling services are part of the structured activities provided for the rehabilitation of juveniles. For FY 2004, the Governor recommends \$6,116,241, including \$5,868,143 from the State General Fund.

Beloit Juvenile Correctional Facility

The only facility to house female juvenile offenders and the only facility to experience a decrease in population is the Beloit Juvenile Correctional Facility. Education, recreation, and counseling services are a portion of programs offered for rehabilitating juveniles. The Governor recommends \$5,114,775, including \$4,873,945 from the State General Fund, for FY 2004. This recommendation will eliminate funding for two living units, reducing the facility capacity from 76 to 66.

Larned Juvenile Correctional Facility

In FY 2004, the current 116-bed Larned Facility will be replaced by a modern, 152-bed medium-security facility. The new Larned Facility will specialize in substance abuse and mental health treatment for male offenders. The Facility will continue to share many services with Larned State Hospital, including laundry, food services, and medical services. For FY 2004, the Governor recommends \$7,693,438, with \$7,229,161 from the State General Fund. At this level of funding, the Facility will postpone filling 17.0 FTE positions, thus delaying the opening of a 30-bed pod at the new facility until December 2003.

Topeka Juvenile Correctional Facility

The Topeka Juvenile Correctional Facility (TJCF) is a 276-bed medium-security facility that houses the most violent and chronic juvenile offenders who enter the juvenile justice system. Juvenile offenders committed to TJCF range from 15 to 21 years old. Offenders participate in structured activities and programs, such as vocational training, recreation, and counseling services aimed at rehabilitation. Offenders can also complete their high school education at TJCF.

A new 60-bed replacement unit is being constructed to replace some of the older, less secure and less efficient open-dorm style units. In addition, a new 225-bed maximum-security and diagnostic and classification facility is being built adjacent to TJCF. This facility, the Kansas Juvenile Correctional Complex (KJCC), is scheduled to open July 2004. For FY 2004, the Governor recommends \$13,846,728, with \$13,171,684 from the State General Fund. Of this, \$1,325,000 from the State General Fund is dedicated to KJCC to begin opening the facility in July 2004.

Other Public Safety Agencies

Adjutant General

Preservation of peace, order, health, and public safety is the mission of the Adjutant General's Department. The Department must also be ready to serve as part of America's Army and Air Force. The Adjutant General manages operations of the Kansas National Guard and the State's Division of Emergency Management. State funds are provided for administrative support and operating costs related to buildings and facilities. These facilities include National Guard armories, the State Defense Building in Topeka, and the Air National Guard Facilities at McConnell Air Force Base in Wichita and Forbes Field in Topeka.

For FY 2004, the Governor's recommended budget totals \$37,190,375 from all funding sources, including \$5,172,022 from the State General Fund. The recommendation includes salaries and wages for 215.0 FTE positions and 102.0 non-FTE unclassified permanent positions. The recommendation reduces the agency's State General Fund financing by \$336,876, or 6.1 percent. Of the total reduced, \$286,816 is from the Emergency Preparedness Operation and Administration Program, and \$50,000 is from the Physical Plant Operations Program. The reduction in Emergency Preparedness Operation and Administration Program will result in less aid to local governments and non-profit organization to help match federal grants awarded for the 2002 Ice Storm Disaster Relief. The \$50,000 reduction in the Physical Plant Operations Program reflects savings that will be realized after the armory insurance requirement is waived in FY 2004, which requires a change in the law.

Ice Storm Disaster Funds. The 2002 Legislature authorized total expenditures of \$7,110,000 from the State General Fund for the cost of ice storm disasters in eastern Kansas that occurred in January 2002. The storm caused severely damaged streets, county roads, public properties, homes, businesses, and automobiles. A Presidential Major Disaster Declaration was approved on February 6, 2002, and federal aid was made available to supplement state and local recovery efforts. The agency spent \$450,000 in FY 2002 for the Ice Storm Disaster Relief. For FY 2003 and FY 2004,

the Governor recommends \$4,904,194 and \$684,812, respectively.

Homeland Security. Immediately after the terrorist attacks on September 11, 2001, the Adjutant General's Department was involved in securing the Wolf Creek Power Plant, selected Kansas airports, and military sites. Both military and state emergency operations centers were activated to institute statewide protective and preventive actions. During 2002, the agency arranged a bioterrorism exercise called "Prairie Plague 2002," which simulated a smallpox attack and provided a group of 700 attendees, including local emergency responders and health officials, to institute response plans should such an event occur.

Multiple regional exercises and training sessions were held in 2002, and more are planned for 2003. The federal government financed \$2.8 million for Kansas National Guard Airport Security and Force Protection missions in 2002, and during the same period, approximately \$17,000 in fee funds were spent for additional security at the Wolf Creek Power Plant. Additional expenditures of \$1.2 million in federal funds are being spent in the current year guarding military buildings and equipment. Federal funds of \$20.0 million are expected in 2003 from the newly created U.S. Department of Homeland Security in April 2003.

Emergency Medical Services Board

The Emergency Medical Services Board protects the health and welfare of the public by assuring appropriate out-of-hospital care and transportation for sick and injured people. The Board establishes and enforces a set of minimum standards to accomplish this purpose. In addition, it is the responsibility of the Board to provide training and technical assistance to ensure that these minimum standards are met or exceeded as well as to investigate and take regulatory action when they are not.

2002 SB 508 authorized the EMS Board direct access to the fees, charges, and penalties it collects to fund the operations of the agency starting in FY 2003. The

2002 Legislature also directed that a .25 percent levy on fire insurance premiums, which is authorized by current law, be remitted to the Insurance Commissioner to finance the operation of EMS, instead of being remitted to the State Fire Marshal. With passage of SB 508, the agency will be entirely fee-funded for FY 2004. In FY 2004, the Governor recommends \$917,705, with \$817,705 from the Emergency Medical Services Operating Fund, to support 13.0 FTE positions and 1.0 non-FTE unclassified permanent position. The Governor also recommends that the agency be converted to a biennial agency beginning with the FY 2006-2007 budget cycle.

State Fire Marshal

The Kansas Fire Marshal's mission is to protect the lives and property of citizens from hazards of fire and explosion. To ensure and foster a safe environment, the Governor recommends \$3,512,477 from the agency's fee fund in FY 2004. The agency has 46.0 FTE positions and 1.0 non-FTE unclassified permanent position. The agency's operating expenditures are reduced by 5.9 percent for FY 2004 and the savings transferred to the State General Fund. Program reductions will be in various services offered, such as youth programs, populations at-risk programs, and aid to local governments in fire training for voluntary units plus technical support. The agency expects 485 requests for fire investigation from communities for FY 2004 and anticipates 52.0 percent of the local fire departments will use the Firefighter Certification Program offered by the Kansas State Fire Marshal.

The Governor's recommendation includes \$419,239 to continue the agency's HAZMAT Program. This program provides local fire departments with training in how to handle various hazardous materials. The Department also is responsible for coordinating state and local agencies' efforts when responding to hazardous materials clean-up situations.

Highway Patrol

The mission of the Highway Patrol is to enforce traffic and other state laws to enhance the safety of travelers driving on state and federal highways in Kansas. The

Patrol's presence on Kansas highways will result in a low fatality rate, an increased number of felony arrests as compared to previous years, and over 100,000 service calls. A service call includes many public services, including removal of debris from the road, transporting stranded motorists, and other activities not specifically related to law enforcement.

Financing Transferred to Highway Fund. For the second half of FY 2003, the Highway Patrol will no longer be funded through the State General Fund under the Governor's proposal. That portion of the Patrol's budget will be funded through a transfer from the State Highway Fund to the Highway Patrol Operations Fund. The transfer will be \$13.1 million for FY 2003. In FY 2004, the Governor recommends \$58.4 million for the Kansas Highway Patrol. This amount includes a \$31.0 million transfer from the State Highway Fund. At this level, the Highway Patrol will fund 923.1 positions, including 861.8 FTE positions and 61.3 non-FTE unclassified permanent positions. The budget recommendation is \$5.2 million more than the agency's base budget level. Of this amount, \$2.9 million will allow the Highway Patrol to fill more vacant trooper positions than has recently been possible. An additional \$500,000 will pay debt service on the executive aircraft, for which the Patrol took responsibility from the Department of Administration in FY 2003. The first debt service payment for the Highway Patrol, but the third since the current aircraft was acquired, is due in FY 2004.

Relocation of Alcoholic Beverage Control. There are an additional 38.0 FTE positions over the FY 2002 level. These positions are from the Department of Revenue and represent the Alcoholic Beverage Control function, which the Governor recommends be moved to the Highway Patrol beginning in FY 2004. The final \$1.8 million of the \$5.2 million increase will fund the Alcoholic Beverage Control Division.

Homeland Security. The Kansas Highway Patrol has received funding from the State Domestic Preparedness Equipment Program of the U.S. Department of Justice to purchase specialized equipment for fire, emergency medical, hazardous materials response services, and law enforcement agencies. The funds are designed to enhance the capabilities of state and local governments to respond to acts of terrorism involving chemical or biological agents, as well as radiological, nuclear, and explosive

devices. As of December 2002, the Highway Patrol has received \$2.3 million and expects to receive approximately \$2.8 million more in the spring of 2003. The Highway Patrol was chosen by Governor Graves as the state administrative agency responsible for implementing local emergency operations plans that include state and local agencies involved in the following services: emergency medicine, public health, and fire and police protection. The Highway Patrol has implemented a procedure for distributing grant funds, setting up training programs, and methods for reporting on and evaluating the state's domestic preparedness programs

Kansas Bureau of Investigation

The mission of the Kansas Bureau of Investigation is to provide professional investigative and laboratory services to Kansas criminal justice agencies. The agency is also dedicated to the collection and dissemination of criminal information for the purpose of promoting public safety and the prevention of crime.

For FY 2004, the Governor recommends \$19,247,811 from all funding sources, including \$11,835,195 from the State General Fund. The recommendation reduces the agency's base State General Fund budget by \$627,905, or 5.0 percent. The recommendation reduces salaries and wages in the Laboratory Program by \$131,680 and reduces the Kansas Criminal Justice Information System support to counties by \$506,220. The recommendation will allow the agency to assist local law enforcement agencies in the investigation of predominantly violent crimes, perform investigations at the request of the Attorney General, maintain a criminal records database, and provide laboratory services for local and state law enforcement agencies. The Governor's recommendation provides funding for 201.0 FTE and 76.5 non-FTE unclassified permanent positions.

Kansas Parole Board

The Kansas Parole Board conducts parole and parole violation hearings, as well as public comment sessions. The Board also has responsibilities associated with the parole and parole revocation of inmates who have been incarcerated. Current law authorizes a board

consisting of 4.0 members. However, the number of parole hearings that the Board is responsible for has dropped from a high of 5,699 in FY 1995 to an estimated 1,180 in FY 2003. Because of this trend, the Governor recommends the elimination of 1.0 board member in FY 2004. As a result, the Governor recommends expenditures of \$486,102 from the State General Fund in FY 2004 for the funding of 3.0 board members. Administrative support for the board is provided and budgeted by the Department of Corrections. By eliminating a board member, annual costs of approximately \$100,000 will be saved from the State General Fund.

Kansas Sentencing Commission

The mission of the Kansas Sentencing Commission is to develop monitoring and reporting procedures to determine the effect of sentence guidelines on the Kansas adult correctional system. The agency also has previously administered all criminal justice federal funding that is awarded to state and local governments. However, for FY 2004, the Governor recommends transferring the administration of federal Byrne grants to the Office of the Governor. As a result, the agency will no longer administer approximately \$5.6 million in federal grants, which includes \$256,000 for administrative expenditures.

The project manager for the Criminal Justice Information System previously had been budgeted for in the Sentencing Commission, as the federal funding for the project was administered by the agency. However, the project's first phase will be completed in FY 2003. As a result, the Governor recommends the elimination of the project manager, along with funding in the amount of \$97,632 for this position, including \$87,632 for salaries and wages and \$10,000 for other operating expenditures. However, the Governor recommends the agency retain \$10,000 from the reductions for a base salary adjustment for the executive director of the agency in recognition of the additional responsibilities that will be assumed with the deletion of the project manager.

As a result of the above decisions, the Governor recommends funding in the amount of \$726,789 from all funding sources, including \$316,935 from the State General Fund, to support 9.0 FTE positions and 2.0 non-FTE unclassified permanent positions.

Ombudsman for Corrections

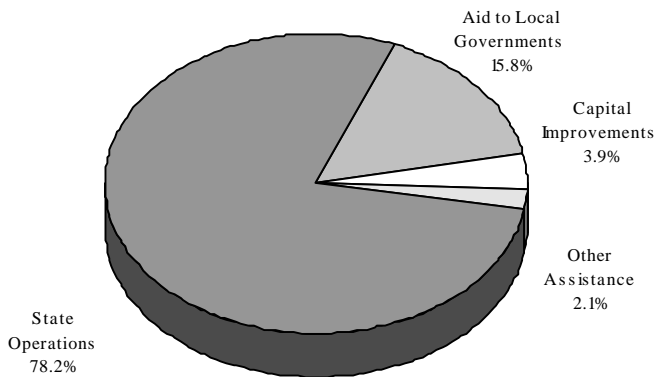
The Ombudsman for Corrections, which is an agency independent from the Department of Corrections, monitored and facilitated improvements in the policies, procedures, and practices of the state's correctional system. However, because of revenue

shortfalls to the State General Fund, along with the reprioritization of expenditures, the Governor recommends the elimination of the agency in FY 2004. As a result, the state will realize savings of approximately \$165,000 from the State General Fund and will reduce the size of the state workforce by 3.5 FTE positions.

Agriculture & Natural Resources Summary

The State of Kansas has seven state agencies that manage the agriculture and natural resources functions within the state: the Department of Agriculture, the Department of Animal Health, the State Conservation Commission, the Department of Health and Environment, the Department of Wildlife and Parks, the Kansas State Fair, and the Kansas Water Office. The mission of these agriculture and natural resources agencies is to promote, protect, improve, and restore natural resources in Kansas. This includes agricultural product regulation and development, protection from exotic pests, and implementation of interstate water agreements through the Department of Agriculture; maintenance of state parks, state fishing lakes, and wildlife areas through the Department of Wildlife and Parks; conservation and management of soil and water resources by the Conservation Commission; the development of policy, technical assistance, and study of water resource management by the Water Office; environmental protection through the Department of Health and Environment; preventive public health maintenance and eradication of infectious diseases affecting livestock and domestic animals by the Animal Health Department; and promotion of Kansas products through the State Fair.

How It Is Spent

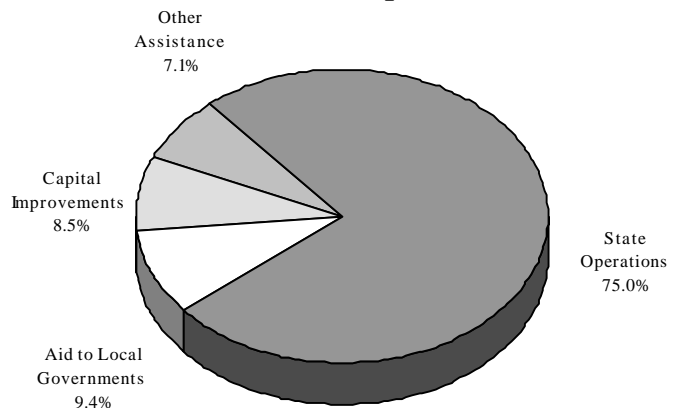


Fiscal Year 2004

The Governor recommends \$85.7 million from all funding sources, including \$15.5 million from the State General Fund and \$5.6 million from the State Water Plan Fund, for FY 2004. There are 2,091.5 state positions in this function of government, including 1,283.0 FTE positions and 844.5 non-FTE

unclassified permanent positions. Of the total recommendation, \$64.2 million is for state operations, \$8.1 million is for aid to local governments, and \$6.1 million is for other assistance, grants, and benefits. The recommendation includes capital improvement expenditures in the amount of \$7.3 million from all funding sources.

How It Is Spent



Fiscal Year 2004

Limited funding from the State General Fund in FY 2004 will require cutbacks in several operating expenditure categories in most natural resource agencies. In the State Fair's budget, the recommendation includes funds to begin debt service payments in FY 2004 on a portion of the bonds authorized to implement the State Fair's capital improvement master plan. An enhancement is budgeted in the Governor's recommendation for making state park facilities ADA compliant in the Department of Wildlife and Parks.

Included in the Governor's FY 2004 budget is \$14,986,949 in State Water Plan Fund expenditures. The State Water Plan Fund is the primary funding source for water-related issues. The fund is dedicated to implementation of the annual Kansas Water Plan, which promotes the management, conservation, and development of the state's water resources. The agencies receiving funding from the State Water Plan include the Department of Agriculture, State Conservation Commission, Department of Health and Environment, Kansas Water Office, and the Department of Wildlife and Parks.

Agriculture & Natural Resources Agencies

Department of Agriculture

The Department of Agriculture provides and ensures adequate food safety, consumer protection, and natural resource protection for the citizens of Kansas. The Department is also a national leader in the research and prevention of agriculture threats, such as Karnal Bunt Disease. The agency also monitors agriculture product inspection and analysis, weights and measures regulations, and development of water resources.

The budget recommended by the Governor for the Department of Agriculture for FY 2004 includes \$19,792,736 from all funding sources, \$9,406,284 from the State General Fund, \$2,692,937 from federal funds, \$6,759,645 from fee funds, and \$933,870 from State Water Plan Fund. The agency has 300.5 FTE and 16.0 non-FTE unclassified permanent positions.

This recommendation represents a \$505,928 State General Fund reduction from the agency's FY 2004 budget request in operating expenditures. Reductions will be taken in all programs in the Department: \$236,890 in the Administration Program, \$5,000 in the Food Safety and Consumer Protection Program, \$98,743 in the Regulation of Water Resources Program, \$10,000 in the Agriculture Laboratories Program, \$39,956 in the Division of Plant Health Program, and \$115,339 in fee fund balances.

Animal Health Department

The Animal Health Department's goal is to ensure the public health of Kansas through prevention, control, and eradication of infectious disease affecting the health and well-being of livestock and domestic animals. The Department regulates facilities that breed, sell, or shelter companion animals. The agency is also responsible for registering and inspecting livestock brands designed to identify lost or stolen livestock. The agency's activities have proven to be effective and responsiveness has prevented the spread of the tuberculosis in the state and, as a result, the state is a "tuberculosis free" state.

For FY 2004, the Governor recommends \$2,362,165 from all funding sources, including \$574,087 from the

State General Fund, \$1,520,083 from fee funds, and \$267,955 from federal funds. This recommendation represents a slight reduction from the FY 2003 approved State General Fund budget. The Department's reductions are \$24,976 in the Control of Animal Disease Program and \$19,652 in the Animal Dealer's Inspection Program. The Animal Disease Program is the largest in the Department and will experience the most reduction in services offered to the citizens of the state.

Homeland Security. The agency has received a federal grant to increase efforts in Emergency Disease Management. This grant will enhance the Department's ability to detect and respond to a foreign animal disease. These funds will be disbursed through a cooperative agreement with the USDA's Animal and Plant Health Department Inspection Service, Veterinary Services. The amount of the grant is \$702,398, which will be disbursed in FY 2003 and FY 2004. The grant will be used for homeland defense expenditures in the following areas: \$461,091 for emergency preparedness agreements, \$236,307 for surveillance agreements, and \$5,000 for animal disease training surveillance. As part of the emergency preparedness agreements, two self-contained mobile units will be prepared if needed to begin an emergency eradication effort. In addition, the Animal Health Department will create an emergency response website for public information.

State Conservation Commission

The State Conservation Commission protects and conserves Kansas' natural resources through the efficient implementation and administration of state programs. A nine-member commission governs the agency, which establishes policy and delegates responsibility for the administration of programs. For FY 2004, the Governor recommends \$9,530,400, including \$562,295 from the State General Fund and \$8,301,187 from the State Water Plan Fund. This recommendation includes a reduction of \$30,279 from the State General Fund and \$638,794 from the State Water Plan Fund. The reduction from the base budget State General Fund amount will require the agency to

keep an administrative position vacant for the year. The State Conservation Commission receives more than half of the approximately \$18.0 million in State Water Plan Fund dollars that are appropriated annually. Further discussion of the State Water Plan can be found in the Budget Issues section of this publication under the State Water Plan Fund.

Health & Environment—Environment

The Division of Environment is organized into five distinct, yet interrelated, programs, with the goal of improving and protecting the health and environment of Kansans. The FY 2004 recommendation from all funding sources is \$59.3 million, of which \$9.7 million is from the State General Fund. The budget recommendation includes a reduction of \$270,153 from the agency's State General Fund base budget. The reductions include keeping vacant positions open in the Environmental Remediation and Environmental Field Services offices. Approximately 26.0 percent of the Division's revenue is from federal funds, 58.0 percent from fee revenue from regulated industries, and 16.0 percent from the State General Fund.

Clean Air Act Activities. The Governor recommends expenditures of \$3.5 million from the Air Quality Fee Fund to maintain compliance with mandates of the federal Clean Air Act. These monies finance regulatory, air quality monitoring, and educational activities of the Department. In addition to monitoring air quality, the Department makes available to the public information regarding air quality pollutants in Kansas. Included in the recommendation is \$1.1 million for grants to local governments for Clean Air Act assistance and program implementation.

Clean Water Activities. The Governor recommends total expenditures of \$4.8 million for activities to implement the federal Clean Water and Safe Drinking Water Acts. The Division of Environment utilizes \$2.8 million in federal funds, \$190,780 in State Water Plan funds, and \$864,829 from the State General Fund to implement nonpoint source pollution control projects, education programs to reduce bacterial contamination, and projects to improve water systems. The recommendation also includes \$257,866 from the State General Fund for the Confined Animal Feedlot Operations Program that issues permits and performs sampling and enforcement activities related to

contamination of water supplies from animal feedlots. The recommendation includes \$1.6 million in aid payments from the State Water Plan Fund for local environmental protection programs.

Brownfield Revolving Loan Program. The Environmental Protection Agency (EPA) has implemented the Brownfields Tax Incentive Law to address the issue of contaminated, unused property. This type of property is designated as a "brownfield" site. The program offers tax incentives to groups purchasing these properties who would not otherwise be able to afford the cost of contamination remediation required prior to development. The Governor's recommendations include federal funds of \$100,000 in FY 2003 and \$250,000 in FY 2004. This funding will provide low interest loans to municipalities and nonprofit organizations to perform corrective action at brownfield sites.

One-Stop Environmental Exchange Network. The Division of Environment will receive a one-year federal grant from the EPA to implement an integrated data management system. The improved data access will help the Division strengthen environmental program management. The Governor recommends \$483,696 in FY 2003 for grants to local governments.

Environmental Fee Fund Balances During the 2002 Legislative Session, a total of \$2.0 million from the combined balances in the Waste Tire Management Fee Fund and the Solid Waste Management Fee Fund was used to replace State General Fund financing in the Division of Environment for FY 2003. As part of the allotment reduction in FY 2003, an additional \$1.0 million was transferred from the balance of the Waste Tire Management Fund to the State General Fund. The Governor's recommendation for FY 2003 includes a \$10.0 million transfer from funds that are currently encumbered in the Underground Petroleum Storage Tank Fee Fund to the State General Fund. It is expected that the encumbrances will be released by the Secretary of Health and Environment, and the projects that were originally financed from the encumbered funds will be completed at a later time.

Kansas State Fair

The State Fair is a traditional agricultural fair held in the City of Hutchinson over a ten-day period at the

beginning of September each year. The 2002 Fair attracted 338,693 people, which is only 2,070 fewer than the average. Non-fair events attract approximately 160,000 people and include the Family Motor Coach Association, facility rentals, stall fees, and dormitory rentals. These events will generate additional revenue and increase utilization of the grounds and facilities. For FY 2003, the \$300,000 revenue transfer from the State General Fund was reduced by the allotment process to \$288,674. In FY 2004, the Governor recommends expenditures of \$5,346,506. The State General Fund transfer that would ordinarily be made to the State Fair Capital Improvements Fund, which could be as much as \$300,000, is not recommended for FY 2004. The agency's operating budget will be able to support the current level of service for FY 2004.

Kansas Water Office

The Kansas Water Office evaluates and develops public policies by coordinating the water resource operations of agencies, local governments, and the federal government. The agency also provides staffing and assistance to the Kansas Water Authority. The Kansas Water Authority is responsible for developing water resource policy and monitoring the progress of the numerous water resource programs. The Water Authority also makes annual recommendations to the Governor and Legislature regarding State Water Plan Fund expenditures.

The FY 2004 Governor's recommendation is \$5,626,960, including \$1,251,448 from the State General Fund and \$2,257,059 from the State Water Plan. This recommendation will cause the agency to leave an Environmental Scientist position and a Civil Engineer position vacant. The Governor's recommendation also reduces the agency's State Water Plan Fund request by 5.4 percent, or \$129,891. This reduction is discussed in more detail in the State Water Plan Fund section of this volume.

Department of Wildlife & Parks

The mission of the Department of Wildlife and Parks is to conserve and enhance Kansas' natural heritage, its wildlife, and its habitats. These actions will provide the public with opportunities to use and appreciate the natural living resources in Kansas. The result will be a deeper understanding of the inherent value of the state's natural living resources.

The Department's underlying philosophy is to manage natural systems properly by striking a balance between natural resource integrity and human benefits, such as sport hunting and fishing, camping, land use, and development. Long-term planning, based on applied research, is a basic function of the Department so the well-being of fish, wildlife, and outdoor recreational activities is maintained at optimum levels.

For FY 2004, the Governor recommends \$43.2 million in expenditures, of which \$3.2 million is from the State General Fund. This recommendation includes a reduction of \$181,236, or 5.4 percent, to the agency's State General Fund base budget. The reductions are concentrated in the Parks Division and will affect park operations, specifically equipment replacement and maintenance. The recommendation supports 406.0 FTE positions and 54.0 temporary positions.

The Department's focus on conserving natural resources and providing recreational opportunities is reflected in its six major programs, including Grants-in-Aid and the Parks Program. Grants-in-Aid reflects the Department's emphasis on enhancing recreational activities through aid to local jurisdictions and assistance to individuals. The Parks Program manages the Prairie Spirit Rail Trail and 24 state parks.

Grants-in-Aid. The Governor recommends approximately \$1.6 million in FY 2004 for aid to local governments and other assistance. Programs include Local Recreation Grants, Local Shooting Range Development, Outdoor Wildlife Learning Sites, Community Lake Assistance, and WILDSCAPE.

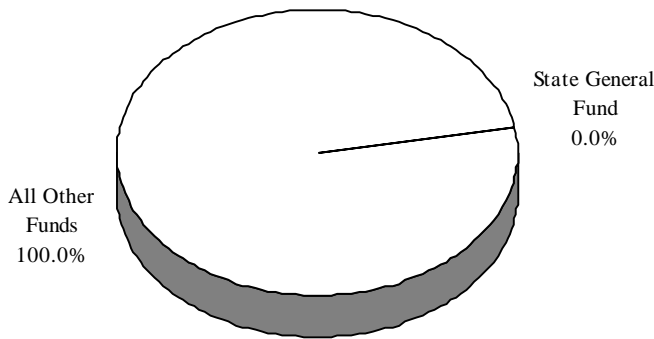
Transportation Summary

The Kansas Department of Transportation (KDOT) is the only agency in the Transportation function. The Department is responsible for maintaining and improving the state highway system, which contains more than 10,000 miles of roadways. It also provides planning, design, project development, and financial assistance to local governments to improve the overall quality and safety of local streets and roads.

Comprehensive Transportation Program

The 1999 Legislature enacted a Comprehensive Transportation Program (CTP) to cover a ten-year period to plan, develop, and operate the various modes of transportation in Kansas. The original funding plan for the CTP, as passed by the 1999 Legislature, is shown in the column-length table on the next page. This table includes projects to improve the state highway system, provide assistance to cities and counties, preserve rail service and general aviation airports, and expand public transportation.

How It Is Financed



Fiscal Year 2004

Project Categories. The CTP continues the four categories of improvements used during the Comprehensive Highway Program that ended in FY 1998: substantial maintenance, major modification, priority bridge projects, and system enhancements.

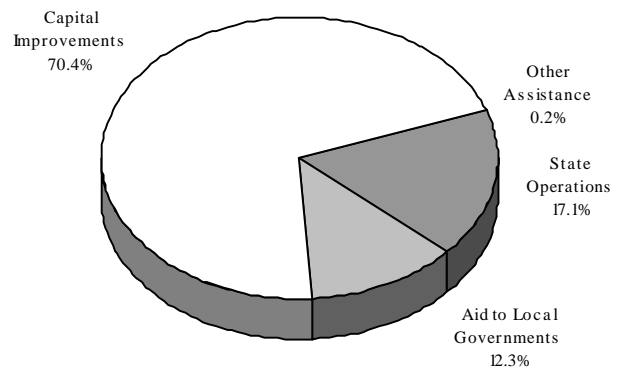
Substantial maintenance projects protect the public's investment in the state highway system by preserving the original condition for as long as possible.

Resurfacing projects, minor bridge repair, bridge painting, culvert replacement, emergency repair, sign refurbishing, pavement marking, and safety projects are examples of substantial maintenance projects.

Major modification projects improve the safety and service of the existing system. Projects in this category include reconstruction or rehabilitation of pavement, widening traffic lanes, adding or widening shoulders, and eliminating steep hills or sharp curves.

Priority bridge projects replace or rehabilitate substandard bridges on the state highway system. Substandard bridges are those in deteriorated condition, with deficiencies in load carrying capacity or that are too narrow.

How It Is Spent



Fiscal Year 2004

System enhancements are major projects that improve safety, relieve congestion, improve access, or enhance economic development. The Department used evaluation criteria to select the system enhancement projects and announced those projects on August 4, 2000.

Transportation Finance

Financing for activities of the Department of Transportation is derived from several sources. These sources include motor vehicle fuels taxes, motor vehicle registration fees, a dedicated state sales and compensating use tax of one-quarter of a cent, and significant federal support.

**Comprehensive Transportation Program Funding
As Passed by the 1999 Kansas Legislature**

(Dollars in Thousands)

	Total FY 2000 - 2009
Beginning Balance	\$ 475,189
Resources:	
Revenues:	
State Revenues	
Motor Fuel Taxes	3,930,400
SGF (Sales Tax) Transfer	1,830,010
Sales & Comp. Tax (1/4 cent)	1,071,513
Registration Fees	1,315,000
Interest	251,900
Miscellaneous Revenues	117,608
Statutory Transfers In	156,762
Subtotal	\$ 8,673,193
Federal & Local Receipts	
Federal Aid Reimbursement	2,812,783
Local Receipts	200,170
Subtotal Federal & Local	\$ 3,012,953
Total Revenues	\$ 11,686,146
Bond Proceeds	980,075
Total Resources	\$ 13,141,410
Expenditures:	
State Highway Maintenance	
Routine Maintenance	1,226,149
Substantial Maintenance	2,061,731
Total	\$ 3,287,880
State Highway Construction	
Major Modification & Priority Bridge	3,332,584
System Enhancements	968,867
Total	\$ 4,301,451
Modes	178,233
Local Assistance	
Special City & County Highway Fund	1,599,821
Local Federal Aid Projects	792,500
Partnership Programs	249,367
KLINK Maintenance Programs	33,600
Total	\$ 2,675,288
Management & Other	729,604
Transfers Out	489,312
Debt Service--CHP Bonds	852,821
Debt Service--CTP Bonds	345,214
Total Expenditures	\$ 12,859,803
Ending Balance	\$ 281,607
Required Ending Balance	220,237
Ending Balance over Required	\$ 61,370

State General Fund Transfers. The agency also traditionally receives two State General Fund transfers. The largest transfer is based by statute on a percentage of sales tax receipts. In FY 2004, the transfer to the State Highway Fund was set by statute to rise to 11.25 percent of sales tax receipts.

In FY 2002, a transfer of \$94.2 million was made to the State Highway Fund from the State General Fund. However, the 2002 Legislature transferred \$94.6 million back to the State General Fund with the intent of repaying the Highway Fund at the end of FY 2003. Because of the fiscal condition of the state, the revised FY 2003 budget recommends that the repayment be stopped. The approved FY 2003 budget eliminated the FY 2003 transfer. The budget recommendations also eliminate the FY 2004 transfer.

As a result of stopping the loan repayment and eliminating the transfers in FY 2003 and FY 2004, KDOT may have to remove projects from the CTP project list or extend the length of the program. If the transfer is not reinstated at its full statutory level in FY 2005 or future years, other projects within the CTP will need to be reassessed.

The second traditional transfer is a transfer for aid to local governments. This transfer is to the Special City and County Highway Fund (SCCHF). Kansas law bases this transfer on receipts from the motor carrier property tax. Under the Governor's recommendation, this transfer will be maintained as a revenue transfer in FY 2003. However, as a result of the FY 2003 allotment processes it will be reduced to one-half of the original amount, or \$5.0 million. The SCCHF also receives income from motor fuel taxes.

The FY 2004 State General Fund transfer to the SCCHF is eliminated altogether under the Governor's recommendation. However, the intent is that transfers from the Special City and County Highway Fund to local governments will not decrease as a result. The total balance in the SCCHF will allow for transfers to locals to be made at levels equal to those projected. In order to accomplish this, the Governor recommends that transfers that would ordinarily be made to local governments in January and April be made instead in February and May for FY 2004 only. This will allow the fund to maintain a cash balance, while allowing the local governments to receive the transfers at the projected level.

Highway Patrol Financing. The budget recommendations include a shift of financing for the Highway Patrol from the State General Fund to the State Highway Fund. In FY 2003, the Highway Fund will provide \$13.1 million of the Highway Patrol and in FY 2004 \$31.0 million.

Expenditures

FY 2003. The Governor recommends expenditures of \$1,497.6 million, with all funding coming from non-State General Fund sources. The amount recommended by the Governor will fund 3,247.5 FTE positions and 3.0 non-FTE unclassified permanent positions.

FY 2004. The Governor recommends FY 2004 expenditures of \$1,456.2 million. The decrease in expenditures results from the Governor’s reducing KDOT’s operating budget by \$5.7 million in FY 2004. One of the reductions for FY 2004 is \$2.8 million in capital outlay for heavy equipment. The budget remaining will equal \$235.7 million. Of the reduction, \$5.0 million will be transferred to the State General Fund. There is an additional reduction in KDOT

buildings of \$2.5 million, which will leave a budget of \$5.0 million.

Comprehensive Transportation Plan		
Construction Costs		
<i>(Dollars in Thousands)</i>		
	<u>FY 2003</u>	<u>FY 2004</u>
Routine Maintenance	114,259	123,357
Substantial Maintenance	168,747	174,925
Major Mods.-Priority Bridge	489,003	572,604
System Enhancements	82,054	102,993
Total	\$854,063	\$973,879

Under the Governor’s recommendation in FY 2004, the Department of Transportation will repair more than 3,434 miles of the highway system. The status of the highway system continues to show that the Department of Transportation maintains a safe and convenient system. The Department estimates that 95.0 percent of all highway miles will be rated as having a “good” or “acceptable” surface condition in FY 2004. In addition, the Department will maintain bridges so that 87.0 percent of all bridges meet traffic demands and will be rated as structurally sound.

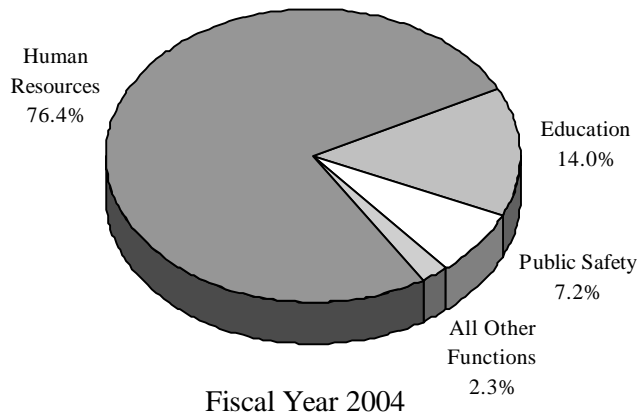
Children's Budget Summary

Created by action of the 1992 Legislature, the Children's Budget presents information concerning the state's efforts in meeting the needs of children. The information presented in this section meets the requirements of KSA 75-3717 et seq. that establish the Children's Budget.

Each children's activity is classified according to the following service categories:

Expenditures by Function

Totals Exclude Operating Aid to USDs



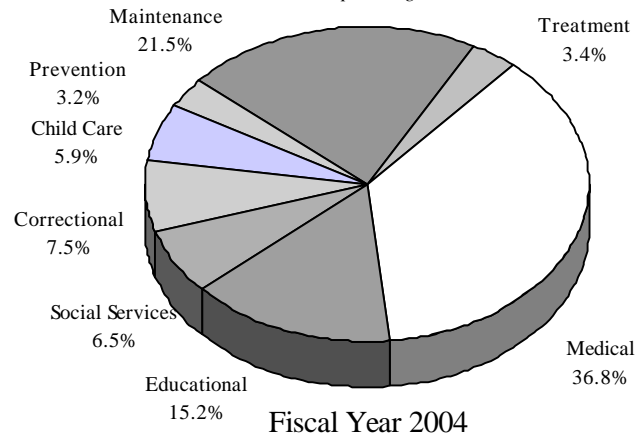
Education & Training Programs. The State of Kansas provides a variety of education programs for children and their parents. Children receive the education and social skills necessary to live successfully in society through the public school system. Welfare-to-Work programs funded through the Department of Human Resources and SRS help parents attain the skills necessary to avoid poverty. Through these programs, parents can improve the quality of life for their families. Expenditures for educational programs make up the largest portion of the Children's Budget.

Medical & Health Services. Medical services are provided through several state and federally-funded programs. For example, the Medicaid Program makes reimbursements for medical services provided to eligible patients. The HealthWave Program serves eligible children in the state. In addition, the Regents institutions provide health services through the universities' public service programs.

Maintenance Services. Some families require direct cash assistance from the state to meet their day-to-day living needs. Prior to receiving assistance, these families must meet a number of eligibility criteria. Maintenance services include Temporary Assistance to Families (TAF) and foster care.

Expenditures by Category

Totals Exclude Operating Aid to USDs



Correctional Activities. The state maintains four juvenile correctional facilities that provide rehabilitation services for adjudicated youth. In addition, the state provides grants to support community prevention and corrections programs.

Social Services. Social services provide a number of support functions designed to prevent or relieve conditions of neglect, abuse, and exploitation of children. For example, children and family services provided by SRS include a number of therapeutic and family preservation activities.

Child Care Services. State-supported child care services benefit children. These services provide early childhood education opportunities. Child care services provided through SRS support parents in becoming self-sufficient. The Child Care Licensing Program at the Department of Health and Environment ensures safety in care facilities.

Institutional & Treatment Services. Included in this category are the services of the state mental health and developmental disability hospitals. Many clients who

were formerly served in these settings are now being provided services through community programs and the Home and Community-Based Services Waiver programs.

Prevention Services. These programs reduce the need for services that remove a child from the home and, if possible, avoid institutionalization. An example of this category of service is preventive health services provided by the Department of Health and Environment, which includes services delivered through local health departments.

Following is a description of children's programs by agency that are included in the Governor's recommendations. The program descriptions contain only approximate levels of funding in many cases. The table following these descriptions contains precise funding amounts.

General Government

In the General Government function, the major program expenditures for the benefit of children are related to the support of juveniles involved in judicial actions and administration of the child support enforcement efforts of the district courts. The General Government expenditures of \$23.7 million make up 0.7 percent of the total recommended expenditures for programs affecting children for FY 2004.

Department of Revenue

Child Support Enforcement. Arrearage in child support payments can be treated as debts owed to SRS under certain circumstances. In such circumstances, any Kansas income tax refund which would otherwise be due to the party owing the support can be subjected to the debt set-off policy to help satisfy the support arrearage. The Department of Revenue assigns 2.0 positions to fulfill the above requirements of law. These positions are financed by an annual transfer from the Social Welfare Fund of SRS. A total of \$64,632 will be transferred to the Department of Revenue to finance the program for FY 2003, and \$65,854 will be transferred in FY 2004.

Banking Department

Consumer Education. A \$70,000 consumer education grant to the Kansas Council on Economic Education (KCEE) enables the Council to educate approximately 1,625 elementary and secondary education teachers on effective teaching practices on the subject of consumer economics in FY 2004. Approximately 65,000 students will be taught by teachers who have benefited from this training.

Credit Counseling. The Banking Department will also spend \$45,000 to finance credit counseling for families in FY 2004. Approximately 2,800 clients will benefit from this service in FY 2004.

Securities Commissioner

Stock Market Game. Through a \$20,000 contract with the Kansas Council on Economic Education, *The Stock Market Game* is provided to schools across the state to promote an understanding of securities markets. The goal of this program is to expose those young people to financial decision-making at an early age, which will result in future benefits to individuals and the economy overall. Approximately 5,000 students in middle schools and high schools will participate in FY 2004.

Office of the Governor

Drug Free Schools. These programs focus on the eradication of drug use in schools and communities. This program previously was administered by the Attorney General but has moved to the Governor's Office on January 1, 2003. For FY 2003, the Attorney General's Office administered approximately \$367,888 of this program, and the Governor's Office will administer approximately the same amount in the latter half of the current year. The Governor recommends \$736,730 in FY 2004.

Rape Prevention & Education. Rape crisis intervention and rape prevention services are provided by numerous local agencies across the state. These programs provide crisis intervention services to help victims and educational programs to prevent rape.

After being moved from the Office of the Attorney General for the second half of FY 2003 and all of FY 2004, the Governor recommends approximately \$159,621 to be spent through this federal grant program in FY 2003. The Attorney General administered approximately the same amount in the first half of FY 2003. For FY 2004, the Governor recommends \$319,363 for this federal grant program.

Victims of Crime Act. This program funds public and private not-for-profit agencies that provide direct assistance to crime victims. The Governor recommends \$1,904,123 for this program in FY 2003. This program previously was administered by the Attorney General but was moved to the Governor's Office on January 1, 2003. The Attorney General administered approximately the same amount in the first half of FY 2003. For FY 2004, the Governor recommends expenditures of \$3,811,280 from this grant program.

Child Visitation Centers. The Governor's recommendation includes \$176,108 for the last half of FY 2003 for the Child Exchange and Visitation Centers Program. This was implemented in FY 1998 but was administered by the Attorney General until it was transferred to the Governor's Office on January 1, 2003. The Attorney General administered approximately the same amount in the first half of FY 2003. The goal of these centers is to facilitate non-custodial parents' access to their children by means of activities, including remediation, counseling, and education. For FY 2004, the Governor recommends expenditures of \$352,216 from this program.

Attorney General

Child Abuse Investigations. The Governor's recommendation includes \$75,000 for FY 2004 for operating expenditures associated with a special agent, a part-time secretary, and a part-time Assistant Attorney General in the Criminal Litigation Division. This recommendation funds the investigation of child abuse and neglect cases reported in institutions and programs operated by the Department of Social and Rehabilitation Services. Approximately 63 children will be served through these investigations.

Child Death Review Board. The Child Death Review Board was created by the 1992 Legislature to

focus on unexplained child deaths, primarily those deaths that are the result of abuse or neglect. National data indicate that 20.0 percent of child deaths are preventable. For FY 2004, the Governor recommends \$108,913 from all funding sources for this program.

Abuse & Neglect Programs. The Governor's budget includes \$248,514 for FY 2004 to provide grants to local agencies working to combat child abuse.

Sexually Violent Predators. Legislation that allows for the identification of sexually violent predators helps protect children by preventing certain sex offenders from repeatedly committing sexually violent offenses. Offenses that are specifically defined in statute include indecent liberties with a child, criminal sodomy, rape, indecent solicitation of a child, sexual exploitation of a child, and aggravated sexual battery. The Governor recommends \$150,000 from the State General Fund in FY 2004 to continue evaluations of convicted offenders.

Programs for Domestic Abuse Victims & Dependents. Children may be indirect as well as direct victims of domestic abuse and violence. It is estimated that 5,000 children need and will receive assistance, such as emergency food, clothing, and shelter; counseling; and education about domestic abuse through programs funded in the Governor's budget. For FY 2004, the Governor recommends \$2,285,217 from all funding sources to implement programs for domestic abuse victims and their dependents.

DARE Program Coordination. The Governor recommends \$128,657 in FY 2004 for coordination of the DARE (Drug Abuse Resistance Education) Program, which was funded through federal grants through FY 1999. The program was funded by the Children's Initiatives Fund in FY 2000, by agency fee funds in FY 2001, and by the State General Fund beginning in FY 2002.

Programs for Crime Victims. There are numerous programs in the state which aid victims of crime. These programs include providing compensation and counseling to victims of crime, along with other local programs which focus on the effects of crime on victims and their dependents. The Governor recommends \$333,087 in FY 2004 for these services.

Medicaid Fraud & Abuse. The goal of the Medicaid Fraud and Abuse Program is to ensure that limited Medicaid dollars are spent for services needed by beneficiaries and that the beneficiaries are protected from abuse and neglect by the providers of those services. Children make up 50.0 percent of those eligible for Medicaid services. For FY 2004, the Governor recommends \$791,787 for the Medicaid Fraud and Abuse Program.

Child Abuse Prosecution. A full-time Assistant Attorney General position was established in FY 1999 to provide resources to prosecute child abuse and neglect effectively. An amount of \$60,000 is recommended by the Governor in FY 2004 to continue the work of this position.

Crime Victims Compensation Program. Victims of crime, including children, may suffer economic loss that can be compensated through this program. Up to \$25,000 in payments can be made on behalf of each crime victim. The Governor recommends \$3,056,425 during FY 2004 for this program.

Judiciary

Permanency Planning. The Kansas Supreme Court has adopted specific missions and standards for Court-Appointed Special Advocates (CASA). Under Rule 110 of the *Rules Relating to District Courts*, the Supreme Court has authorized and encouraged CASA programs to provide volunteers to assist the district courts. The programs allow the court to appoint a volunteer who becomes acquainted with the particular facts, conditions, and circumstances affecting the welfare of any child who comes before the court. The volunteer is to advocate for the best interests of the child by assisting the court in obtaining the most permanent, safe, and homelike placement possible.

For FY 2004, expenses of \$716,021 from all funding sources are anticipated. Additional training expenses are provided through the Judicial Branch Education Fund for conferences, which include topics for the judicial staff on foster care and child advocacy.

Child Support Enforcement. Since 1985, the Office of Judicial Administration has maintained a program to fulfill and enforce state and federal legislation, rules, and regulations related to child support enforcement. The office works with the Department

of Social and Rehabilitation Services to develop and maintain an automated management information system (MIS) to provide accounting and recording services. Information from the MIS is provided by the clerks of the district courts. The Office of Judicial Administration also provides administrative oversight of court trustee programs. For FY 2004, expenditures are identified at \$1,970,636. In addition, expenditures will be made from the Judicial Branch Education Fund for training child support enforcement personnel.

Court Services. Court services officers assist judges through the gathering of information and by performing investigations in areas other than the criminal justice system. The principal duties of the officers include reintegration planning for children in need of care for cases not placed with SRS; investigation of custodial arrangements for children involved in divorce actions; mediation services as directed by the court in child custody and visitation matters; predispositional investigations in juvenile offender cases; supervision of juvenile offenders as ordered by the court; and supervision of children in need of care as directed by the court. For FY 2004, expenditures of \$8,176,855 are identified to support activities of the court services officers. Expenditures from the Judicial Branch Education Fund will provide additional training for them.

Court Improvement Program. The Court Improvement Program is a federally funded program designed to assess and improve current foster care and adoption procedures, laws, and regulations. The assessment and implementation is funded by a federal grant from the U.S. Department of Health and Human Services. For FY 2004, the Governor has identified expenditures of \$130,180 for this program.

Human Resources

The Human Resources function comprises a variety of programs in support of children and their families. The function includes the Department of Social and Rehabilitation Services and its institutions, as well as the Departments of Health and Environment and Human Resources. A total of \$841.9 million is recommended for expenditures for FY 2004, which is 23.1 percent of all expenditures for children's programs.

Social & Rehabilitation Services

Prevention Services. Prevention services for children, youth, and families are delivered statewide through community-based programs in five service delivery regions. For FY 2004, the Governor recommends \$250,000 for these programs. The recommendation will benefit approximately 3,346 children.

Temporary Assistance for Families. The Governor's budget includes expenditures of \$59.8 million in FY 2004 to provide cash assistance to eligible families with children. Such children have been deprived of parental support because of the death, absence, incapacity, or unemployment of a parent. An estimated 29,728 families will be served in FY 2004.

Family Energy Assistance. Through the federal Low Income Energy Assistance Program, funds are available to help families meet their energy needs. Benefits vary according to criteria, including household size, income level, dwelling type, and utility rates. A total of \$4.4 million is estimated to be available for FY 2004. An estimated 20,235 children and 13,271 families will be served.

Employment Programs. These programs provide training services to families of vulnerable children. The programs are available to parents receiving food stamps. The Governor recommends \$23,040 for FY 2004. The programs will provide services to 712 families.

Child Care Services. In conjunction with employment preparation services, child care services are available to parents participating in SRS job preparation programs. Child care services are also available to foster care families and to assist parents in the first year of employment after leaving welfare. SRS estimates that 34,679 children will be served in FY 2004, with funding totaling \$61.1 million.

Family Preservation. These services are designed to maintain a child's own family unit as a safe environment, thereby preventing the need for foster care placement. Services include the teaching of parenting skills and crisis-oriented services. A total of \$10.0 million is recommended to serve an estimated 3,015 families in FY 2004. The recommendation includes \$267,909 million from the State General Fund.

Community Funding. This funding is available to SRS area offices and local organizations to establish programs to prevent the unnecessary placement of children into foster care. The services are targeted for children safe from abuse or neglect, but are not able to remain at home because of their behavioral or mental health needs. For FY 2004, \$2.6 million is recommended with financing provided by the Children's Initiatives Fund.

Family Services & Grants. SRS staff in local area offices provides these services. Social workers investigate allegations of abuse and neglect, assess family needs, and provide or arrange for services that help families stay together. The Governor recommends \$3.4 million for FY 2004 to provide services to 403 families.

Foster Care. Foster care services are provided to children and families when the court has found a child to be in need of care. Most children in foster care have been abused or neglected and require a variety of services to meet their developmental, emotional, and physical needs. Private contractors arrange case planning, residential placement, and medical and mental health services. The contractors also work with communities to coordinate services for children in foster care. For FY 2004, the Governor recommends \$87.2 million to provide foster care to 3,136 children each month. The recommendation includes \$33.2 million from the State General Fund.

Adoption. The adoption program contracts with the Kansas Children's Service League to identify adoptive families for children in the guardianship of SRS for whom no family exists or for whom parental ties have been legally terminated. The Governor's FY 2004 recommendation totals \$34.4 million, including \$17.3 million from the State General Fund, to serve 1,621 children each month. The Governor also recommends \$250,000 from federal funds to promote permanent guardianship. The program encourages individuals to become legal guardians for children eligible for adoption.

Adoption Support. SRS provides payments to adoptive families to help in meeting the special needs of children. Subsidies can include one-time payments for legal fees or ongoing payments for a child's medical or developmental needs. The budget recommendation includes \$17.9 million, including

\$8.5 million from the State General Fund, to provide support for 4,802 families each month in FY 2004.

Child Care Grants. The Department works to improve the quality and availability of child care in Kansas. Quality child care is promoted by providing grants to public agencies, non-profit agencies, and private employers to establish child care for employees. Grants are also offered to improve training and reward innovation in early education programming. The Governor recommends \$2.3 million in FY 2004 to improve child care.

Kansas Early Head Start. The purpose of this program is to enhance children's development, enable parents to be better care givers and teachers, and help parents meet their own goals of self-sufficiency. Early Head Start provides comprehensive early intervention services, including health care, nutrition, social services, parental involvement, and child care. The Governor recommends \$7.9 million to serve 825 children in FY 2004.

Children's Trust Fund. This program includes funding by the Children's Cabinet for community grants to plan and implement family resource and support programs. Funding is also provided for community early childhood services through the Smart Start Kansas Program to prepare children for school. The Children's Cabinet provides funding to outcome-based programs and evaluates the effectiveness of services provided. The Governor recommends \$5.1 million in FY 2004 for these programs, primarily from the Children's Initiatives Fund.

Juvenile Justice Programs. SRS provides federal funding through Medicaid for children in the custody of the Commissioner of Juvenile Justice. The Juvenile Justice Authority budgets the State General Fund matching dollars, and the federal funds are transferred between agencies for medical services. The Governor's recommendation for SRS includes \$9.5 million in federal funding for Juvenile Justice in FY 2004.

Substance Abuse Treatment. Children and families are served through a continuum of treatment services across the state. Services include assessment, social detoxification, outpatient, and residential treatment. For FY 2004, \$3.9 million is recommended to provide treatment to 1,700 children and 3,625 families.

Mental Health State Aid. The Governor recommends funding of \$504,508 from the State General Fund in FY 2004. The funding supports children's services at the community mental health centers. The Governor's recommendation will serve approximately 1,000 children in FY 2004.

Mental Health Reform. The Governor recommends funding of \$3.6 million from the State General Fund in FY 2004 to continue the implementation of mental health reform. The budget recommendation focuses on the development of community-based treatment alternatives to enable children and adolescents with severe emotional disturbances to live in community settings. The Governor's recommendation will serve approximately 5,610 children in FY 2004.

Mental Health Special Purpose Grants. Approximately \$1.9 million, including \$1.2 million from the State General Fund, is recommended in FY 2004 for community mental health centers to implement programs that assist children and youth suffering from severe emotional disturbances. The recommendation, serving a population of 1,550, will provide treatment in community environments that are less restrictive than institutions.

Family Centered System of Care. The Governor recommends \$5.0 million for the statewide Family Centered System of Care Program in FY 2004. The program provides mental health and prevention services for children with severe emotional disturbances and their families.

Family Support. The Governor's recommendation of \$3.2 million in FY 2004 will provide support to families with a developmentally disabled child living at home. The support provides respite care and helps defray the added costs of raising and caring for a child who has a lifelong disability. The recommendation will provide annual support to 1,315 families. The Governor also recommends \$846,816 to provide grants to families with physically disabled children.

Home & Community-Based Services Waivers. This program provides federal Medicaid funds for services in the community as an alternative to more expensive and restrictive institutional settings. The Governor's budget recommendation provides community services for 1,200 families in FY 2004 at a cost of approximately \$16.9 million. The recommendation

includes a State General Fund Medicaid match of approximately \$6.7 million.

Rehabilitation Services. In the Rehabilitation Services Program, students with severe disabilities receive post-high school transition planning. Assistance includes job placement, supported employment, vocational assessment, and rehabilitation technology. The Governor recommends \$464,084, to serve 2,564 children in FY 2004.

Child Support Enforcement. This program collects financial support owed to custodial parents. Expenditures of \$23.0 million will continue the state's efforts at collecting support for an estimated 154,690 children in FY 2004.

Medical Assistance/Healthwave. Government-funded medical services are available to children who meet a variety of qualifications. Services are provided through Medicaid and HealthWave. During FY 2002, SRS combined the two programs to serve children in a variety of income levels under a similar benefit package. All children receiving Temporary Assistance to Families are eligible. In addition, the program serves children under age ten with family income below the poverty level and children under age five whose family income falls below 133.0 percent of the poverty level. Infants less than one year old may receive benefits if family income does not exceed 150.0 percent of the poverty level. Other children may also be eligible for services depending on income and disability. In FY 2004, 236,768 children will receive medical services, which totals \$402.6 million.

Kansas Neurological Institute

Residential, Treatment, Education, & Training Services. In FY 2004, Kansas Neurological Institute will serve four children with developmental disabilities. To pay the costs of caring for these children, the Governor recommends a total of \$437,191. The State General Fund will finance \$184,008 of the cost, and the balance will be paid by the federal Medicaid and Foster Grandparent Programs and by fees collected from the children's families.

Larned State Hospital

Adolescent Inpatient Services. This program provides mental health services to adolescents ranging

from 13 to 18 years of age. Those who require full-time inpatient treatment and/or extended inpatient evaluation are served. For FY 2004, the Governor recommends \$1,914,714, with \$1,537,526 from the State General Fund. The recommendation provides staff and support services for an adolescent population of 88.

Inpatient Services for Children. Mental health services are also provided to children ranging from 5 to 13 years of age. An individualized treatment program is developed for each child, with emphasis on formal educational experiences. The Hospital estimates that it will serve 21 pre-adolescent children in FY 2004. Staffing and support services for these children are estimated at \$456,920 in FY 2004.

Special Education Program. Regular and special education services are provided to all children and adolescents in the psychiatric programs. The total cost of the educational contract with Fort Larned USD 495 is budgeted for, and paid by, Larned State Hospital. The Governor recommends \$920,646 in FY 2004 for the contract. The recommended amount will fund 109 school aged children.

Administration. Larned State Hospital provides administrative services for the Adolescent, Children, and Special Education Programs. For FY 2004, \$6,714,468, with \$5,705,811 from the State General Fund, is recommended to cover the administrative costs for these programs.

Parsons State Hospital & Training Center

Residential, Treatment, Education, & Training Services. Parsons State Hospital estimates it will treat 24 children with developmental disabilities in FY 2004. For FY 2004, a total of \$2,177,712 is recommended to pay the cost of caring for these children. The State General Fund will pay \$693,518 of these costs, with the balance paid by federal Medicaid monies and fees collected from the children's families.

Special Purpose School. Special education services are provided to school aged residents of Parsons State Hospital. For FY 2004, \$250,874 is recommended from the State General Fund to fund educational services for 31 residents.

Employee Child Care. Reduced-cost child day care is available at Parsons State Hospital to state employees in the Parsons area. A nonprofit corporation operates the child care services in a state-owned building, with utilities and maintenance provided by the state. The Hospital will contribute \$7,814 to defray operating costs in FY 2004. Of these expenditures, \$2,498 is from the State General Fund.

SEK Respite Care, Inc. Support of respite care for children and adults with developmental disabilities who live with their families is provided through a contract with University Affiliated Programs of the University of Kansas. The contract coordinates respite care training through Parsons, Class LTD., Tri-Valley Development, and Labette Community College. Expenditures of \$59,200, all from the State General Fund, are recommended for FY 2004.

Rainbow Mental Health Facility

Inpatient Services. The Governor's budget recommendation of \$3.3 million in FY 2004 will provide evaluation and treatment services to an estimated 143 adolescents and children. The program emphasizes the specific needs identified in individualized treatment plans.

School. Regular and special education services are provided to all children and adolescents in the psychiatric programs. For FY 2004, \$500,000 is recommended to fund educational services for 143 school aged patients. Of the recommended expenditures, \$467,780 is from the State General Fund.

Department of Health & Environment

Mothers & Infants Program. Preventing infant mortality and child abuse and neglect are the goals of this program, which will serve approximately 12,700 families during FY 2004. The program provides comprehensive medical, nursing, nutrition, and social work services to mothers and children who may be at high risk for these behaviors. Approximately \$2.4 million is provided in the FY 2004 budget for this program.

Adolescent Health. Funding of \$351,744 will provide a variety of health services to approximately 2,050

youths through school-linked clinics, residential maternity homes, and teen pregnancy prevention projects in FY 2004.

Healthy Start/Home Visitor. This program supports nurses and supervised lay visitors in providing early identification of high-risk expectant families and families with newborns. Intervention services include support, education, and referral to reduce the incidence of poor pregnancy outcomes, child abuse, and neglect. The Governor's recommendation for FY 2004 provides \$1.0 million for the program. It is estimated that this level of funding will provide early intervention and support for 17,500 families.

Child Health Program. This program is designed to optimize the health of Kansas children through preventive and primary care services in communities. Infants, preschoolers, and school age children receive well-child checkups, immunizations, physical examinations, hearing and vision screenings, and referrals to private physicians. The program offers a variety of health screenings and assessments. An amount of \$723,991 will provide services to 33,740 children for FY 2004.

Black Infant Mortality. Reducing mortality rates for infants, lowering teenage pregnancy rates, and strengthening family relationships are among the goals of programs located in Sedgwick and Wyandotte Counties. The programs will serve 1,500 individuals with funding of \$98,484 in FY 2004.

Family Planning. Local health departments provide family planning services designed to support basic preventive and primary women's reproductive health care. Services include examinations, education, outreach, and referral. Grants to local health departments totaling \$1.8 million will serve 42,838 families in FY 2004.

Teenage Pregnancy Prevention. The goals of these programs are to reduce long-term welfare dependency and the negative consequences of teen pregnancy. Funding of \$689,715 is recommended to provide primary and secondary pregnancy prevention services to approximately 18,000 Kansas youths.

Abstinence Education. Funding of \$261,185 seeks to promote abstinence in order to reduce out-of-wedlock births and to reduce the teen pregnancy rate. Six local

agencies utilize abstinence-only curricula to reach approximately 450 adolescent children.

Special Health Services. This program develops the functional skills of young Kansans who have, or are at risk for, a disability or chronic disease. The program will provide medical services, medications, prostheses, and other medical supplies to an estimated total of 13,750 children with the expenditure of \$2.5 million for FY 2004.

Child Care Licensing. The Department of Social and Rehabilitation Services licenses or registers all types of child care facilities, including day care, residential care, preschools, and child placement agencies. The program's objectives are to increase and ensure safe, healthy, and appropriate care opportunities for children placed in out-of-home care. The program will benefit approximately 140,000 children in FY 2004 with expenditures of \$1.6 million.

Child Lead Poisoning Prevention. The Department seeks to increase public awareness and education about lead poisoning prevention as well as to maintain a statewide infrastructure for childhood lead poisoning case management and reporting. Funding of \$116,159 in FY 2004 will provide education and awareness, benefiting approximately 7,500 children.

Primary Care Grants. Through this aid program, primary care clinics are subsidized to provide family-oriented services to the medically underserved. Funding of \$482,060 will support preventive, acute, and chronic care services delivered to 5,289 families in FY 2004.

Migrant & Refugee Health. Primary care services are provided to seasonal farm workers, refugees, and their families. Federal funding of \$158,064 will provide preventive, acute, and chronic care services to 882 families in FY 2004.

Nutrition Services for Children. The goal of these federal programs is to improve the health status and nutrition of pregnant women, mothers, and young children. The Women, Infants, and Children Program provides nutrition screening, counseling and education, food supplements, and health referral for infants, children under five years of age, and pregnant and breastfeeding women. The related Commodity Supplemental Food Program provides food for low-

income pregnant, breastfeeding, and postpartum women, infants, and children under six years of age who are at nutritional risk. Approximately 55,000 families will benefit from the programs. For FY 2004, expenditures will be approximately \$35.6 million.

Infants & Toddlers. An amount of \$5.0 million is recommended to support community networks serving developmentally delayed infants and toddlers from birth to three years of age and their families. The Governor's recommendation will provide services to 3,710 children for FY 2004.

Health & Prevention Projects. Funding is provided for education and screening programs directed at helping to prevent cardiovascular and related diseases, including early detection screenings, prevention of risk factors, and referral for treatment. For FY 2004, \$42,900 will provide these services to an estimated 20,000 families.

Immunizations. Halting the spread of preventable diseases is the goal of this program. The Department provides Diphtheria-Tetanus-Pertussis vaccine, Inactivated Polio Vaccine, Measles-Mumps-Rubella vaccine, and other vaccines to local health departments for the immunization of infants, children, and adolescents. An estimated 225,000 children will receive state-supported immunizations through expenditures of \$2.5 million in FY 2004.

Department of Human Resources

Neighborhood Improvement Youth Employment Act. A total of \$110,000 from the State General Fund was provided in FY 2002 to assist eligible children in receiving services through the Neighborhood Improvement Youth Employment Program (NIYEA). The NIYEA Program helped the children to complete secondary education and allowed them to promote neighborhood pride and community responsibility. Because of reduced funding, the agency discontinued this program in FY 2003.

Job Service. Youth served by the Job Service are defined as individuals age 21 or under who are registered for job search purposes. The Department of Human Resources estimates that 22,000 youth will receive services, such as counseling, testing, referral to support services, and Job Corps training, development,

and placement. For FY 2004, the Governor recommends \$750,000 in expenditures in each year for Job Services and Job Corps and \$3,800 in expenditures for Child Labor Enforcement and Education.

Education

By far the largest expenditures for children's programs occur in the Education function. They total \$2.7 billion, or 74.0 percent, of the recommended expenditures for children's programs for FY 2004. The recommendations include major expenditures of \$2.5 billion for operating aid to school districts. The Education function also includes funding for the state's Schools for the Blind and Deaf. In addition, funding is recommended for programs conducted by the Regents institutions, the Historical Society, the Arts Commission, and the State Library.

Department of Education

Operating Aid to USDs. In addition to basic operating aid, the state provides aid to more than 443,000 children in the state's 303 unified school districts for teacher training, the employers' contribution to the retirement program for teachers and other staff, additional funding for districts that provide education services at county juvenile detention facilities, and equalization aid for districts with a local option budget. These state aid programs total \$2.5 billion in FY 2004. Federal aid totaling \$131.0 million also is distributed to districts by the Department of Education to support various programs, including educational services to low-income, migrant, homeless and other at-risk students, improved mathematics, science and reading instruction, enhanced library services and instructional media materials, and integrated technology training.

Capital Improvement Aid. General obligation bonds passed by school districts for construction, remodeling, and major equipment purchases are partially paid by this state aid program, totaling \$55.0 million in FY 2004. The portion of each bond paid by the state varies among districts, but is based on the property wealth (assessed valuation per pupil) of each district. This variation among districts enables school

districts with lower valuation levels to provide educational facilities of comparable quality to those in wealthier districts. This particular state aid program has been changed from a demand transfer to a revenue transfer and is no longer shown as an expenditure from the State General Fund.

Nutrition Services. The U.S. Department of Agriculture administers several nutrition programs in which federal funds totaling \$102.8 million in FY 2004 are passed through the State Department of Education to school districts as well as child and adult care centers. The funds provide nutritious breakfasts, lunches, and afternoon milk in schools. Meals and snacks are also provided for children in child care facilities and after-school programs. Adults in adult day care facilities receive nutrition services as well. The state serves approximately 538,000 people and provides a \$2.5 million match for the available federal funds.

Special Education Services. The state distributes \$254.1 million in aid for special education services to school districts to help pay the transportation and other costs associated with educating 78,319 students with special needs and students identified as gifted. Federal funding to assist with the costs of these special education services is estimated at \$74.3 million in FY 2004. For FY 2004, the Governor recommends that state funding for special education be run through the base state aid program, as a student weighting.

Vocational Education. The U.S. Department of Education is expected to distribute approximately \$4.9 million to Kansas schools that integrate academic, technical, and workplace skills in secondary and postsecondary programs.

Parent Education. The state program follows the "Parents as Teachers" model to provide expectant parents and parents of infants and toddlers with advice, resource materials, parenting skills, a positive approach to discipline, and other skills. Funds totaling \$7.1 million are recommended for FY 2004 to serve 18,226 children and their families.

Other Aid to Schools. A combined \$5.1 million from various sources for FY 2004 provides schools with funds to support safety education, drug abuse education, and other special programs.

School for the Blind

For FY 2004, the Governor recommends \$4,751,408, including \$4,223,738 from the State General Fund, for School for the Blind. Enrollment for the School during regular term and summer term is projected to be 154 for both FY 2003 and FY 2004. A staff of 89.5 FTE positions provides the services. The School offers many sources of support that include educational, residential, outreach, and health care for children with visual and other impairments until the age of 21 years. Approximately 190 students will be served in school districts, and 933 children through the statewide outreach services. Students in the dormitory receive additional hours of instruction related to academics and special needs to develop into independent adults. The School expects to have 60.0 percent of graduates living independently, and 75.0 percent of graduates enroll in a post-secondary or vocational-technical education program. Also in the School's budget is funding for the Accessible Arts, a technical assistance to enhance the arts for vision-impaired students.

School for the Deaf

The School for the Deaf is a resource for hearing-impaired children needing assistance in educational, residential, and outreach services for approximately 400 students across the state. Among the services are early intervention assistance in order to promote communication skills appropriate to the age of the child and auditory training units that are leased to school districts statewide. The Governor recommends \$7,723,387 from all funding sources, including \$6,836,148 from the State General Fund. A staff of 169.5 FTE positions provides services to the students. Enrollment for the School during regular term and summer term is projected to be 151 for both FY 2003 and FY 2004. The School expects 70.0 percent of students to increase math scores and 95.0 percent of students to increase reading scores from the previous year.

Board of Regents

Regents' Honors Academy. The Regents' Honors Academy enriches the academic experience of 150

high school juniors and seniors by providing a four-week residential and instructional period at one of the Regents' campuses. Students are selected for participation in the program on the basis of academic achievement. The program relies on \$110,000 from the State General Fund. Because of budgetary constraints, the program is not recommended for FY 2004.

Emporia State University

The Governor recommends \$393,033, including \$12,336 from the State General Fund, in FY 2004 for several programs at Emporia State University. These programs provide preschool, child development, and reading-related services to approximately 1,415 children. Of that amount, \$302,200 is for the University's Child Development Center. The Center provides care for children of faculty, staff, and students.

Fort Hays State University

Several programs are planned for FY 2004 at Fort Hays State University. These programs include child care, speech and hearing diagnostics, as well as reading-related services to approximately 800 children. The Governor recommends \$393,033 for these programs. Included in this amount is \$78,726 for the Kelly Center, which provides psychological evaluations and therapy for children living in Western Kansas.

Kansas State University

Hoeflin Stone House Day Care. The Governor recommends \$236,661, including \$102,471 from the State General Fund, in FY 2004 for the Hoeflin Stone House Day Care Center. The center will provide day care services for 35 children.

Early Childhood Laboratory. The Early Childhood Laboratory integrates children who exhibit a broad range of physical, intellectual, or emotional challenges with children who do not have disabilities. The group consists of 28 children, one third of whom have disabling conditions. The Governor's budget

recommendations for FY 2004 is \$97,493, including \$47,631 from the State General Fund, for the laboratory.

Family Center. The Family Center offers family-related educational programs, counseling, and consultation services to the Manhattan community. For FY 2004, the Governor recommends \$230,934, including \$193,078 from the State General Fund, to provide these services to 350 families.

Dispute Resolution Training & Family Preservation. The University provides services to the Department of Social and Rehabilitation Services. Training in family dispute resolution will develop skills to SRS staff at a cost of \$1,015,382, in FY 2004. It is estimated that this service will reach 1,000 families.

Kansas Child Care Training, Inc. The Governor recommends \$243,888, including \$28,243 from the State General Fund, in FY 2004 for the Kansas Child Care Training Opportunities Program. The program provides in-service training opportunities to child care personnel in licensed or registered child care facilities. The University estimates that 38,000 children will benefit from this program in FY 2004.

Speech & Hearing Center. The Center assists 265 children who exhibit speech and language delays or hearing impairments. The recommendation for FY 2004 is \$232,265.

After School Child Care Staff Assistance to USD 383. Kansas State has two programs with USD 383. The first service provides teachers and staff who work with developmentally delayed children enrolled in the Early Childhood Laboratory programs at Kansas State. The other is a kindergarten child care program supported by USD 383 and KSU's School of Family Studies and Human Services. The program provides a developmentally appropriate, comprehensive care and education service. In FY 2004, the programs will provide services for 60 children at a cost of \$84,781.

Infant Program. The program makes childcare available for infants, ages six weeks to 18 months. It also provides experience for students and Head Start teachers throughout Kansas. In FY 2004, the program is expected to serve eight children at a cost of \$57,200, including \$6,073 from the State General Fund.

Kansas State University—ESARP

Cooperative Extension Programs. The FY 2004 recommendation is \$9,677,900, including \$3,117,000 from the State General Fund, for a variety of programs. The mission is to deliver education programs for parents and other persons who influence youth to develop; responsible decisionmaking skills, a concern for the community, an inquiring mind, a positive self-image, as well as interpersonal relationship and communication skills. In addition to strengthening families, the Extension Service provides nutrition and health information to families and works at the local level to establish coalitions and interagency councils. These and other 4-H programs will serve over 838,700 Kansans.

Pittsburg State University

Funding of approximately \$201,600, including \$18,100 from the State General Fund, is recommended for children's services in FY 2004. These programs provide a variety of athletic and academic programs for approximately 21,105 school children. The academic programs include special education as well as language and reading programs.

University of Kansas

Hilltop Child Development Center. The Governor recommends \$1,191,338, including \$1,768 from the State General Fund, in FY 2004 to provide support for the Hilltop Child Development Center. The Center provides day care services to 228 children.

Edna A. Hill Child Development Center. The Edna A. Hill Child Development Center is in the University's Department of Human Development and Family Life and provides day care services to 85 children. The recommendation includes \$219,158, including \$75,925 from the State General Fund, for the Center in FY 2004.

Infant & Toddler Program. The Infant and Toddler Program coordinates various activities for children and toddlers in the Institute for Life Span Studies. For FY 2004, the Governor recommends \$18,000 in special revenues to continue this program.

Dependent Care Referral Service. The budget recommendation for FY 2004 is \$19,700 from the State General Fund to serve 400 families. The service is a licensed referral agency which helps locate child care and elder care providers for Douglas County residents and members of the University community.

Early Intervention Program. The emphasis of this clinic is on making available diagnostic and treatment services to the rural area of Southeast Kansas. The program, at a cost of \$6,400 from special revenues in FY 2004, provides services to 225 children from birth to age 21. The clinic is a collaborative effort with Parsons State Hospital and Training Center, Kansas Special Health Services, and Labette County Medical Center.

Early Childhood Special Services. The Early Intervention Program is coordinated by the University's Department of Special Education and includes two on-site preschool classrooms and one off-site outreach service. Students from a variety of academic departments benefit from the experience of working in these classrooms. The Governor recommends \$14,500 from the State General Fund to serve 80 children in FY 2004.

Child Care Resource & Referral Center for Labette & Cherokee Counties. Through the use of a computer database, families are linked to day care providers, based on needs specified by the parents. The program is designed to satisfy the demands of a rural, sparsely populated area for child care resources and referrals. The program serves approximately 310 children at a cost of \$49,000 in special revenue for FY 2004.

University of Kansas Medical Center

Tele-Kid Health Care Link. The University of Kansas Medical Center (KUMC) launched a project in 1998 that made it the first in the country to deliver telemedical services to children in their schools. The program uses a PC-based telemedicine technology that links physicians and children for clinical visits from the school nurse's office to the doctor's office. In the initial project, KUMC pediatricians and other specialists were linked with children at four elementary schools in Kansas City, Kansas. In order to bring this program to children throughout the state,

the Governor recommends that \$500,000, including \$250,000 from the Children's Initiatives Fund in FY 2004.

Special Health Services for Children. The goals of this program are to provide early identification of children at-risk; assure availability of diagnostic and treatment services; and promote the functional skills of 2,506 young Kansans who have a disability or chronic disease. The Medical Center will spend over \$160,000 from special revenue funds in FY 2004 on this program.

Child Development Unit. Assessment services will be provided for children through the Child Development Unit at an estimated cost of \$10,000 in special revenue for FY 2004. This program tracks over 2,200 children as they transition through the Neonatal Intensive Care Unit and other services.

Facial Rehabilitation & Spina Bifida Clinics. The Sutherland Clinic will provide evaluations, treatment, and follow-up services to 125 children with craniofacial anomalies. The Clinic provides one-stop centralized services. Also, 100 children will be served by a spina bifida clinic. These two services will be provided at a projected cost of \$77,848 in FY 2004 from special revenues.

Cystic Fibrosis Grant. The Medical Center's Cystic Fibrosis Center will provide services to 250 children. The total cost of these services will be \$39,795 from special revenues in FY 2004.

Pediatric Consultation Services & Seizure Clinic. The University's Children Center provides 180 pediatric consultation for Special Health Services at a cost of \$55,960 from special revenue in FY 2004. In addition, the staff pediatricians provide training courses for physicians, nurses, and other health care professionals who treat children with special health care needs. A pediatric seizure clinic provides ongoing, out-patient clinical services, educational services, and counseling services for 1,000 children with seizures. This clinic will receive \$32,040 from special revenue under the Governor's budget recommendations in FY 2004.

NICU Follow-Up Clinic. Established in 1983, this Neonatal Intensive Care Unit clinic serves premature infants or full-term babies who experienced difficulty

in the neonatal period. These babies, having been released from the hospital, no longer need the services of a neonatologist but continue to be at risk for developmental problems.

Project EAGLE. A grant by the federal Department of Health and Human Services provides family preservation and support services in Wyandotte County. The project, an Early Head Start Program, works with 160 children to improve the lives of the children and families at a cost of \$2,283,385 in FY 2004.

KC Healthy Start. This community-based program is designed to reduce infant mortality by 50.0 percent and improve the health and well-being of women, infants, children, and families in Jackson and Wyandotte Counties. The Governor recommends \$173,107 in federal funding for 100 children in FY 2004.

PKU & Sickle Cell Screening Program. The screening program provides neonatal screening for congenital hypothyroidism and phenylketonuria (PKU) to allow early detection and treatment of these diseases that can result in mental retardation. The program has recently been expanded to include galactosemia. Sickle cell screening provides for the early detection of congenital diseases of the blood. The 1,700 screenings will cost an estimated \$58,500 in FY 2004.

Teen Pregnancy Case Management. This service assists 50 pregnant or parenting teens. The goals are to reduce long-term welfare dependency by teen parents; reduce the negative economic, health, educational, vocational, and social consequences for teens and their children; increase levels of self-sufficiency; and delay the birth of a second child until completion of goals related to basic education and training. The Governor recommends that \$130,922 be spent from special revenues in FY 2004 on the program.

Other Services Provided on Request. The Medical Center also provides a variety of services to children on a fee-for-service basis. Pediatric residents are trained to determine eligibility for Social Security income; infants referred from the neonatal intensive care unit to the community are evaluated; parents are instructed in the proper use of child safety seats; new

mothers are advised on breastfeeding; and children with hearing impairments are evaluated.

Wichita State University

Child Development Center. The recommendation includes \$535,562 for the Child Development Center in FY 2004 from special revenues. This Center provides day care services to 96 children of University students, faculty, and staff. The Center also provides services to the general Wichita community when space is available.

Upward Bound Programs. The Governor recommends \$676,401 in FY 2004 from special revenues for the Upward Bound Programs. The programs help low-income, first generation, and disabled students from the Wichita public school system improve their study skills. School drop-outs who plan to return to school are also eligible to participate. The programs will assist 105 students in FY 2004.

Building Up Dreams in Urban Youth. This mentoring program serves the Wichita community by pairing WSU student mentors with 30 at-risk children in grades kindergarten through five. The University's budget includes \$500 from special revenues for this program in FY 2004.

Health Screenings & Public Health Services. Nursing students and faculty provide health screenings for elementary age children at selected schools each academic year. In addition, health education presentations are provided for children at nine elementary schools. Donated and in-kind services equate to \$7,800 from the State General Fund in FY 2004 to serve 1,500 children. In addition, nursing students give assistance in school health rooms in the Wichita, Maize, Valley Center, and Derby schools, as well as the Wichita Healthy Children Center. This assistance involves 1,100 children a year.

Project Discovery. Project Discovery identifies eligible students in the Wichita area and Southeast Kansas and supports them in the pursuit and completion of a post secondary education. The Governor's recommendation of \$479,358 from federal sources will provide services to 1,500 youth in FY 2004.

Speech-Language-Hearing Clinic. The Governor's recommendation includes \$486,001, including \$92,210 from the State General Fund, for this program in FY 2004. The Clinic provides diagnosis and treatment to children who have speech, language, and hearing disorders. Faculty and professional staff of the Department of Communicative Disorders and Sciences manage the clinic, which will treat 2,015 children in FY 2004.

Heskett Athletic Center Children's Activities. The recommendation includes \$92,500 from special revenues in FY 2004 to continue the activities involving 6,600 children by the Heskett Center. The Center offers programs to the children of University faculty, staff, and students. Activities include swimming lessons, gymnastics instruction, and many other recreational activities. The Center also hosts the National Youth Sport Program, which is a five-week program offered to economically disadvantaged children. This program provides a variety of sports programs, teaches children about the dangers of drugs and alcohol, and assists in career planning.

Health Careers. This program is targeted to economically disadvantaged and minority populations. Students entry to the College of Health Professions programs is facilitated. Students are also provided with mentoring, tutoring, and scholarship support. An initial Summer Enrichment Program provides students with college-level coursework, life-skills education, and hands-on work experience in health care settings. This federal and state-supported program will serve 136 students at a cost of \$50,000 from the State General Fund in FY 2004.

America Reads. The America Reads Challenge is a federally funded program that allows universities to dedicate a portion of the federal work-study allocation to pay college students to tutor primary grades K-2 children in reading. WSU students majoring in teacher education or social sciences and qualifying for federal work-study aid are eligible to participate. Students work as tutors in primary grade classrooms in designated Title I schools within the Wichita Public Schools system. Funding for this program is \$88,671 for FY 2004 and will serve 400 children.

Teacher Education Majors. The WSU Cooperative Education Project for Teacher Education Majors is designated to provide \$10,530 in financial assistance

from special revenues in FY 2004 to WSU students to help fund their academic course work at the University. Through this program, WSU students work as tutors or teaching assistants with disadvantaged students in the Wichita Public Schools. They give assistance by providing one-on-one tutoring or small group assistance to 400 students struggling to learn reading or math.

Communities in Schools. The WSU Cooperative Education Partnership with Communities in Schools provides WSU students from the social sciences the opportunity to work with at-risk children in a school setting. The program provides financial assistance to WSU students to help with their academic course work at the University. Funding of \$10,570 in special revenues is recommended for FY 2004. The program supports community efforts already in place to intervene effectively with at-risk elementary and secondary students. WSU students work with Communities in Schools staff to identify the needs of at-risk students and their families and connect them with available community resources.

Health Career Pathways Program. Faculty from the college's professional health programs, including emergency medical services, provides on-site presentations at West High School in Wichita. The faculty introduces the students to their professions and informs them about the education and skills that are required to be successful. The program will serve approximately 45 students in FY 2004 at a cost of \$7,000.

Health Professions Tour. Every fall, the College of Health Professions offers area high school students the opportunity to tour the College's classrooms and laboratories and learn about academic programs and the health professions. The tour includes presentations and demonstrations in each of the professional programs. The program will serve approximately 800 students in FY 2004 at a cost of \$16,800.

Dental Hygiene Clinic. The Department of Dental Hygiene operates a treatment clinic that will serve approximately 1,700 children in FY 2004. Services include dental examinations, radiographs, fluoride treatments, and oral hygiene instructions. The Governor recommends \$38,686, including \$34,394 from the State General Fund, for continuation of this program.

Kansas Arts Commission

The Kansas Arts Commission provides grants and technical assistance to various artists and arts organizations throughout the state to enrich children's arts appreciation. The Governor recommends \$2,031,850 from all funding sources for FY 2004, with \$1,503,950 from the State General Fund, for services provided by 8.0 existing FTE positions. Of the total budget, \$1,458,141 is for arts programming and \$573,709 is for administration. Funding is primarily from State General Fund appropriations and grants from the National Endowment from the Arts. The State General Fund base budget for the Kansas Arts Commission is reduced by \$80,964 in grants and aid to the local community organizations. The Commission expects to sponsor 90 statewide arts programs in FY 2004 and serve approximately 350,000 children across the state.

Historical Society

The Historical Society provides various educational programs at the Kansas Museum of History and at the state-owned historic sites through the Education-Outreach Division. In Topeka, tours of the Museum of History, the Stach School, and Discovery Place, a hands-on gallery, are held for children of different ages throughout the year. The agency also disseminates traveling resource trunks, relating Kansas history and culture to students' classrooms.

In the summer, workshops at the museum from kindergarten through sixth grade are conducted for children to learn about Kansas cultural history. For the past three years, the agency has worked with Topeka Day Care to provide on-site day care in the summer. Educational programming will serve approximately 120,000 children in FY 2004. The Governor recommends a total of \$17,000 from the State General Fund for this agency's educational services to children.

State Library

For FY 2004, \$1.2 million, all which is from the State General Fund, will be distributed through grants to public libraries across the state to support general

operations, the Talking Book Program, and interlibrary loan programs, all of which benefit children. The State Library's consulting and library training staff assists librarians in enhancing children's services and sponsors a children's summer reading program in every public library.

Public Safety

Children's services expenditures for the Public Safety function come primarily from the Juvenile Justice Authority and the four juvenile correctional facilities. The total recommended Public Safety budget of \$80.5 million constitutes 2.2 percent of the state's total children's services expenditures.

Juvenile Justice Authority

The Juvenile Justice Authority is responsible for all juvenile offenders in Kansas. The Authority provides services and care, correctional and rehabilitation programs, and delinquency prevention programs for juvenile offenders. Most of the programs and services funded by the agency are operated at the community level. The Authority also oversees the four juvenile correctional facilities.

The Governor recommends \$47.3 million, including \$26.1 million from the State General Fund, for community programs in FY 2004. Reductions to the agency's request were made in prevention programs in addition to operating expenditure reductions at each facility. The Governor's recommendations for FY 2004 include the following programs.

Delinquency Prevention. For community-based delinquency prevention programs, the Governor recommends \$6.8 million, with \$5.4 million from the Children's Initiatives Fund. The Authority and the communities continue to develop and implement programs to meet the needs of each community. In addition to the Children's Initiatives Fund, funding is provided through federal Juvenile Justice Delinquency Prevention grants and the Kansas Delinquency Prevention Trust Fund.

Graduated Sanction & Intervention Programs. For services and programs that serve juvenile offenders in

the community, the Governor recommends \$20,149,918, including \$13,281,305 from the State General Fund and \$3,585,513 from the Children's Initiatives Fund. These services are provided to the communities through the Graduated Sanctions Formula. The primary core programs funded through this formula are intake and assessment, intensive supervision, and case management. The Intensive Supervision Program provides funding for drug testing, electronic monitoring, and substance abuse counseling. The Intake and Assessment Program provides for assessing the needs of juveniles once they are in the custody of law enforcement. This program works to determine the needs of juveniles and facilitate interventions and remedies through referral to community resources. Case management services are for juvenile offenders who do not need placement in a restrictive correctional setting or intensive supervision, but do need some supervision and additional community support services.

Purchase of Services. Purchase of service funding reimburses community case management for out-of-home placements, detention, counseling, and other support services. For the purchase of services, the Governor recommends \$17,720,413, including \$12,379,125 from the State General Fund.

Atchison Juvenile Correctional Facility

The Atchison Juvenile Correctional Facility is a 114-bed facility that houses younger male offenders generally between the ages of 10 and 16. The Facility continues to offer structured activities, including education, recreation, and counseling for rehabilitation of the juveniles. For FY 2004, the Governor recommends \$6,116,241, including \$5,868,143 from the State General Fund.

Beloit Juvenile Correctional Facility

The only facility that houses female juvenile offenders is the Beloit Juvenile Correctional Facility. Rehabilitation of juveniles is provided through education, recreation, and counseling services. For FY 2004, the Governor recommends \$5,114,775, including \$4,873,945 from the State General Fund. This recommendation will force the Facility to reduce its capacity to 66 juvenile offenders.

Larned Juvenile Correctional Facility

The Larned Juvenile Correctional Facility houses juveniles between the ages of 13 and 21 who require mental health or substance abuse treatment. Currently, the Facility occupies several buildings on the Larned State Hospital campus with a total bedspace of 116. A new 156-bed replacement facility is scheduled to open in July 2003. Many of the services that Larned Juvenile Correctional Facility currently shares with Larned State Hospital will continue to be shared between the two agencies, including food services, medical services, and laundry. For FY 2004, the Governor recommends \$7,693,438, including \$7,229,161 from the State General Fund. This level of funding will force the Facility to delay the opening of a 30-bed pod in the new facility until December 2003.

Topeka Juvenile Correctional Facility

The most serious and violent offenders are housed at the Topeka Juvenile Correctional Facility (TJCF). Juveniles receive academic and vocational education as well as counseling and recreation. Adjacent to the facility is the Kansas Juvenile Correctional Complex (KJCC), a maximum security and diagnostic center for juvenile offenders, which currently is under construction. KJCC is scheduled to open in July 2004. For FY 2004, the Governor recommends \$13,846,728, including \$13,171,684 from the State General Fund. Of this, the Governor recommends \$1,325,000, all from State General Fund, to begin equipping and staffing KJCC for a July 2004 opening.

Adjutant General

The Governor recommends \$401,316 in FY 2004 to support the Adjutant General's "Starbase" Program to improve students' math, science, and technology skills during the summer months. This program will reach an estimated 5,000 children each in FY 2004.

Agriculture & Natural Resources

The Governor recommends \$567,233 for FY 2004 for children's programming for the Agricultural and Natural Resources function. These funds support educational programs related to agricultural practices

and the outdoors. The Department of Wildlife and Parks and the Kansas State Fair both participate in bringing these important programs to the youth of the state.

Kansas State Fair

The State Fair offers two basic types of youth services, which are educational and competitive. Educational programs that are offered at the Kansas State Fair are Kansas' Largest Classroom and Kansans with Disabilities Day. Kansas' Largest Classroom is designed to assist teachers in planning and organizing educational field trips to the Fair.

Participants in competitive events include school marching bands, 4-H, Boy Scouts, Girl Scouts, and Future Farmers of America. Individual children also compete in various competitive exhibit departments, which include foods, fine arts, livestock showing and judging, and other exhibits. Approximately 30,975 children will participate in these events at a cost of \$200,802 in FY 2004.

Department of Wildlife & Parks

Wildlife Education Service (WES). Through the WES Program, the Department of Wildlife and Parks distributes a series of instructional student booklets and teacher guides to all public and private K-12 schools in Kansas. Also included is a free loan reference center, which provides films, videotapes, learning kits, and computer software to assist in teaching youth to protect the environment. The Department will serve 18,000 youths through this program at a cost of \$38,700 in FY 2004.

Hunter Education Program. Individuals born after July 1, 1957, who wish to obtain a hunting license in Kansas must have completed a Hunter Education Program. The program teaches prospective hunters firearm safety, hunter ethics and safety, wildlife management, alcohol and drug education, wildlife education, and first aid. An estimated 13,000 youths will participate in the Hunter Education Program in FY 2004 for which the Department will spend an estimated \$144,556.

Fishing Clinics. The Department sponsors fishing clinics to children from kindergarten through high

school. The Department designs the clinics so that children will have fun while learning civic values and stewardship of aquatic resources. The clinics also provide a forum in which children can build relationships with communities and families. The Department estimates expenditures of \$153,000 to serve 31,000 youths in FY 2004.

Youth Hunter Education Challenge. This is an advanced hunter education program specifically designed for young people. Its purpose is to promote the on-going development of hunting skills and to reinforce responsible hunting techniques. Participants hone their accuracy skills in archery, rifle, shotgun, and muzzleloader events and improve responsibility by learning how to orient themselves in unfamiliar territory, safe trailing, and wildlife identification. They are tested specifically on accountable and responsible hunting. The Challenge is coordinated by the Kansas Wildlife Officers Association, the Department's Hunter Education Section, the National Rifle Association, and the International Hunter Education Association. The Department estimates expenditures of \$525 to serve 50 youths in FY 2004.

Boating Safety. Current law requires anyone between 12 and 15 years of age to complete a boating safety course successfully before operating a personal watercraft. Additionally, any individual under the age of 16 is required to take a personal watercraft safety class before operating one. The Department will provide these courses to 10,900 youths during FY 2004 at a cost of \$21,800.

Kansas Furharvester Education Program. The Kansas Furharvester Program promotes safe, responsible behavior to emphasize the importance of wildlife laws and regulations to encourage safety. Individuals born after July 1, 1966, must complete a six-hour course, which is available by correspondence or through a certified instructor. Kansas is one of 15 states which operates such a program. For FY 2004, the Department estimates that 700 youths will be served by the program at a cost of \$7,850.

Transportation

The Governor recommends \$909,000 in FY 2004 for children's educational programs promoting highway

and traffic safety. These programs are financed primarily with federal funds and are expected to serve approximately 492,000 children in FY 2004.

Department of Transportation

Kansas Safety Belt Education. The Governor recommends expenditures of \$142,000 in FY 2004 to educate and inform 40,000 children under the age of 14 about the proper use of safety seats.

Drunk Driving Prevention Office. In FY 2004, the Governor recommends \$337,000 to educate 225,000 teens about the dangers of alcohol and the consequences of driving under the influence.

Youth Leadership Summit. This program provides leadership workshops and retreats for youth of all ages. The Governor's FY 2004 recommendation includes \$100,000 to allow 1,000 teens to obtain insight, awareness, and action planning skills related to drinking and drug free countermeasures in their communities.

School Traffic Officer Project STOP. This program promotes youth traffic safety to prevent traffic injuries

and deaths in the student population in Kansas. The Governor recommends \$100,000 to serve 50,000 students in FY 2004.

Care/Call Underage Drinking Prevention Media Campaign. The Governor recommends \$100,000 to serve 150,000 teens. This program is aimed at enforcing underage drinking laws by targeting communities, law enforcement, schools, and parents to prevent and report underage drinking parties. They will achieve this goal through the use of brochures, news releases, and related promotional items.

Pedestrian/Bicycle Safety Program. The Governor recommends \$10,000 from federal funding sources to provide 18,000 bicycle safety brochures and to produce a pedestrian school crossing guard manual for all Kansas school districts.

Child Passenger Safety. The Governor recommends \$120,000 to provide assistance to 8,000 children in all Kansas counties. It also provides for child passenger safety instructors and technicians affiliated with loaner programs and fitting stations across the state. This program also includes specific target populations of minority groups and low-income families.

Children’s Budget—The following table displays program expenditures and numbers served by children’s programs. For each program, next to the first “Number Served” amount, there is a code letter “C,” “F,” or “N.” The letter “C” means that the number served refers to individual children. “F” refers to the number of families served. The “N” signifies that the number of children or families cannot be determined accurately. The table is organized by function of government and by agency. It shows actual expenditures and the number of children or families served for FY 2002, the Governor’s revised estimates for FY 2003, the agencies’ requests for FY 2004, and the Governor’s recommendation for FY 2004.

Expenditures for Children's Programs by Agency and Activity

	FY 2002 Actual Expenditures				FY 2003 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
General Government							
Department of Revenue							
Motor Vehicle Registration	N	--	--	29,740	--	--	32,119
Child Support Enforcement	N	--	--	26,677	--	--	32,513
Total--Department of Revenue			\$ --	\$ 56,417		\$ --	\$ 64,632
Banking Department							
Consumer Education	C	65,000	--	70,000	65,000	--	70,000
Credit Counseling	F	2,800	--	25,000	2,800	--	45,000
Total--Banking Department			\$ --	\$ 95,000		\$ --	\$ 115,000
Securities Commissioner							
Stock Market Game	C	5,635	--	20,000	5,000	--	20,000
Office of the Governor							
Drug Free Schools	N	--	--	--	--	--	367,888
Rape Prevention & Education	N	--	--	--	--	--	159,621
Victims of Crime Act--VRU	N	--	--	--	--	--	1,904,123
Child Visitation Centers	C	--	--	--	950	--	176,108
Total--Office of the Governor			\$ --	\$ --		\$ --	\$ 2,607,740
Attorney General							
Drug Free Schools	N	--	--	714,437	--	--	367,888
Rape Prevention & Education	N	--	--	367,675	--	--	159,621
Victims of Crime Act--VRU	N	--	--	3,449,371	--	--	1,904,123
Child Visitation Centers	C	1,946	--	383,303	950	--	176,108
Child Abuse Investigation	C	63	75,000	75,000	63	75,000	75,000
Child Death Review Board	N	--	60,000	106,837	--	60,000	108,076
Abuse & Neglect Programs	C	28,846	--	247,021	29,000	--	248,514
Sexually Violent Predator Determinations	N	--	150,000	150,000	--	150,000	150,000
Domestic Abuse Programs	C	4,717	--	1,984,021	4,750	--	2,067,595
DARE Program	N	--	104,826	130,186	--	125,503	125,503
Programs for Crime Victims	N	--	--	366,912	--	--	330,611
Medicaid Fraud & Abuse	N	--	55,031	623,621	--	--	780,661
Child Abuse Prosecution	N	--	45,000	60,000	--	30,000	30,000
Crime Victims Compensation	N	--	--	3,248,086	--	--	3,049,158
Total--Attorney General			\$ 489,857	\$ 11,906,470		\$ 440,503	\$ 9,572,858
Judiciary							
Permanency Plan. (CASA)	C	2,794	--	705,399	2,500	--	--
Child Support Enforcement	C	154,589	--	1,751,664	154,690	--	--
Court Services	F	14,307	7,027,250	7,521,809	14,850	7,381,842	7,923,237
Court Improvement Program	N	--	--	120,706	--	--	--
Total--Judiciary			\$ 7,027,250	\$ 10,099,578		\$ 7,381,842	\$ 7,923,237
Total--General Government			\$ 7,517,107	\$ 22,177,465		\$ 7,822,345	\$ 20,303,467
Human Resources							
Social & Rehabilitation Services							
Prevention Services	C	--	--	--	3,346	23,025	250,000
Temp.Assist. for Families	F	26,209	30,293,070	57,077,775	28,115	29,821,027	54,596,877
	C	48,271	--	--	51,782	--	--
Energy Assistance	F	13,271	--	6,577,467	13,271	--	4,498,781
	C	20,235	--	--	20,235	--	--
Employ.Prepare.Services--FS	F	472	4,484	8,993	668	9,900	19,800
Child Care Assistance	C	31,259	9,244,777	50,815,599	32,975	14,162,624	55,359,259
Family Preservation	F	2,731	3,045,555	10,554,275	3,081	--	9,964,083

Expenditures for Children's Programs by Agency and Activity

	FY 2002 Actual Expenditures				FY 2003 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Community Funding	C	4,797	1,333,534	1,407,912	4,800	2,600,000	2,600,000
Family Services and Grants	F	538	2,454,836	4,527,170	409	1,708,136	3,375,728
Foster Care	C	3,264	37,784,969	91,940,259	--	33,337,435	94,324,669
Adoption	C	1,546	15,349,323	28,156,398	--	15,670,018	33,561,332
Permanent Guardianship	C	70	--	134,846	110	--	250,000
Adoption Support	C	4,303	8,377,510	17,098,665	4,717	8,459,816	17,881,472
Child Care Grants	C	5,180	--	1,527,746	5,000	--	2,265,750
Early Head Start	C	825	--	7,239,627	825	--	7,889,618
Children's Trust Funds	C	21,163	3,000,000	3,174,292	22,000	21,180	3,751,100
Juvenile Justice Programs	C	1,250	775,113	12,062,179	1,250	--	9,522,000
Substance Abuse Treatment	F	2,869	1,112,538	2,870,018	3,625	2,136,850	3,918,750
	C	2,194	544,200	1,047,568	1,700	544,200	1,047,568
Mental Health State Aid	C	1,000	504,508	504,508	1,000	504,508	504,508
Mental Health Reform	C	5,610	3,641,330	3,641,330	5,610	3,641,330	3,641,330
MH Special Purpose Grants	C	1,550	1,204,721	1,894,631	1,550	1,204,721	1,894,631
Family Centered Sys. of Care	F	2,000	--	5,000,000	2,000	--	5,000,000
Family Grants	C	7,295	1,647,934	2,319,129	7,200	1,721,985	2,288,072
Family Support Services	F	1,063	2,551,200	2,551,200	1,315	3,156,000	3,156,000
HCBS Waivers	F	1,025	5,764,551	14,469,254	1,200	6,748,800	16,939,200
Rehab. Services--Children	C	2,440	90,056	422,798	2,501	94,290	442,677
Child Support Enforcement	C	154,589	8,425,433	23,973,577	156,253	8,837,390	23,707,715
HealthWave/Medical Assist.	C	204,106	109,503,100	330,759,484	217,132	118,926,000	367,518,000
Total--SRS			\$ 246,652,742	\$ 681,756,700		\$ 253,329,235	\$ 730,168,920
State Institutions							
Kansas Neurological Institute							
Residential Treatment/Educ.	C	6	241,982	663,623	6	277,562	677,848
Marion State Hospital							
Adolescent Inpatient	C	89	400,649	1,317,355	88	657,539	1,897,413
Children Inpatient	C	29	262,039	749,747	21	156,913	452,792
Special Education Program	C	118	4,394	1,394,932	109	--	1,222,593
Administration	C	--	2,553,745	5,562,378	--	3,172,128	5,732,202
Marion State Hospital							
Residential Treatment	C	21	538,992	1,735,051	24	635,245	2,078,857
Special Purpose School	C	27	339,600	339,600	31	250,874	250,874
Employee Child Care	C	193	2,375	7,419	205	2,407	7,814
SEK Respite Care, Inc.	F	245	59,200	59,200	255	59,200	59,200
Rainbow MH Facility							
Inpatient Services	C	145	--	3,413,905	143	--	3,264,233
School	C	145	352,196	352,196	143	337,641	337,641
Total--State Institutions			\$ 4,755,172	\$ 15,595,406		\$ 5,549,509	\$ 15,981,467
Health & Environment							
Mothers and Infants	F	12,708	1,380,451	2,390,837	12,708	1,380,451	2,390,837
Adolescent Health	C	2,047	233,961	351,744	2,047	233,961	351,744
Healthy Start/Home Visits	C	17,500	501,444	1,045,748	17,500	501,444	1,045,748
Child Health Program	C	33,740	13,913	723,991	33,740	13,913	723,991
Black Infant Mortality	C	1,504	49,369	98,484	1,504	49,369	98,484
Family Planning	F	42,838	98,880	1,819,610	42,838	98,880	1,819,610
Teenage Pregnancy Prevent.	C	18,300	537,660	689,715	18,300	537,660	689,715
Abstinence Education	C	450	--	261,185	450	--	261,185
Pregnancy Maintenance	C	300	300,000	300,000	75	75,000	75,000
Special Health Services	C	13,750	670,644	2,558,988	13,750	670,644	2,558,988
Child Care Licensing	C	140,000	299,712	1,637,712	140,000	299,712	1,637,712
Child Lead Poison Prevention	C	7,500	116,159	42,900	7,500	116,159	42,900
Commun. Based Prim. Care	F	5,289	471,460	482,060	5,289	471,460	482,060
Migrant & Refugee Health	F	882	--	158,064	882	--	158,064
WIC Vouchers Food Dollars	N	55,000	--	35,600,000	55,000	--	35,600,000

Expenditures for Children's Programs by Agency and Activity

	FY 2002 Actual Expenditures				FY 2003 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Infant Toddler Services	C	3,710	1,992,000	5,042,000	3,710	1,992,000	5,042,000
Health & Prevention	F	20,000	--	42,900	20,000	--	42,900
Immunizations	C	225,000	674,898	2,507,104	225,000	674,898	2,507,104
Total--KDHE			\$ 7,340,551	\$ 55,753,042		\$ 7,115,551	\$ 55,528,042
Department of Human Resources							
NIYEA	C	80	110,000	110,000	--	--	--
Job Service/Job Corps	C	35,000	--	750,000	22,000	--	750,000
Child Labor	C	706	2,580	2,580	1,210	3,800	3,800
Total--DHR			\$ 112,580	\$ 862,580		\$ 3,800	\$ 753,800
Total--Human Resources			\$ 258,861,045	\$ 753,967,728		\$ 265,998,095	\$ 802,432,229
Education							
Department of Education							
Operating Aid to USDs	C	446,286	2,034,479,831	2,167,889,640	444,786	2,075,392,040	2,228,358,243
Capital Improvement Aid	C	232,000	40,007,915	40,007,915	236,000	--	--
Nutrition Services	C	538,000	2,510,486	100,761,529	538,000	2,510,486	101,595,486
Special Education Services	C	76,338	242,788,416	300,935,701	77,544	249,901,845	317,396,845
Vocational Education	C	20,000	105,906	4,890,661	20,000	105,906	5,061,812
Parent Education	F	17,576	4,236,478	6,736,468	18,226	4,639,500	7,139,500
School Renovation Grants	C	30,409	--	4,264,042	30,409	--	3,200,000
Safety Education	C	20,959	--	1,595,159	21,000	--	1,579,000
Environmental Education	C	25,000	30,000	30,000	25,000	--	--
Drug Abuse Education	C	446,286	--	2,687,450	444,786	--	2,750,000
Agriculture Education	C	20,000	35,000	35,000	20,000	35,000	35,000
Space Science Education	C	10,000	50,000	50,000	10,000	--	--
Sports Hall of Fame	C	4,000	50,000	50,000	--	--	--
Vision Services	C	200	--	300,000	200	--	300,000
School Violence Prevention	C	2,000	--	474,392	--	--	--
Communities in Schools	C	39,472	--	42,000	11,000	--	44,000
Total--Department of Education			\$ 2,324,294,032	\$ 2,630,749,957		\$ 2,332,584,777	\$ 2,667,459,886
School for the Blind	C	1,098	4,513,542	5,141,905	1,125	4,377,205	4,968,340
School for the Deaf	C	470	7,243,832	8,185,075	470	7,089,885	8,814,211
Subtotal--Department of Education			\$ 2,336,051,406	\$ 2,644,076,937		\$ 2,344,051,867	\$ 2,681,242,437
Board of Regents							
Regents Honors Academy	C	104	110,000	110,000	105	110,000	110,000
Emporia State University							
Child Development Center	C	90	--	281,894	95	--	293,200
Pre-School	C	38	--	25,047	40	--	25,055
Reading Related Services	C	64	6,657	6,657	75	7,044	7,044
Volunteer Program	C	158	1,500	1,500	300	2,636	2,636
Expanding Your Horizons	C	244	1,600	6,940	300	1,650	11,350
Kolvalesky Mathematics	C	61	--	1,580	55	--	1,600
Super Saturdays	C	370	--	800	400	--	800
Master It	C	24	--	12,940	24	1,000	15,800
America Counts Program	C	18	--	3,748	18	--	4,492
America Reads Program	C	108	--	21,380	108	--	22,000
Total--ESU			\$ 9,757	\$ 362,486		\$ 12,330	\$ 383,977
Fort Hays State University							
Herndon Clinic	C	500	212,094	236,985	500	212,094	236,985
Tiger Tots Nurtury Center	C	50	--	77,322	50	--	77,322
Kelly Center	F	250	78,726	78,726	250	78,726	78,726
Total--FHSU			\$ 290,820	\$ 393,033		\$ 290,820	\$ 393,033

Expenditures for Children's Programs by Agency and Activity

	FY 2002 Actual Expenditures				FY 2003 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Kansas State University							
Hoeflin St. House Daycare	C	35	102,471	224,185	35	102,471	230,271
Early Childhood Lab.	C	28	47,631	92,858	28	47,631	95,119
Family Center	F	350	193,078	227,414	350	193,078	229,131
Dispute Resolution Training	F	1,000	11,141	1,001,199	1,000	--	1,015,382
Ks. Childcare Training, Inc.	N	37,252	28,243	252,191	38,000	28,243	233,619
Speech--Hearing Center	C	265	201,472	229,402	265	201,472	230,799
Staff Assistance to USD 383	C	20	--	17,567	20	--	17,942
After School Child Care	C	40	9,224	61,430	40	9,224	64,040
Infant Program	C	8	6,073	52,447	8	6,073	54,766
Total--Kansas State			\$ 599,333	\$ 2,158,693		\$ 588,192	\$ 2,171,069
KSU--ESARP							
4-H Program	C	165,579	740,000	875,000	150,000	720,000	850,000
Youth Leadership Program	C	200	100,000	265,000	500	100,000	400,000
Leadership/Community	C	17,064	100,000	120,000	270,000	100,000	180,000
Army Youth & Teen Center	C	500	10,000	20,000	600	10,000	21,200
Youth Staff Dev./Training	N	25,000	27,000	100,000	25,000	27,000	105,700
Learning & Social Readiness	C	400	10,000	30,000	400	10,000	30,000
Parenting/Family Relationships	F	135,456	1,113,000	1,650,000	125,000	1,025,000	1,520,000
Nutrition	F	310,882	595,000	3,480,000	250,000	455,000	2,650,000
Mental & Emotional Wellness	F	55,000	241,000	3,214,000	50,000	230,000	2,893,000
Health Promotion	N	3,000	--	250,000	2,000	--	236,000
Building Communities	F	289,693	760,000	785,000	200,000	440,000	741,000
Total--KSU--ESARP			\$ 3,696,000	\$ 10,789,000		\$ 3,117,000	\$ 9,626,900
Pittsburg State University							
Preschool Lab	C	16	--	4,502	15	--	4,700
Ks. Council on Fitness	C	17,500	--	22,500	18,000	--	22,500
YES Program	C	350	14,235	28,420	400	17,500	35,000
America Reads Challenge	C	350	579	26,482	400	600	30,000
National Youth Sports	C	249	--	70,000	450	--	70,000
Special Ed. Summer Program	C	100	--	20,000	115	--	20,000
Continuing Education	C	605	--	14,256	650	--	17,500
Science Day	C	950	--	1,500	1,000	--	1,600
Career Exploration	C	275	--	15,235	75	--	300
Total--Pittsburg State University			\$ 14,814	\$ 202,895		\$ 18,100	\$ 201,600
University of Kansas							
Hilltop Child Dev. Center	C	225	1,768	1,131,890	228	1,768	1,169,516
Edna Hill Child Dev. Center	C	70	66,136	171,854	85	73,713	212,774
KU Center on DD Coordination	N	--	--	18,000	--	--	18,000
Dependent Care Referral	F	308	18,586	18,586	350	19,200	19,200
Early Intervention Program	C	220	--	6,400	225	--	6,400
Early Childhood Special Serv.	C	48	12,500	12,500	48	12,800	12,800
Child Care Focus	C	600	--	48,000	300	--	49,500
Total--University of Kansas			\$ 98,990	\$ 1,407,230		\$ 107,481	\$ 1,488,190
KU Medical Center							
Tele-Kid Health Care Link	C	444	--	500,000	734	--	500,000
Special Health Services	C	2,506	--	163,478	2,506	--	151,908
Child Development Unit	C	2,145	--	7,000	2,200	--	10,000
Spina Bifida Clinic	C	69	--	23,827	100	--	34,532
Cystic Fibrosis Grant	C	232	--	30,514	250	--	39,795
Pediatric Seizure Clinic	C	910	--	29,168	1,000	--	32,040
Project EAGLE	C	200	--	2,132,272	160	--	2,283,385
KC Healthy Start	C	71	--	173,107	90	--	173,107
PKU, et al. Screening	C	1,938	--	66,680	1,700	--	58,500
Pediatric Consultation Svcs.	C	58	--	40,344	180	--	55,960

Expenditures for Children's Programs by Agency and Activity

	FY 2002 Actual Expenditures				FY 2003 Governor's Estimate			
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources	
Facial Rehabilitation	C	101	--	35,000	125	--	43,316	
Teen Pregnancy Case Mgmt.	C	65	--	130,922	50	--	130,922	
Total--KU Medical Center			\$ --	\$ 3,332,312		\$ --	\$ 3,513,465	
Vichita State University								
Child Development Center	C	94	--	497,161	96	--	535,562	
Upward Bound	C	55	--	369,128	55	--	380,202	
Upwrld. Bnd. Math/Sci.	C	50	--	247,977	50	--	276,498	
Build. Dreams Urban Youth	C	10	--	4,919	20	--	500	
Public Health Services	C	1,100	--	2,500	1,100	--	--	
Health Screenings	C	1,000	--	7,200	1,200	--	7,500	
Project Discovery	C	1,520	--	451,841	1,500	--	465,396	
Spch.-Lang.-Hearing Clinic	C	2,005	87,767	462,583	2,010	89,961	474,147	
Heskett Athletic Center	C	5,200	--	88,000	5,200	--	90,640	
Health Careers	C	100	47,356	88,415	106	45,000	45,000	
Dental Hygiene Clinic	C	1,900	33,782	39,782	1,700	34,394	38,686	
America Reads	C	370	--	41,099	400	--	88,671	
Teacher Education Majors	C	360	--	10,530	400	--	10,530	
Communities in Schools	C	815	--	9,486	1,000	--	10,570	
Health Career Pathways	C	45	--	4,500	45	--	6,000	
Health Professions Tours	C	800	--	16,000	800	--	16,000	
Total--Wichita State University			\$ 168,905	\$ 2,341,121		\$ 169,355	\$ 2,445,902	
Subtotal--Regents Institutions			\$ 4,988,619	\$ 21,096,770		\$ 4,413,278	\$ 20,334,136	
Arts Commission								
Programming for the Arts	C	350,000	1,650,105	2,106,794	350,000	1,584,914	2,182,497	
State Historical Society								
Educational Programming	C	119,296	17,850	28,200	120,000	17,000	28,000	
State Library								
Grants to Local Libraries	C	--	1,086,362	1,086,362	--	925,238	925,238	
Kansas Library Network	N	--	165,360	165,360	--	157,811	157,811	
Talking Books	N	--	10,513	10,513	--	10,513	10,513	
Educ. Database Subscription	N	--	--	--	--	111,352	111,352	
Total--State Library			\$ 1,262,235	\$ 1,262,235		\$ 1,204,914	\$ 1,204,914	
Total--Education			\$ 2,343,970,215	\$ 2,668,570,936		\$ 2,351,271,973	\$ 2,704,991,984	
Public Safety								
Juvenile Justice Authority								
Juvenile Accountability	C	5,700	--	2,379,357	5,842	--	2,646,550	
Delinquency Prevention	C	18,034	--	1,231,301	18,484	--	1,006,209	
Prevention Grant	C	13,000	--	6,000,000	17,336	--	4,900,000	
Intake & Assessment	C	28,500	2,803,111	4,803,111	28,750	415,732	3,614,624	
Supervised Probation	C	1,473	4,363,872	7,032,509	1,490	4,363,872	6,963,872	
Case Mgmt & Services	C	2,097	23,258,874	26,552,890	2,078	20,958,851	25,698,827	
Delinq. Prevention Trust	C	2,274	--	490,556	2,308	--	500,000	
Total--JJA			\$ 30,425,857	\$ 48,489,724		\$ 25,738,455	\$ 45,330,082	
Atchison Juv. Correctional Fac.								
	C	196	6,206,406	6,636,636	235	6,138,425	6,384,927	
Beloit Juv. Correctional Fac.								
	C	58	4,969,571	5,406,221	60	5,161,963	5,398,749	
Marion Juv. Correctional Fac.								
	C	189	4,649,156	4,964,196	240	5,176,310	5,561,597	
Wichita Juv. Correctional Fac.								
	C	500	11,921,228	13,478,798	517	12,153,324	12,691,256	
Adjutant General								
STARBASE Education	C	3,155	--	525,542	5,000	--	390,970	
Total--Public Safety			\$ 58,172,218	\$ 79,501,117		\$ 54,368,477	\$ 75,757,581	

Expenditures for Children's Programs by Agency and Activity

	FY 2002 Actual Expenditures				FY 2003 Governor's Estimate			
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources	
Agriculture & Natural Resources								
Kansas State Fair								
Educ. & Competitive Services	C	28,893	--	150,676	28,141	--	197,203	
Total--Kansas State Fair			\$ --	\$ 150,676		\$ --	\$ 197,203	
Department of Wildlife & Parks								
Wildlife Education	C	17,220	--	38,073	17,740	--	38,700	
Hunter Education	C	12,580	--	170,754	12,700	--	161,130	
Fishing Clinics	C	28,900	--	147,650	29,500	--	151,000	
Youth Challenge	C	40	--	475	45	--	510	
Boating Education	C	10,350	--	21,000	10,500	--	21,800	
Furharvester Education	C	575	--	7,855	650	--	7,830	
Total--Wildlife and Parks			\$ --	\$ 385,807		\$ --	\$ 380,970	
Total--Agriculture & Natural Resources			\$ --	\$ 536,483		\$ --	\$ 578,173	
Transportation								
Department of Transportation								
Ks. Safety Belt Ed. Office	C	35,000	--	140,000	36,000	--	141,500	
Drunk Driving Prevent. Pgm.	C	62,000	--	107,000	225,000	--	337,000	
Gov's Teen Leadership Ctr.	C	1,500	--	150,000	1,500	--	150,000	
School Traffic Officer Project	C	48,000	--	80,000	48,000	--	90,000	
Care/Call	C	140,000	--	98,000	140,000	--	100,000	
Pedest./Bicycle Safety Prog.	C	20,000	--	18,000	20,000	--	10,000	
Child Passenger Safety	C	6,000	--	118,918	6,000	--	115,000	
Total--Transportation			\$ --	\$ 711,918		\$ --	\$ 943,500	
Total--Children's Programs			\$2,668,520,585	\$3,525,465,647		\$2,679,460,890	\$3,605,006,934	

C=individual children; F=families; N=number of children or families cannot be determined.

Expenditures for Children's Programs by Agency and Activity

	Type Served	FY 2004 Base Budget			FY 2004 Governor's Recommendations		
		Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
General Government							
Department of Revenue							
Motor Vehicle Registration	N	--	--	32,752	--	--	32,752
Child Support Enforcement	N	--	--	33,102	--	--	33,102
Total--Department of Revenue			\$ --	\$ 65,854		\$ --	\$ 65,854
Banking Department							
Consumer Education	C	65,000	--	70,000	65,000	--	75,000
Credit Counseling	F	2,800	--	45,000	2,800	--	45,000
Total--Banking Department			\$ --	\$ 115,000		\$ --	\$ 120,000
Securities Commissioner							
Stock Market Game	C	5,000	--	20,000	5,000	--	20,000
Office of the Governor							
Drug Free Schools	N	--	--	--	--	--	736,730
Rape Prevention & Education	N	--	--	--	--	--	319,363
Victims of Crime Act--VRU	N	--	--	--	--	--	3,811,280
Child Visitation Centers	C	--	--	--	1,946	--	352,216
Total--Office of the Governor			\$ --	\$ --		\$ --	\$ 5,219,589
Attorney General							
Drug Free Schools	N	--	--	736,730	--	--	--
Rape Prevention & Education	N	--	--	319,363	--	--	--
Victims of Crime Act--VRU	N	--	--	3,811,280	--	--	--
Child Visitation Centers	C	1,900	--	352,216	--	--	--
Child Abuse Investigation	C	63	75,000	75,000	63	75,000	75,000
Child Death Review Board	N	--	60,000	108,913	--	60,000	108,913
Abuse & Neglect Programs	C	29,000	--	248,514	29,000	--	248,514
Sexually Violent Predator Determinations	N	--	150,000	150,000	--	150,000	150,000
Domestic Abuse Programs	C	5,000	--	2,285,217	5,000	--	2,285,217
DARE Program	N	--	128,657	128,657	--	128,657	128,657
Programs for Crime Victims	N	--	--	333,087	--	--	333,087
Medicaid Fraud & Abuse	N	--	--	780,661	--	35,385	791,787
Child Abuse Prosecution	N	--	60,000	60,000	--	60,000	60,000
Crime Victims Compensation	N	--	--	3,056,425	--	--	3,056,425
Total--Attorney General			\$ 473,657	\$ 12,446,063		\$ 509,042	\$ 7,237,600
Judiciary							
Permanency Plan. (CASA)	C	2,500	--	716,021	--	--	716,021
Child Support Enforcement	C	154,690	--	1,970,636	--	--	1,970,636
Court Services	F	14,850	7,612,652	8,176,855	--	7,612,652	8,176,855
Court Improvement Program	N	--	--	125,138	--	--	125,138
Total--Judiciary			\$ 7,612,652	\$ 10,988,650		\$ 7,612,652	\$ 10,988,650
Total--General Government			\$ 8,086,309	\$ 23,635,567		\$ 8,121,694	\$ 23,651,693
Human Resources							
Social & Rehabilitation Services							
Prevention Services	C	3,346	23,025	250,000	3,346	23,025	250,000
Temp.Assist. for Families	F	29,728	30,293,070	69,853,332	29,728	29,821,028	59,756,160
	C	54,752					
Energy Assistance	F	13,271	--	4,367,892	13,271	--	4,367,892
	C	20,235			20,235		
Employ.Prepare.Services--FS	F	712	11,520	23,040	712	11,520	23,040
Child Care Assistance	C	34,679	15,671,022	61,141,777	34,679	15,113,822	61,141,777
Family Preservation	F	3,015	4,533,770	11,969,572	3,015	267,909	9,964,083

Expenditures for Children's Programs by Agency and Activity

	FY 2004 Base Budget				FY 2004 Governor's Recommendations			
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources	
Community Funding	C	4,800	2,600,000	2,600,000	4,800	2,600,000	2,600,000	
Family Services and Grants	F	403	1,859,192	3,389,506	403	1,260,629	3,389,506	
Foster Care	C	3,136	38,448,105	94,324,669	3,136	33,235,967	87,192,502	
Adoption	C	1,621	16,871,993	35,311,017	1,621	16,261,271	34,421,790	
Permanent Guardianship	C	150	--	250,000	150	--	250,000	
Adoption Support	C	4,802	8,459,816	17,881,472	4,802	8,459,816	17,881,472	
Child Care Grants	C	5,000	--	2,265,750	5,000	--	2,265,750	
Early Head Start	C	825	--	7,889,618	825	--	7,889,618	
Children's Trust Funds	C	22,000	3,286,800	3,751,100	22,000	211,800	5,051,100	
Juvenile Justice Programs	C	1,250	--	9,522,000	1,250	--	9,522,000	
Substance Abuse Treatment	F	3,625	2,136,850	3,918,750	3,625	2,136,850	3,918,750	
	C	1,700	544,200	1,047,568	1,700	544,200	1,047,568	
Mental Health State Aid	C	1,000	504,508	504,508	1,000	504,508	504,508	
Mental Health Reform	C	5,610	3,641,330	3,641,330	5,610	3,641,330	3,641,330	
MH Special Purpose Grants	C	1,550	1,204,721	1,894,631	1,550	1,204,721	1,894,631	
Family Centered Sys. of Care	F	2,000	--	5,000,000	2,000	--	5,000,000	
Family Grants	C	7,200	1,721,985	2,288,072	7,200	280,729	846,816	
Family Support Services	F	1,315	3,156,000	3,156,000	1,315	3,156,000	3,156,000	
HCBS DD Waiver	F	1,200	6,748,800	16,939,200	1,200	6,748,800	16,939,200	
Rehab. Services--Children	C	2,564	98,850	464,084	2,564	98,850	464,084	
Child Support Enforcement	C	154,690	8,604,546	23,029,570	154,690	8,604,546	23,029,570	
HealthWave/Medical Assist.	C	236,768	130,396,000	402,576,000	236,768	130,396,000	402,576,000	
Total--SRS			\$ 280,816,103	\$ 789,250,458		\$ 264,583,321	\$ 768,985,147	
State Institutions								
Kansas Neurological Institute								
Residential Treatment/Educ.	C	4	184,008	437,191	4	184,008	437,191	
Larned State Hospital								
Adolescent Inpatient	C	88	1,537,526	1,914,714	88	1,537,526	1,914,714	
Children Inpatient	C	21	366,910	456,920	21	366,910	456,920	
Special Education Program	C	109	25,603	920,646	109	25,603	920,646	
Administration	C	--	5,705,811	6,714,468	--	5,705,811	6,714,468	
Marsons State Hospital								
Residential Treatment	C	24	693,518	2,177,712	24	693,518	2,177,712	
Special Purpose School	C	31	250,874	250,874	31	250,874	250,874	
Employee Child Care	C	205	2,498	7,814	205	2,498	7,814	
SEK Respite Care, Inc.	F	265	59,200	59,200	265	59,200	59,200	
Rainbow MH Facility								
Inpatient Services	C	143	--	3,264,233	143	--	3,264,233	
School	C	143	467,780	500,000	143	467,780	500,000	
Total--State Institutions			\$ 9,293,728	\$ 16,703,772		\$ 9,293,728	\$ 16,703,772	
Health & Environment								
Mothers and Infants	F	12,708	1,380,451	2,390,837	12,708	1,380,451	2,390,837	
Adolescent Health	C	2,047	233,961	351,744	2,047	233,961	351,744	
Healthy Start/Home Visits	C	17,500	501,444	1,045,748	17,500	501,444	1,045,748	
Child Health Program	C	33,740	13,913	723,991	33,740	13,913	723,991	
Black Infant Mortality	C	1,504	49,369	98,484	1,504	49,369	98,484	
Family Planning	F	42,838	98,880	1,819,610	42,838	98,880	1,819,610	
Teenage Pregnancy Prevent.	C	18,300	537,660	689,715	18,300	537,660	689,715	
Abstinence Education	C	450	--	261,185	450	--	261,185	
Pregnancy Maintenance	C	--	--	--	--	--	--	
Special Health Services	C	13,750	670,644	2,558,988	13,750	670,644	2,558,988	
Child Care Licensing	C	140,000	299,712	1,637,712	140,000	299,712	1,637,712	
Child Lead Poison Prevention	C	7,500	116,159	42,900	7,500	116,159	42,900	
Commun. Based Prim. Care	F	5,289	471,460	482,060	5,289	471,460	482,060	
Migrant and Refugee Health	F	882	--	158,064	882	--	158,064	
WIC Vouchers Food Dollars	N	55,000	--	35,600,000	55,000	--	35,600,000	

Expenditures for Children's Programs by Agency and Activity

	Type Served	FY 2004 Base Budget			FY 2004 Governor's Recommendations		
		Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Infant Toddler Services	C	3,710	1,992,000	5,042,000	3,710	1,992,000	5,042,000
Health and Prevention	F	20,000	--	42,900	20,000	--	42,900
Vaccines	C	225,000	674,898	2,507,104	225,000	674,898	2,507,104
Total--KDHE			\$7,040,551	\$55,453,042		\$7,040,551	\$55,453,042
Department of Human Resources							
NIYEA	C	75	110,000	110,000	--	--	--
Job Service/Job Corps	C	22,000	--	750,000	22,000	--	750,000
Child Labor	C	1,210	3,800	3,800	1,210	3,800	3,800
Total--DHR			\$ 113,800	\$ 863,800		\$ 3,800	\$ 753,800
Total--Human Resources			\$ 297,264,182	\$ 862,271,072		\$ 280,921,400	\$ 841,895,761
Education							
Department of Education							
Operating Aid to USDs	C	443,186	2,041,101,849	2,191,570,334	443,186	2,320,704,604	2,544,288,089
Capital Improvement Aid	C	239,000	--	--	239,000	--	--
Nutrition Services	C	53,800	2,510,486	102,745,486	53,800	2,510,486	102,745,486
Special Education Services	C	78,319	250,156,836	325,661,836	78,319	--	--
Vocational Education	C	20,000	105,906	5,061,812	20,000	105,906	5,061,812
Parent Education	F	18,226	4,639,500	7,139,500	18,226	4,639,500	7,139,500
School Renovation Grants	C	--	--	--	--	--	--
Safety Education	C	20,975	--	1,580,000	20,975	--	1,580,000
Environmental Education	C	25,000	--	--	25,000	--	--
Drug Abuse Education	C	443,186	--	2,750,000	443,186	--	2,750,000
Agriculture Education	C	20,000	35,000	35,000	20,000	--	--
Space Science Education	C	10,000	--	--	10,000	--	--
Sports Hall of Fame	C	--	--	--	--	--	--
Vision Services	C	200	--	300,000	200	--	300,000
School Violence Prevention	C	--	--	--	--	--	--
Communities in Schools	C	11,000	--	50,000	11,000	--	50,000
Total--Department of Education			\$ 2,298,549,577	\$ 2,636,893,968		\$ 2,327,960,496	\$ 2,663,914,887
School for the Blind	C	1,050	4,447,982	4,955,652	1,050	4,223,738	4,751,408
School for the Deaf	C	470	7,198,883	7,686,178	470	6,836,148	7,723,387
Subtotal--Department of Education			\$ 2,310,196,442	\$ 2,649,535,798		\$ 2,339,020,382	\$ 2,676,389,682
Board of Regents							
Regents Honors Academy	C	105	110,000	110,000	--	--	--
Emporia State University							
Child Development Center	C	95	--	302,200	95	--	302,200
Pre-School	C	40	--	25,055	40	--	25,055
Reading Related Services	C	75	7,072	7,072	75	7,072	7,072
Volunteer Program	C	300	2,664	2,664	300	2,664	2,664
Expanding Your Horizons	C	300	1,600	11,350	300	1,600	11,350
Kolvalesky Mathematics	C	55	--	1,600	55	--	1,600
Super Saturdays	C	400	--	800	400	--	800
Master It	C	24	1,000	15,800	24	1,000	15,800
America Counts Program	C	18	--	4,492	18	--	4,492
America Reads Program	C	108	--	22,000	108	--	22,000
Total--ESU			\$ 12,336	\$ 393,033		\$ 12,336	\$ 393,033
Fort Hays State University							
Herndon Clinic	C	500	212,094	236,985	500	212,094	236,985
Miscellaneous Programs	C	50	--	77,322	50	--	77,322
Kelly Center	F	250	78,726	78,726	250	78,726	78,726
Total--FHSU			\$ 290,820	\$ 393,033		\$ 290,820	\$ 393,033

Expenditures for Children's Programs by Agency and Activity

	FY 2004 Base Budget				FY 2004 Governor's Recommendations		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Kansas State University							
Hoeflin St. House Daycare	C	35	102,471	236,661	35	102,471	236,661
Early Childhood Lab.	C	28	47,631	97,493	28	47,631	97,493
Family Center	F	350	193,078	230,934	350	193,078	230,934
Dispute Resolution Training	F	1,000	--	1,015,382	1,000	--	1,015,382
Ks. Childcare Training, Inc.	N	38,000	28,243	243,888	38,000	28,243	243,888
Speech--Hearing Center	C	265	201,472	232,265	265	201,472	232,265
Staff Assistance to USD 383	C	20	--	18,000	20	--	18,000
After School Child Care	C	40	9,224	66,781	40	9,224	66,781
Infant Program	C	8	6,073	57,200	8	6,073	57,200
Total--Kansas State			\$ 588,192	\$ 2,198,604		\$ 588,192	\$ 2,198,604
KSU--ESARP							
4-H Program	C	150,000	720,000	850,000	150,000	720,000	850,000
Youth Leadership Program	C	500	100,000	400,000	500	100,000	400,000
Leadership/Community	C	35,000	100,000	230,000	35,000	100,000	230,000
Army Youth & Teen Center	C	800	10,000	22,200	800	10,000	22,200
Youth Staff Dev./Training	N	25,000	27,000	105,700	25,000	27,000	105,700
Learning & Social Readiness	C	400	10,000	30,000	400	10,000	30,000
Parenting/Family Relationships	F	125,000	1,025,000	1,520,000	125,000	1,025,000	1,520,000
Nutrition	F	250,000	455,000	2,650,000	250,000	455,000	2,650,000
Mental & Emotional Wellness	F	50,000	230,000	2,893,000	50,000	230,000	2,893,000
Health Promotion	N	2,000	--	236,000	2,000	--	236,000
Building Communities	F	200,000	440,000	741,000	200,000	440,000	741,000
Total--KSU--ESARP			\$ 3,117,000	\$ 9,677,900		\$ 3,117,000	\$ 9,677,900
Pittsburg State University							
Preschool Lab	C	15	--	4,700	15	--	4,700
Ks. Council on Fitness	C	18,000	--	22,500	18,000	--	22,500
YES Program	C	400	17,500	35,000	400	17,500	35,000
America Reads Challenge	C	400	600	30,000	400	600	30,000
National Youth Sports	C	450	--	70,000	450	--	70,000
Special Ed. Summer Program	C	115	--	20,000	115	--	20,000
Continuing Education	C	650	--	17,500	650	--	17,500
Science Day	C	1,000	--	1,600	1,000	--	1,600
Career Exploration	C	75	--	300	75	--	300
Total--Pittsburg State University			\$ 18,100	\$ 201,600		\$ 18,100	\$ 201,600
University of Kansas							
Hilltop Child Dev. Center	C	228	1,768	1,191,338	228	1,768	1,191,338
Edna Hill Child Dev. Center	C	85	75,925	219,158	85	75,925	219,158
Infant/Toddler Program	N	--	--	18,000	--	--	18,000
Dependent Care Referral	F	400	19,700	19,700	400	19,700	19,700
Early Intervention Program	C	225	--	6,400	225	--	6,400
Early Childhood Special Serv.	C	80	14,500	14,500	80	14,500	14,500
Labette/Cherokee Childcare	C	310	--	49,000	310	--	49,000
Total--University of Kansas			\$ 111,893	\$ 1,518,096		\$ 111,893	\$ 1,518,096
KU Medical Center							
Tele-Kid Health Care Link	C	900	--	500,000	900	--	500,000
Special Health Services	C	2,506	--	160,000	2,506	--	160,000
Child Development Unit	C	22,000	--	10,000	22,000	--	10,000
Spina Bifida Clinic	C	100	--	34,532	100	--	34,532
Cystic Fibrosis Grant	C	250	--	39,795	250	--	39,795
Pediatric Seizure Clinic	C	1,000	--	32,040	1,000	--	32,040
Project EAGLE	C	160	--	2,283,385	160	--	2,283,385
KC Healthy Start	C	100	--	173,107	100	--	173,107
PKU, et al. Screening	C	1,700	--	58,500	1,700	--	58,500
Pediatric Consultation Svcs.	C	180	--	55,960	180	--	55,960

Expenditures for Children's Programs by Agency and Activity

	FY 2004 Base Budget				FY 2004 Governor's Recommendations			
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources	
Facial Rehabilitation	C	125	--	43,316	125	--	43,316	
Teen Pregnancy Case Mgmt.	C	50	--	130,922	50	--	130,922	
Total--KU Medical Center			\$ --	\$ 3,521,557		\$ --	\$ 3,521,557	
Vichita State University								
Child Development Center	C	96	--	535,562	96	--	535,562	
Upward Bound	C	55	--	391,608	55	--	391,608	
Upwr'd. Bnd. Math/Sci.	C	50	--	284,793	50	--	284,793	
Build. Dreams Urban Youth	C	30	--	500	30	--	500	
Public Health Services	C	1,100	--	--	1,100	--	--	
Health Screenings	C	1,500	--	7,800	1,500	--	7,800	
Project Discovery	C	1,500	--	479,358	1,500	--	479,358	
Spch.-Lang.-Hearing Clinic	C	2,015	92,210	486,001	2,015	92,210	486,001	
Heskett Athletic Center	C	6,600	--	92,500	6,600	--	92,500	
Health Careers	C	136	50,000	50,000	136	50,000	50,000	
Dental Hygiene Clinic	C	1,700	34,394	38,686	1,700	34,394	38,686	
America Reads	C	400	--	88,671	400	--	88,671	
Teacher Education Majors	C	400	--	10,530	400	--	10,530	
Communities in Schools	C	1,000	--	10,570	1,000	--	10,570	
Health Career Pathways	C	45	--	7,000	45	--	7,000	
Health Professions Tours	C	800	--	16,800	800	--	16,800	
Total--Wichita State University			\$ 176,604	\$ 2,500,379		\$ 176,604	\$ 2,500,379	
Subtotal--Regents Institutions			\$ 4,424,945	\$ 20,514,202		\$ 4,314,945	\$ 20,404,202	
Arts Commission								
Programming for the Arts	C	350,000	1,584,914	2,112,814	--	1,584,914	2,112,814	
State Historical Society								
Educational Programming	C	120,000	17,000	28,000	120,000	17,000	28,000	
State Library								
Grants to Local Libraries	C	--	950,000	950,000	--	925,238	925,238	
Kansas Library Network	N	--	157,811	157,811	--	157,811	157,811	
Talking Books	N	--	10,513	10,513	--	10,513	10,513	
Educ. Database Subscription	N	--	118,088	118,088	--	118,088	118,088	
Total--State Library			\$ 1,236,412	\$ 1,236,412		\$ 1,211,650	\$ 1,211,650	
Total--Education			\$ 2,317,459,713	\$ 2,673,427,226		\$ 2,346,148,891	\$ 2,700,146,348	
Public Safety								
Juvenile Justice Authority								
Juvenile Accountability	C	5,988	--	2,646,550	5,988	--	2,646,550	
Delinquency Prevention	C	18,946	--	1,006,209	18,946	--	1,006,209	
Prevention Grant	C	17,336	--	6,000,000	17,336	--	5,414,487	
Intake and Assessment	C	28,754	2,068,613	4,068,613	28,764	483,100	4,068,613	
Supervised Probation	C	1,505	4,363,872	6,963,872	1,505	4,363,872	6,963,872	
Case Mgmt. & Services	C	2,128	21,296,558	26,837,846	2,128	21,296,558	26,837,846	
Delinq. Prevention Trust	C	2,342	--	350,000	2,342	--	350,000	
Total--JJA			\$ 27,729,043	\$ 47,873,090		\$ 26,143,530	\$ 47,287,577	
Atchison Juv. Correctional Fac.								
Atchison Juv. Correctional Fac.	C	261	6,194,905	6,443,003	261	5,868,143	6,116,241	
Beloit Juv. Correctional Fac.								
Beloit Juv. Correctional Fac.	C	60	5,136,101	5,376,931	60	4,873,945	5,114,775	
Marion Juv. Correctional Fac.								
Marion Juv. Correctional Fac.	C	222	7,791,556	8,255,833	222	7,229,161	7,693,438	
Nepeka Juv. Correctional Fac.								
Nepeka Juv. Correctional Fac.	C	590	15,818,706	16,318,750	590	13,171,684	13,846,728	
Adjutant General								
STARBASE Education	C	5,000	--	401,316	5,000	--	401,316	
Total--Public Safety			\$ 62,670,311	\$ 84,668,923		\$ 57,286,463	\$ 80,460,075	

Expenditures for Children's Programs by Agency and Activity

	FY 2004 Base Budget				FY 2004 Governor's Recommendations			
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources	
Agriculture & Natural Resources								
Kansas State Fair								
Educ.& Competitive Services	C	30,975	--	200,802	30,975	--	200,802	
Total--Kansas State Fair			\$ --	\$ 200,802		\$ --	\$ 200,802	
Department of Wildlife and Parks								
Wildlife Education	C	18,000	--	38,700	18,000	--	38,700	
Hunter Education	C	13,000	--	144,556	13,000	--	144,556	
Fishing Clinics	C	31,000	--	153,000	31,000	--	153,000	
Youth Challenge	C	50	--	525	50	--	525	
Boating Education	C	10,900	--	21,800	10,900	--	21,800	
Furharvester Education	C	700	--	7,850	700	--	7,850	
Total--Wildlife and Parks			\$ --	\$ 366,431		\$ --	\$ 366,431	
Total--Agriculture & Natural Resources			\$ --	\$ 567,233		\$ --	\$ 567,233	
Transportation								
Department of Transportation								
Ks. Safety Belt Ed. Office	C	40,000	--	142,000	40,000	--	142,000	
Drunk Driving Prevent. Pgm.	C	225,000	--	337,000	225,000	--	337,000	
Gov's Teen Leadership Ctr.	C	1,000	--	100,000	1,000	--	100,000	
School Traffic Officer Project	C	50,000	--	100,000	50,000	--	100,000	
Care/Call	C	150,000	--	100,000	150,000	--	100,000	
Pedest./Bicycle Safety Prog.	C	18,000	--	10,000	18,000	--	10,000	
Child Passenger Safety	C	8,000	--	120,000	8,000	--	120,000	
Total--Transportation			\$ --	\$ 909,000		\$ --	\$ 909,000	
Total--Children's Programs			\$2,685,480,515	\$ 3,645,479,021		\$2,692,478,448	\$3,647,630,110	

Debt Policies & Practices

The State of Kansas uses debt instruments to finance a portion of its capital expenditures. The Kansas Development Finance Authority issues revenue bonds for most capital projects of state agencies, with the exception of the Kansas Department of Transportation, which issues debt to finance highway and other transportation projects. The Pooled Money Investment Board has issued loans for capital improvements in the past, but the debt for some of these is still outstanding. In addition, the Department of Administration administers a master lease purchase, third party financing program that can be used to acquire most types of capital equipment.

KDFA was created by the Legislature in 1987 as an independent instrumentality of the state, rather than as a state agency, and is charged by the Legislature with providing access to the capital markets to state agencies and other public and private organizations. KDFA accomplishes this purpose in part by issuing debt to fund capital improvements and certain public purpose programs. KDFA has issued debt for local government projects, acquisition and renovation of state office space, construction and renovation of state university facilities, prison construction and expansion, energy conservation improvements, and the IMPACT business development program administered by the Kansas Department of Commerce and Housing.

Provisions in the *Kansas Constitution* allow for the issuance of general obligation bonds subject to certain restrictions. No bonds have been issued under these provisions for decades. No other provisions in the constitution or state law limit the amount of debt that can be issued for Kansas agencies. As of June 30, 2002, various state agencies had legislatively authorized but unissued debt of \$286,255,884. Although the amount of debt for financing capital improvement projects has increased in the past several years, it still constitutes a small part of the overall state budget. Of the 50 states, Kansas has been ranked among the lowest in per capita debt according to the *Statistical Abstract of the United States*. For this reason, the state has not needed financial control mechanisms, such as debt ceilings.

Ratings

Although the state has no general obligation debt, and thus no general obligation debt rating, many recent bond issues have been rated, and KDFA works with the ratings agencies to facilitate the “shadow” credit rating, which is currently a “AA+” rating awarded by Standard & Poor’s, and an issuer rating of Aa1 by Moodys. Standard & Poor’s credit rating reflects the state’s general creditworthiness. Credit factors include continued economic diversification, a very low debt burden, and conservative fiscal management.

Moodys Aa1 rating is an initial rating, which may be characterized as an implicit general obligation rating that reflects the state’s history of favorable financial management, the strength and stability of the Kansas economy, and low debt levels. The rating is based on a demonstrated trend of responding to budget pressure in a prompt manner and adjusting revenues and expenditures as needed in order to maintain structural budget balance. Although the AA+ credit rating was not lowered, Standard and Poor’s recently placed Kansas in a “negative watch” category, principally because of diminished ending balances and the abnormally high use of one-time money in the FY 2003 budget.

Major Debt Projects

Following are brief descriptions of selected projects that are debt financed, including new projects and the status of existing projects:

Department of Administration

Statehouse Renovation. The 2000 Legislature approved an issuance of bonds totaling \$40.0 million for renovation of the Statehouse, starting with the east wing. In addition, the 2001 Legislature, with the approval of the State Finance Council, authorized the issuance of another \$15.0 million for a parking garage. This authorization brings the total debt outstanding on the project to \$55.0 million. The debt service totals \$3,174,756, all from the State General Fund, for FY 2003 based on the first \$40.0 million. The debt

service on the additional bonds for the garage equals \$1,249,896 for FY 2004, which brings the total for FY 2004 to \$4,424,652.

Renovation of the SBG Building. In December 1999, the State Finance Council authorized acquisition of the building at 7th and Harrison in Topeka formerly owned by the Security Benefit Group. The 2002 Legislature authorized the issuance of \$10,850,000 plus financing costs to renovate the building in preparation for relocation of the Department of Transportation from the Docking State Office Building to this facility. The state took possession of the building in April 2002; the bonds were issued September 2002; and the work is scheduled to be completed in FY 2004. The first debt service payment is anticipated to occur in FY 2005, which will be paid by the Division of Facilities Management with the rent KDOT will pay as a tenant of the building.

Department of Health & Environment

Vital Statistics Database. The agency was given approval to establish a KDFA-assisted project to re-engineer the Vital Statistics Integrated Information System (VSIIS) in order to avoid the loss of data as a result of obsolete software and hardware. The project is estimated to cost \$3.4 million over an eight-year period. The first, or planning, phase has been completed. The second phase, acceptance of the upgrade of the optical disk imaging system, was completed in August 2002. Proposals from seven vendors have been received for the third phase of the project. The first bond payments have been budgeted for FY 2003, consisting of \$330,000 toward the principal, and \$167,920 toward interest.

Department of Human Resources

Headquarters. The Department of Human Resources' headquarters at 401 SW Topeka Boulevard was built in 1951, with the last major renovation in 1978. Bonds to finance a modern renovation of the building have been issued and the Governor recommends debt payments in both FY 2003 and 2004 to repay the bonds. The debt payment in FY 2003 includes \$180,000 for principal and \$208,520 for interest. In FY 2004, the payment is \$212,718 for

principal and \$200,000 for interest. These payments are financed by program funds in the same proportion as the occupants of the building are financed. Part of these program funds comes from the State General Fund: \$22,517 in FY 2003 and \$22,858 in FY 2004. The balance of the financing comes from federal and fee funds.

Department of Social & Rehabilitation Services

State Security Hospital. The 2002 Legislature authorized the Department of Social and Rehabilitation Services to issue bonds to finance the construction of a new state security hospital on the Larned State Hospital grounds. The security hospital will replace three separate buildings used to house individuals undergoing psychological evaluations or those committed to the security hospital from the courts or the Department of Corrections. The bond issuance of \$50,120,884 will provide funds to build a facility with up to 250 beds for security patients and a new allied clinical unit to serve other patients from Larned State Hospital. Construction is scheduled to begin during FY 2003 and be completed by July 2004. The Governor's recommendation for FY 2004 includes \$2,125,000 from the State Institutions Building Fund for the first principal payment on the revenue bonds. The interest payment totals \$1,381,316 from the same source.

Board of Regents

Research Initiative. During the 2002 Legislative Session, the \$120.0 million Research Initiative was approved to construct or improve research facilities at the four largest state universities. Bonds have begun to be issued and debt service will begin in FY 2005. The state is responsible for the first five years of debt service at a total cost of \$50.0 million. After that time the universities will assume responsibility for the debt service. The projects include construction of a life sciences research center at the KU Medical Center and a food safety research facility at Kansas State University. The projects also include expansion of an existing engineering complex at Wichita State University and equipping a newly purchased research building at the University of Kansas.

Adjutant General

State Armories Renovation Project. The Adjutant General's Department was authorized by the 2000 Legislature to issue \$22.0 million in bonds to fund the Armory Rehabilitation Plan over a five-year period. The plan will rehabilitate selected existing state-owned armories, construct certain replacement armories, and relinquish to communities armories that are no longer required to meet the agency's needs. The agency issued \$2.0 million in November 2000 and another \$2.0 million in November 2001. The Governor recommends \$382,829 in FY 2004 from the State General Fund to finance the debt service on both issues of bonds. Of the recommendation, \$215,000 will be for principal and \$167,829 for interest.

Juvenile Justice Authority

Facility Construction & Expansion. The Governor recommends \$1,625,000 from the State Institutions Building Fund (SIBF) for the principal portion of the bonds issued for construction and expansion of juvenile correctional facilities for FY 2004. Interest payments total \$2,372,263. Bonds were issued in FY 2002 to build a 225-bed facility adjacent to the Topeka Juvenile Correctional Facility, a 152-bed facility at Larned, and a living unit at the Beloit Facility for maximum-security rooms. The 2000 Legislature approved \$60.0 million: \$5.5 million from the Violent Offender Incarceration/Truth-in-Sentencing federal grant, \$4.5 million from the SIBF, and \$50.0 million in bonds. The Beloit conversion was completed in May 2002. The Larned Facility is scheduled to open in July 2003 and the Topeka Facility in July 2004.

Kansas State Fair

Master Plan Improvements. In FY 2002, the Kansas State Fair was authorized to issue bonds through the

Kansas Development Finance Authority not to exceed \$29.0 million for capital improvements subject to State Finance Council approval. The financing will allow the State Fair Board to make extensive improvements to the Fairgrounds in Hutchinson, as specified in the Board's capital improvement master plan. In September 2001, the Finance Council approved the issuance of \$17.5 million of the \$29.0 million authorized, plus issuance costs, for a total of \$17,860,000. For FY 2003 and FY 2004, the debt service will be \$559,575 and \$1,238,103, respectively. No State General Fund money will be used in FY 2003 to finance the State Fair's debt service because the City of Hutchinson and special revenue funds of the State Fair will provide the financing. However, \$538,103 from the State General Fund will be used in FY 2004.

Department of Transportation

Comprehensive Transportation Program. The 1999 Kansas Legislature approved the Comprehensive Transportation Program (CTP) to continue improving and developing transportation in Kansas, especially the State Highway System. As part of the CTP, the Secretary of Transportation was authorized to issue \$995.0 million in new bonds between FY 1999 and FY 2010. An additional \$277.0 million in bonds was approved by the 2001 Legislature, bringing the total to \$1,272.0 million.

Bonds issued under the CTP will be retired with revenues from increased motor fuel taxes, motor vehicle registration fees, and an increase in the sales tax transfer from the State General Fund. The first \$325.0 million in CTP bonds was issued in FY 2000. The most recent CTP bonds were issued by KDOT in FY 2001 in the amount of \$350.0 million. No portion of the remaining unissued debt of \$597.0 million is planned to be issued in FY 2003 or FY 2004.

Indebtedness of the State

	<u>FY 2001 Actual</u>	<u>FY 2002 Actual</u>	<u>FY 2003 Estimate</u>	<u>FY 2004 Estimate</u>	<u>Prin. Balance June 30, 2004 Estimate</u>
Bonds					
Dept. of Administration*					
Principal	9,919,012	30,322,737	12,157,865	12,157,865	110,531,828
Interest	3,152,239	4,224,228	7,338,273	6,700,241	--
Dept. of Commerce & Housing					
Principal	5,275,000	7,560,000	7,715,000	8,565,000	51,755,000
Interest	2,149,428	2,873,263	3,033,216	2,684,484	--
Insurance Dept.					
Principal	115,000	120,000	130,000	140,000	585,000
Interest	66,948	59,925	52,483	44,300	--
Total--General Government	\$ 20,677,627	\$ 45,160,152	\$ 30,426,836	\$ 30,291,889	\$ 162,871,828
Dept. of Social & Rehabilitation Services					
Principal	315,000	5,655,000	--	--	--
Interest	366,058	174,209	--	--	--
Dept. of Human Resources					
Principal	--	--	25,000	60,000	1,635,000
Interest	--	--	107,448	74,460	--
Dept. of Health & Environment					
Principal	7,955,000	101,875,000	13,225,000	16,230,000	432,770,000
Interest	18,976,484	21,260,169	23,198,151	22,725,078	--
Total--Human Resources	\$ 27,612,542	\$ 128,964,378	\$ 36,555,599	\$ 39,089,538	\$ 434,405,000
Kansas Board of Regents					
Principal	37,700,000	9,000,000	9,360,000	9,805,000	98,735,588
Interest	6,533,340	6,752,762	5,636,989	5,193,978	--
Emporia State University					
Principal	2,031,000	441,000	461,000	471,000	4,388,329
Interest	125,613	215,970	201,313	188,120	--
Fort Hays State University					
Principal	180,000	195,000	205,000	210,000	1,695,000
Interest	149,045	138,763	127,520	115,470	--
Kansas State University					
Principal	9,360,000	2,100,000	2,145,000	2,245,000	19,275,000
Interest	1,462,224	1,160,680	1,131,908	1,037,388	--
Pittsburg State University					
Principal	305,000	320,000	335,000	350,000	8,540,000
Interest	467,264	453,875	439,385	423,895	--
University of Kansas					
Principal	7,625,000	4,145,000	2,855,000	3,245,000	54,020,000
Interest	1,877,018	1,641,862	2,818,872	2,609,650	--
University of Kansas Medical Center					
Principal	575,000	585,000	455,000	470,000	8,005,000
Interest	133,095	309,937	396,278	386,708	--
Wichita State University					
Principal	565,000	570,000	600,000	630,000	16,300,000
Interest	1,011,464	1,024,276	996,506	966,406	--
Total--Education	\$ 70,100,061	\$ 29,054,125	\$ 28,164,770	\$ 28,347,614	\$ 210,958,917

*Dept. of Administration includes the master lease for financing capital outlay equipment.

Adjutant General						
Principal	--	100,000	175,000	215,000	3,610,000	
Interest	49,405	96,635	207,828	166,053	--	
Dept. of Corrections						
Principal	8,140,000	31,195,000	10,735,000	9,240,000	43,360,000	
Interest	3,908,206	2,941,034	2,794,238	2,369,846	--	
Juvenile Justice Authority						
Principal	--	1,615,000	1,975,000	2,060,000	48,545,000	
Interest	--	2,934,149	2,625,448	2,537,748	--	
Highway Patrol						
Principal	325,000	3,920,000	385,000	405,000	1,810,000	
Interest	227,645	199,435	117,363	101,000	--	
Kansas Bureau of Investigation						
Principal	180,000	190,000	205,000	210,000	1,590,000	
Interest	125,955	116,703	106,575	95,680	--	
Total--Public Safety	\$ 12,956,211	\$ 43,307,955	\$ 19,326,451	\$ 17,400,326	\$ 98,915,000	
State Fair Board						
Principal	--	--	--	630,000	16,940,000	
Interest	--	--	1,105,514	770,913	--	
Total--Agriculture & Natural Resources	\$ --	\$ --	\$ 1,105,514	\$ 1,400,913	\$ 16,940,000	
Dept. of Transportation						
Principal	42,945,000	45,095,000	538,800,000	56,785,000	1,302,070,000	
Interest	66,596,152	68,511,049	67,920,695	62,307,726	--	
Total--Transportation	\$ 109,541,152	\$ 113,606,049	\$ 606,720,695	\$ 119,092,726	\$1,302,070,000	
Total						
Principal	\$ 133,510,012	\$ 245,003,737	\$ 601,943,865	\$ 124,123,865	\$2,226,160,745	
Interest	\$ 107,377,581	\$ 115,088,923	\$ 120,355,999	\$ 111,499,141	--	
Total Bonded Indebtedness	\$ 240,887,593	\$ 360,092,660	\$ 722,299,864	\$ 235,623,005	\$ 2,226,160,745	
Loans Outstanding--Pooled Money Investment Board						
Dept. of Administration						
Principal	1,033,394	1,058,647	1,105,562	713,079	2,220,555	
Interest	414,321	344,650	208,104	201,832	--	
Kansas State University						
Principal	173,665	182,973	207,411	216,377	649,132	
Interest	76,624	67,316	18,240	--	--	
Kansas Water Office						
Principal	187,751	199,511	221,992	217,447	471,430	
Interest	73,344	59,516	15,485	37,888	--	
Total						
Principal	\$ 1,394,809	\$ 1,441,131	\$ 1,534,965	\$ 1,146,903	\$ 3,341,117	
Interest	\$ 564,290	\$ 471,482	\$ 241,829	\$ 239,720	--	
Total PMIB Loans	\$ 1,959,099	\$ 1,912,613	\$ 1,776,794	\$ 1,386,623	\$ 3,341,117	

Source: Kansas Development Finance Authority

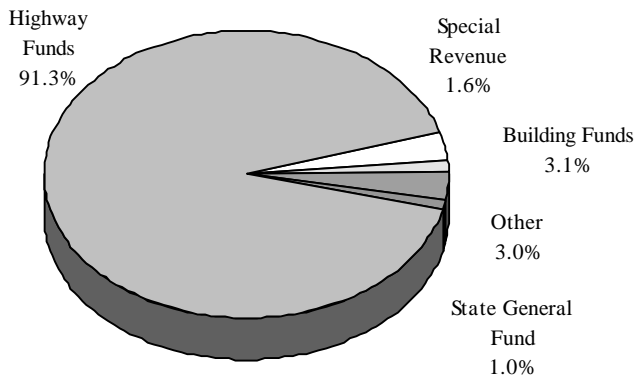
Capital Budget Summary

Summary of Governor's Recommendation. The capital improvement recommendations included in the Governor's budget for FY 2003 total \$1,202.5 million. This amount is 11.8 percent of the total state budget financed from all funding sources. The Governor's recommendation for FY 2004 totals \$1,122.9 million from all funding sources, or 11.1 percent of the total state budget.

The capital budget, by project classification, is illustrated in the pie chart below. Rehabilitation and repair, the largest category, accounts for 52.7 percent of total capital projects. New construction accounts for 37.7 percent, and debt service is 7.4 percent. Remodeling is the smallest at 2.2 percent.

University, the School for the Deaf, the Commission on Veterans' Affairs, the Juvenile Justice Authority, and the Department of Wildlife and Parks. Each of these agencies is experiencing a tapering off of major construction projects in FY 2004.

How It Is Financed

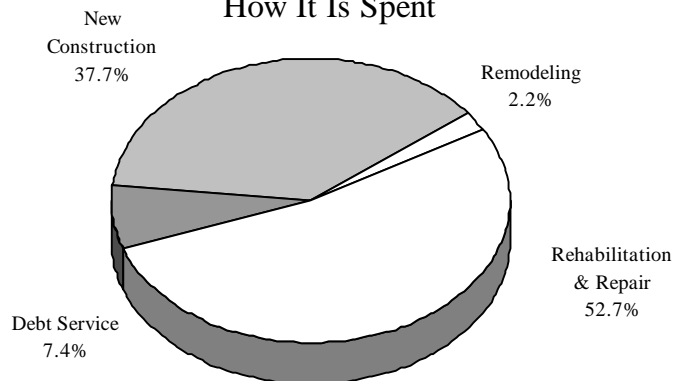


Fiscal Year 2004

Total capital expenditures in the Governor's recommendation decrease by \$79.6 million, or 6.6 percent, from FY 2003 to FY 2004. This net decrease is mostly attributable to the Department of Transportation planning on \$52.7 million less in overall FY 2004 capital expenditures than in FY 2003. This represents the major difference between FY 2003 and FY 2004 in the Governor's recommendation for the capital budget. In general, the current fiscal year contains a significant amount of funds that were not spent in FY 2002 but the expenditure authority "shifted" into FY 2003.

Other notable decreases for FY 2004 occur in Kansas State University, University of Kansas, Emporia State

How It Is Spent



Fiscal Year 2004

Capital Budget Process. Agencies requesting expenditure authority for capital projects submit a five-year facilities plan each July 1, consisting of the forthcoming fiscal year and the following four years. Capital projects are reviewed by the Division of the Budget for development of the Governor's recommendations. They are also reviewed by the Fiscal Section of the Kansas Legislative Research Department as staff to the Joint Committee on State Building Construction as well as the "appropriation" committees of the Kansas House and Senate. In addition, the Division of Facilities Management provides technical support to the State Building Advisory Commission, an Executive Branch body responsible for reviewing the cost estimates and technical aspects of projects.

As a matter of policy, the state gives priority to maintaining its existing facilities before considering new construction. The use of revenue bonds for financing capital projects has increased in recent years. Other criteria for assessing the priority of capital projects include safety for state employees and visitors, compliance with prevailing building codes, modifications to enhance accessibility for the disabled,

physical modifications caused by program changes, and cost effectiveness.

Financing. Transportation projects are a major part of the state's total capital budget. 89.7 percent of FY 2003 and 91.3 percent of FY 2004 capital expenditures are for transportation projects. The State Highway Fund is the single largest source of funding for capital improvements in the state budget. The fund receives its revenues primarily through highway user fees on motor fuel, vehicle registrations, and a one-fourth percent-dedicated sales tax.

The three dedicated funding sources that make up most of the remainder of the capital budget are the Educational Building Fund (EBF), the State Institutions Building Fund (SIBF), and the Correctional Institutions Building Fund (CIBF). The EBF and the SIBF receive revenues from a mill tax levy based on the assessed valuation of all tangible taxable property in the state as of January 1 of each year. The CIBF receives its revenues from lottery and racing activities.

The status of the building funds is presented below, showing beginning balances, receipts, and expenditures. Interest on the debt service for Crumbling Classrooms is included in expenditures for the Educational Building Fund. In addition, expenditures from the SIBF include funding for juvenile correctional facilities' debt service interest in FY 2002 and thereafter and debt service interest related to projects at Larned State Hospital. The Correctional Institutions Building Fund also has interest payments related to Department of Corrections projects.

Effect on Operating Budgets

This section includes a description of the operating costs that will accompany the completion of new facilities as they become operational.

Department of Administration. Maintenance staff for SBG Building. Authorization to acquire the building formerly owned and occupied by Security

Status of State Building Funds						
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Educational Building Fund						
Beginning Balance	\$17,361,619	\$12,790,679	\$ 4,638,639	\$ 7,074,961	\$17,440,145	\$27,232,773
Second Payment of Tax Levy	8,291,870	8,995,323	9,089,600	9,430,460	9,784,102	10,151,006
First Payment of Tax Levy	13,296,973	14,830,400	15,386,540	15,963,535	16,562,168	17,183,249
Motor Vehicle Taxes	2,750,060	2,853,187	2,960,182	3,071,189	3,186,358	3,305,847
Resources Available	\$41,700,522	\$39,469,589	\$32,074,961	\$35,540,145	\$46,972,773	\$57,872,875
Estimated Expenditures	\$28,909,843	\$34,830,950	\$25,000,000	\$18,100,000	\$19,740,000	\$15,000,000
Correctional Institutions Building Fund						
Beginning Balance	\$ 2,887,175	\$ 2,922,864	\$ 13,663	\$ 13,663	\$ 13,663	\$ 13,663
Gaming Revenues	5,242,472	5,147,225	5,000,000	5,000,000	5,000,000	5,000,000
Resources Available	\$ 8,129,647	\$ 8,070,089	\$ 5,013,663	\$ 5,013,663	\$ 5,013,663	\$ 5,013,663
Estimated Expenditures	\$ 5,206,783	\$ 8,056,426	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
State Institutions Building Fund						
Beginning Balance	\$15,574,113	\$14,071,806	\$15,336,264	\$15,586,771	\$21,126,359	\$27,093,674
Second Payment of Tax Levy	4,145,917	4,498,452	4,544,800	4,715,230	4,892,051	5,075,503
First Payment of Tax Levy	6,648,054	7,415,200	7,693,270	7,981,768	8,281,084	8,591,625
Motor Vehicle Taxes	1,375,028	1,426,594	1,480,091	1,535,592	1,593,179	1,652,923
Resources Available	\$27,743,113	\$27,412,051	\$29,054,426	\$29,819,359	\$35,892,674	\$42,413,724
Estimated Expenditures	\$13,671,306	\$12,075,787	\$13,467,655	\$ 8,693,000	\$ 8,799,000	\$ 9,000,000

* The \$13,671,306 in operating expenses from the SIBF for FY 2002 includes \$42,878 not shown in the table at the end of this section.

Benefit Group Insurance Company at 7th and Harrison in Topeka was authorized by the State Finance Council in 1999. The 2002 Legislature approved the issuance of bonds to renovate the facility in anticipation that the Kansas Department of Transportation will become the sole occupant in FY 2004. The amount of the bonds issued was \$10,850,000 plus issuance costs. The state took possession of the building in April 2002. The FY 2004 budget of the Division of Facilities Management will be increased to provide 5.0 FTE positions to provide maintenance and operation of the power systems. Therefore, the Governor adds \$161,197 from the State Buildings Operating Fund for these positions.

Juvenile Correctional Facilities. Two new juvenile correctional facilities will open during FY 2004. The new Larned Facility is scheduled to open in July 2003. The 152-bed facility will replace the current 116-bed facility currently located on the grounds of Larned State Hospital. Included in the Governor's FY 2004 recommendation is \$2.1 million for an additional 19.0

FTE positions and 7.0 non-FTE unclassified permanent positions. The recommendation provides only six months of funding for 17.0 FTE positions, which will prevent the Facility from opening a 30-bed pod until December 2003. Funding for additional operating expenditures is included in the recommendation as well, including funding for services that had previously been provided by Larned State Hospital.

The Kansas Juvenile Correctional Complex (KJCC) is scheduled to open in April 2004. KJCC is a 225-bed maximum-security and diagnostic and classification facility that is adjacent to the Topeka Juvenile Correctional Facility (TJCF). The Governor's recommendation includes \$1.33 million, all from the State General Fund. This recommendation will provide funding for 168.0 FTE positions and for various operating expenditures. The Facility will share several services with TJCF, including food services, medical services, and a common visitation center.

Recommendations

Following is a description of capital improvement projects by agency that are included in the Governor's recommendations. Capital expenditures are listed by agency in Schedules 6.1 and 6.2 and by project in the table at the end of this section.

General Government

Department of Administration

Rehabilitation & Repair. The Governor's recommendation for FY 2003 includes estimated expenditures totaling \$827,110 for rehabilitation and repair, of which \$227,948 is from the State General Fund, \$243,886 is from the State Budget Stabilization Fund, and \$355,276 is from the State Buildings Depreciation Fund. The \$227,948 from the State General Fund will provide \$122,831 for maintenance of the Statehouse and Cedar Crest and \$105,117 for repairs to the Judicial Center. The \$243,886 from the stabilization fund consists of \$143,886 for the Statehouse and Cedar Crest and \$100,000 for the Judicial Center. The \$355,276 from the State Buildings Depreciation Fund is for the Landon, Docking, Forbes, Memorial, Curtis, and SBG Buildings. All of these amounts provide for the general maintenance and upkeep of the state's buildings in the Capitol Complex and at Forbes. For FY 2004, \$200,000 is recommended for the Landon, Docking, Forbes, Memorial, Curtis, and SBG Buildings.

Statehouse Improvements. The Legislature has authorized the issuance of \$55.0 million in bonds to finance renovation of the Statehouse, including the east wing, a new parking garage, underground maintenance vaults in each quadrant, the shell for a future visitor center, and relocation of utilities. This project is an effort to renovate the entire Statehouse by 2007 at an estimated cost of \$135.0 million. For FY 2003, the debt service on the first \$40.0 million totals \$3,173,148, of which \$2,358,148 is interest and \$815,000 is principal. All funding for debt service is

from the State General Fund. For FY 2004, the debt service increases to include the \$15.0 million garage. The amount recommended totals \$4,424,652, \$2,524,652 of which is interest and \$1.9 million is principal.

In addition, \$613,489 is available in FY 2003 for individual projects involving improvements to the Statehouse. Of this amount, \$313,289 is from the State General Fund and \$300,200 from the Capitol Dome Restoration Fund. The largest project to be financed from these funds is support of the Capitol dome for the ad astra statue. This work was completed and the statue was put in place in the fall of 2002. The cost of this project to date totals \$739,976, of which \$300,200, the amount from the Capitol Dome Restoration Fund, is from private donations. The statue itself, however, was financed entirely from private sources. Other projects in this account include landscaping, restoration and cleaning of monuments, installation of a fire detection and suppression system, and planning and installation for a security system.

Judicial Center Improvements Two years ago the Governor proposed a package of improvements to upgrade the Judicial Center consistent with the recent renovation of Cedar Crest and the ongoing restoration of the Statehouse. For FY 2003, a total of \$202,313 is estimated, \$124,343 from the State General Fund and \$77,970 from the State Budget Stabilization Fund. The projects to be undertaken include emergency power supply, porch deck re-caulking, signage, and for landscaping. In addition, a portion of the project was financed through bonds over a 16-year period. These improvements included replacement of the exterior lighting and replacement of two chillers that do not use coolants friendly to the environment. For FY 2003, the debt payment totals \$101,889, \$61,889 in interest and \$40,000 in principal. For FY 2004, the payment will be \$97,085, \$42,085 for interest and \$55,000 for principal.

Judicial Center Renovation of Attorney General's Space. Also included in the Governor's budget recommendation is \$90,206 from the State General Fund for FY 2003 to plan for the renovation of space in the Judicial Center that was vacated when the

Attorney General's Office relocated to Memorial Hall. The vacated space is being planned for new appellate court judges. Funding for the first phase of construction includes \$114,400 from the State General Fund in the Judiciary's budget for FY 2003.

Landon Electrical Power Supply. The Governor recommends \$399,745 from the State Buildings Depreciation Fund for FY 2003 to undertake improvements to the electrical system in the Landon Building. The project started in FY 2000 after a near power failure occurred during the summer of 1999. The work to be done involves the installation of switches that will allow transfer of the electrical load from any generator to any other generator to maximize flexibility in continuing electrical power if a failure occurs. The project also will permit the discharge of generator exhaust safely above the top of the building, instead of at the third floor level. Finally, the three existing uninterruptible power supply units will be replaced.

Landon Electrical Power System Study. The Governor recommends \$180,000 from the State Buildings Depreciation Fund for FY 2003 to undertake a project to study the electrical power system failure mode in the Landon Building. This project stems from an incident that occurred in July 1999, when a small motor starter short-circuited in a power transformer, causing a power failure in the building. The power failure revealed weaknesses that make the electrical system's functioning suspect. Unlike the previous project, which includes the implementation of actual improvements, this project is the starting point of a long-term, comprehensive effort to plan for the upgrade of the electrical system in this building.

Landon Security Improvements. The Governor recommends \$30,000 of current authority from the State Buildings Depreciation Fund for FY 2003 to enhance security in the Landon Building. The impetus for the project was a recommendation contained in the *Threat Analysis*, a report prepared in 1998. The equipment to be installed includes alarm/detection systems, "duress" switches, and monitoring equipment.

Landon & Docking Assessments. The Governor continues three existing projects in FY 2003 related to the future use of the Landon and Docking Buildings. Amounts of \$250,000 from the State Buildings

Depreciation Fund for each of Landon and Docking are recommended to undertake a comprehensive building assessment study that will evaluate the need and cost for upgrade and repair of these facilities to ensure their most functional use. Specifically included in the assessment will be electrical, mechanical, and plumbing systems; security; safety; and ADA compliance. These assessments will come in the wake of agencies vacating these facilities to relocate to the Curtis Building and Security Benefit Group Building. In addition, the Governor includes \$40,000, also from the State Buildings Depreciation Fund, for FY 2003 to undertake an Electrical Conditions Analysis in the Docking Building. Electrical switch gear and panel boards will be inspected and spare parts inventoried. Then a master plan will be developed to determine what repairs need to be made.

Replace Landon Fire Pump. An amount of \$75,000 is recommended by the Governor from the State Buildings Depreciation Fund for FY 2004 to replace an existing fire pump, motor, controls, and power distribution in the Landon State Office Building. The existing equipment was installed in 1910 and fails to conform to modern building codes. Replacement parts are difficult to find, and the power controls are antiquated and inefficient.

Upgrade Controls on Emergency Power Generators. A total of \$40,000 from the State Buildings Depreciation Fund for FY 2004 is recommended to upgrade the controls of the emergency power generators in the Landon State Office Building. The work will include adding measurement and indicator equipment to the system with regard to oil pressure, water temperature, and turbocharger temperature. Currently, the Metasys System allows the Division to start and stop the generators. The addition of this equipment will allow for regulation of the equipment to facilitate efficient management of the generators.

Landon Roof Repairs. For FY 2004, \$86,000 from the State Buildings Depreciation Fund is recommended to replace the roof on the entire northwest corner of the Landon State Office Building. The existing roof, consisting of a single ply membrane, has become partially detached. As a result, the membrane flaps in the wind and will eventually tear loose.

New Docking Lighting Control System. The Governor recommends \$110,000 from the State Buildings Depreciation Fund for FY 2004 to install new controls for the lighting system in the Docking State Office Building. The current system is described as a low-voltage control that was installed 20 years ago; however, it is not being used. The existing practice is for a number of lamp fixtures to be operating 24 hours a day, seven days a week that expend a lot more energy than necessary to light the building for the needs of the occupants. The Division plans to install a system based on motion sensors to detect occupants, so lights can be extinguished when not in use.

Replace Docking Penthouse Roof. The Governor proposes to spend \$91,000 from the State Buildings Depreciation Fund for FY 2004 to replace the penthouse roof on the Docking State Office Building. The existing roof was installed in 1983 and needs to be replaced. A roof inspection conducted in the fall of 2001 has determined that replacement is needed now before leakage problems develop. The work to be done includes tearing off the existing roof to the concrete deck and installing an SBS-Modified bitumen roof.

Docking Cooling Towers Replacement. This project in the Department's five-year facilities plan was intended to be undertaken in FY 2004. However, concern over the potential for mechanical failure before that time has caused the Department to advance the project to FY 2003. The project will involve replacement of the three cooling towers that provide air conditioning to the Docking Building. The total cost of the project is \$1.5 million. However, it will be debt financed through the Master Lease Program. Accordingly, the Governor includes \$74,269 from the State Buildings Operating Fund in FY 2003, \$29,461 for interest and \$44,808 for principal. The debt payment for FY 2004 will be \$178,245, of which \$66,710 is interest and \$111,535 is principal.

Refrigerant Code Compliance Study. An amount of \$80,000 is recommended by the Governor from the State Buildings Depreciation Fund for FY 2004 to retrofit the chillers in the Docking State Office Building, Landon State Office Building, and Statehouse. The existing space arrangements do not meet codes for chiller rooms. There are currently three chiller rooms, one in each facility. The study is

intended to determine the proper size and accommodations of the space needed to house the chillers.

Capitol Complex Infrastructure Study. The Governor recommends \$400,000 from the State Buildings Depreciation Fund for FY 2004 to undertake a study of the potential cost benefit of integrating utility systems in the Capitol Complex. The state in recent years has added to its inventory of state facilities, notably a renovation of the Memorial Building, construction of the Curtis Building, and acquisition of the 7th & Harrison Building, otherwise known as the SBG Building. The Department will investigate the benefit of consolidating and integrating such systems as steam, chilled water, emergency power, telecommunications, fire, security, parking, and energy management.

In its five-year plan, the Department submitted a request for capital projects involving the Landon and Docking Buildings that are beyond the financial capability of the funds derived from rents, the usual source of revenue for "Off Budget" capital projects. With the relocation of the Department of Transportation to the SBG Building during FY 2004, there is an opportunity to make renovations to the Docking Building. However, the Department lacks a plan for the Capitol Complex that incorporates this project and others involving these specific buildings into a master plan for the future. Accordingly, the Governor will direct the new Secretary of Administration to develop such a plan with the intention that a request will be made for funds during the next budget cycle to implement the master plan.

Improvements to State Facilities. The Governor recommends \$771,063 for FY 2003, \$456,063 for interest and \$315,000 for principal, for improvements to state facilities for which the Department of Administration is responsible. The debt service increases slightly to \$772,675 for FY 2004, of which \$442,675 is interest and \$330,000 is principal. The Capitol Complex consolidation (Landon State Office Building "backfill") involves remodeling the Landon State Office Building after the relocation of the Department of Health and Environment to the Curtis Building. The Capitol Complex steam system was upgraded by developing a steam heat boiler system for the Curtis Building and upgrading the steam lines for heating the existing buildings in the Capitol Complex.

The Brigham Building at the State Complex—West, which is currently unoccupied, will be remodeled for use as the SRS Staff Development and Training Center. The KDHE lab at Forbes Building #740 will be remodeled to meet the needs of the remaining laboratory operations. The unoccupied Woodward Building at the State Complex—West will be remodeled for Kansas Services for the Blind housing when clients attend training at the Rehabilitation Center for the Blind.

9th Street Parking for the Disabled. An amount of \$70,000 from the Building and Ground Fund is estimated for FY 2003 to construct parking spaces on the south side of 9th Street between Topeka Boulevard and Harrison Street. The City of Topeka plans to transfer the right-of-way it owns along 9th Street to the Department of Administration as part of a joint effort to design and construct ADA van-accessible parking for the disabled. The city has indicated it will transfer the property without expense to the state.

Repairs for State Parking Lots. The Governor includes \$178,000 from the Building and Ground Fund for FY 2003 and \$95,000 for FY 2004 for maintenance and repairs to state parking lots in the Capitol Complex. These amounts are an annual appropriation to undertake a systematic approach in maintaining the lots. The larger amount in FY 2003 represents \$95,000 of new funds and \$83,000 of unspent funds from FY 2002.

Energy Conservation Improvements Program. The Governor recommends \$2,066,680 for FY 2003 from the State General Fund for the debt service payment on the energy conservation improvement bonds issued by the Kansas Development Finance Authority prior to FY 1999. Of that amount, \$1,750,000 is principal and \$316,680 is interest. For FY 2004, debt service is estimated to total \$1,964,829, \$1,735,000 of which is principal and \$229,829 is interest. Bond proceeds are used to finance energy conservation improvements at state facilities, with the utility savings from these projects to be returned to the State General Fund to pay off the bonds.

Landon Building Debt Service. The debt service amounts are recommended to finance the 1986 acquisition and the 1987 renovation of the Landon State Office Building. For FY 2003, \$939,145 from the State Buildings Operating Fund is recommended

for the principal amount. An additional \$243,233 for the interest payment is included in the operating budget, for a total of \$1,182,378. The FY 2004 principal debt service payment totals \$562,250 and the interest payment \$177,671. This amount decreases significantly in FY 2004 because the portion of the debt covering renovation was retired in FY 2003.

Printing Plant Debt Service. The amount the Governor recommends is \$138,676 for FY 2003 from the Intragovernmental Printing Service Fund to finance the principal payment of the debt incurred to construct the State Printing Plant. The interest portion, totaling \$83,186, is recommended as part of the operating budget. For FY 2004, \$166,417 is recommended from the same fund for the principal portion of the debt service. To finance the interest portion, \$24,026 is included in the operating budget.

Memorial Hall Debt Service. The debt service on the renovation of Memorial Hall, all of which is from the State Buildings Operating Fund, totals \$431,233 for FY 2003, \$236,233 in interest and \$195,000 in principal. For FY 2004, the total is \$432,781, of which \$227,781 is interest and \$205,000 is principal.

Paint & Grounds Shop Debt Service. The Governor's recommendation contains funding to make debt service payments to the City of Topeka for the property that includes the old police garage. The Division of Facilities Management demolished the garage and constructed a parking lot in its place. The plan to do this was approved by the Topeka City Council on November 27, 2001. Expenditures for debt service total \$38,238 from the Building and Ground Fund in FY 2003. Of this amount, \$22,923 is interest and \$15,315 is principal. For FY 2004, the total payment is \$38,598, with the interest portion \$21,846 and principal \$16,752.

Motor Pool Shop. The debt service on this facility, also acquired from the City of Topeka, totals \$44,223, all from the Motor Pool Service Fund, for FY 2003. The motor pool uses these facilities for servicing its vehicles. The principal is \$23,837 and interest is \$20,386. For FY 2004, the total is also \$44,223, \$26,484 for principal and \$17,739 for interest.

Capitol Complex Tunnels. The Governor also recommends \$233,290 from the State Buildings Depreciation Fund for FY 2003 to pay the outstanding

obligations of what was intended to be a system of pedestrian and utility tunnels in the Capitol Complex. The total project was originally estimated to cost \$11,102,260, \$10,000,000 from federal highway funds and the balance from the State Buildings Depreciation Fund. However, because of estimated cost overruns, the Governor terminated the project in August 2002. The federal funds, which were intended to be spent from KDOT's budget, were re-directed to other transportation projects and \$857,155 from the State Buildings Depreciation Fund lapsed.

Topeka State Hospital Cemetery Memorial. The Governor recommends \$20,000 from the Memorial Gifts Fund for FY 2003 to serve as seed money to erect a memorial for those buried on the Topeka State Hospital grounds. The 2000 Legislature enacted HB 2355, authorizing an appropriate memorial and setting up the Topeka State Hospital Cemetery Memorial Gift Fund. Capitalization of the fund is expected to be accomplished from private donations. The total cost of the project is anticipated to be \$200,000, with the remaining \$180,000 recommended in FY 2004. The work to be done includes a memorial, a plaque with the names of those buried in the cemetery, and fencing around the site.

Lapses. The Governor's recommendation lapses unused monies from three accounts in FY 2003. These include \$43,897 for Statehouse elevator renovations, \$105,449 for Statehouse fire alarm and security systems, \$94,490 for other Statehouse improvements that will be incorporated into the comprehensive renovation project currently underway, \$857,155 for the Capitol Complex tunnels. The first three of these lapses are from the State Budget Stabilization Fund, and the monies have been re-programmed for rehabilitation and repair, also in FY 2003. The fourth lapse is from the State Buildings Depreciation Fund.

Insurance Department

Insurance Building Debt Service. The Governor's recommendation includes \$130,000 in FY 2003 and \$140,000 in FY 2004 for debt service principal payments on the Insurance Building in Topeka. Debt service payments are financed from the agency's Insurance Building Principal and Interest Fund. Interest payments are included in the agency's operating budget and total \$52,483 in FY 2003 and

\$44,300 in FY 2004. The Kansas Development Finance Authority issued revenue bonds totaling \$1,795,000 in 1991 for remodeling the building. Debt service payments will cease in FY 2007.

Rehabilitation & Repair. The Governor includes \$20,000 for rehabilitation projects for each of FY 2003 and FY 2004 from the Rehabilitation and Repair Fund. The recommendation will finance contingent repairs to the Insurance Department Building. In the past, funding has been used to repair the building's plumbing and electrical systems, roof, and elevator.

Judiciary

With the implementation of KSA 20-3002, one new appellate court judge will be added each year for four years starting in FY 2003. As a result, the Governor recommends \$114,400 from the State General Fund for FY 2003 to renovate part of the Judicial Center to create a judicial suite for the first additional judge. The judicial suite will include a portion of the space vacated by the Attorney General as part of the AG's relocation to Memorial Hall. As a result of the Governor's policy to use the FY 2003 approved budget for the Judiciary and not make a recommendation on its budget request, the same \$114,400 is included for this project in FY 2004.

Human Resources

Social & Rehabilitation Services

Rehabilitation & Repair—Chanute Office Building. The Governor recommends \$300,000 in each of FY 2003 and FY 2004 for routine maintenance and rehabilitation and repair projects at the Chanute Office Building. For FY 2004, the recommendation will replace the building's exterior windows. The FY 2003 recommendation will be used for window replacement, re-roofing, and electrical equipment upgrades. Funding in both years is from rent revenues.

Rehabilitation & Repair—State Institutions. The Governor recommends expenditures from the State Institutions Building Fund for rehabilitation and repair

projects at the state institutions servicing the mentally ill and developmentally disabled. Recommendations for both FY 2003 and FY 2004 fund the continual rehabilitation and repair needs of the state institutions, including equipment replacement, plumbing repairs, code compliance, renovations, and other major maintenance needs. The Governor recommends \$3,499,917 for FY 2003 and \$4,055,886 for FY 2004.

State Security Hospital. The 2002 Legislature authorized SRS to issue bonds totaling \$50,120,884 to construct a new State Security Hospital. Construction of the facility is estimated to begin in FY 2003 and be completed in FY 2005. The facility will replace the three separate buildings on the Larned State Hospital campus currently used to treat security patients. In FY 2003, \$372,169 from the State Institutions Building Fund will be used to complete the planning and design for the new security hospital. For FY 2004, the Governor recommends \$3,506,316 from the State Institutions Building Fund to finance the debt service payments for the new State Security Hospital. Of the recommended amount, \$1,381,316 will be used for the debt service interest and \$2,125,000 will be used for debt service principal.

Sex Predator Capacity Expansion. The Governor recommends \$356,306 for FY 2003 from the State Institutions Building Fund to finalize the construction of a 20-bed modular building on the campus of Larned State Hospital. The building will accommodate the growing census in Social and Rehabilitation Services' Sex Predator Treatment Program.

Osawatomie State Hospital

Rehabilitation & Repair. To complete general maintenance and repair projects that were begun in FY 2000, the Governor recommends \$97,004 in expenditures from the State Institutions Building Fund for FY 2003. Capital improvement expenditures for FY 2004 will be allocated systemwide by the Department of Social and Rehabilitation Services.

Parsons State Hospital & Training Center

Rehabilitation & Repair. The Governor recommends \$60,763 from the State Institutions Building Fund in FY 2003 for rehabilitation and repair

projects. The amount recommended is a balance carried forward from FY 2002 and will be used to cover contractual services costs associated with general maintenance and repair projects that will begin in FY 2003. Capital improvement expenditures for FY 2004 will be allocated systemwide by the Department of Social and Rehabilitation Services.

Rainbow Mental Health Facility

Rehabilitation & Repair. For FY 2003, expenditures of \$6,667 is recommended from the State Institutions Building Fund for rehabilitation and repair projects. These are unspent funds from FY 2002. This facility is recommended to be merged into Osawatomie State Hospital for FY 2004. Any unspent monies at the end of FY 2003 will be transferred to the rehabilitation and repair account of Osawatomie.

Department of Human Resources

Rehabilitation & Repair—Reed Act. For FY 2003, the Governor recommends \$146,750 to make repairs, including roofing, overlaying parking lots, mudjacking or replacing sidewalks, painting, and carpeting. In FY 2004, the Governor recommends \$183,550 for general repairs.

Department of Human Resources Headquarters

The Department of Human Resources' headquarters at 401 SW Topeka Boulevard was built in 1951, with the last major renovation in 1978. Bonds to finance a modern renovation of the building have been issued and the Governor recommends debt payments in both FY 2003 and 2004 to repay the bonds. The debt payment in FY 2003 includes \$155,000 principal and \$101,072 for interest. In FY 2004, the payment is \$140,000 for principal and \$138,258 for interest. These payments are covered by program funds in the same proportion as the occupants of the building are financed. Part of these program funds comes from the State General Fund: \$22,517 in FY 2003 and \$22,858 in FY 2004. The balance comes from federal and other fees.

New Office Building at 427 SW Topeka Boulevard. As part of current year budget, the Governor includes \$167,838 from the Department's Employment

Security Fund for the planning expenses of a new office building. The planning costs include architectural services and costs for the purchase of land, buildings, and razing of existing structures.

1430 SW Topeka Boulevard. The Department is purchasing the building at 1430 SW Topeka. For FY 2003, the interest payment is \$107,448, including \$18,267 from the State General Fund, and the principal payment is \$25,000, with \$4,250 from the State General Fund. In FY 2004, the interest payment will be \$74,460 and the principal payment will be \$60,000. These amounts include, respectively, \$12,658 and \$10,200 from the State General Fund.

Commission on Veterans' Affairs

Rehabilitation & Repair. The Governor recommends \$100,000 in FY 2003 and \$100,000 in FY 2004 from the State Institutions Building Fund for rehabilitation and repair at the Kansas Soldiers' Home. The funding will be used to renovate cottages, complete projects to meet ADA requirements, and make general repairs throughout the facility. The SIBF recommendation for the Kansas Veterans' Home is \$98,496 in FY 2003 and \$150,000 in FY 2004. Projects include repairing roads, replacing windows and external lighting, and continuing tuckpointing and sealing projects.

Facility Improvements. The Governor recommends the expenditure of \$544,296 from the State Institutions Building Fund for the Kansas Soldiers' Home's Facility Conservation Improvement Project. This funding was appropriated, but not spent, in FY 1999. The Home has secured additional funding for the project of \$1,010,835 from a Federal Home Construction Grant by the federal Veterans' Administration.

Veterans' Cemeteries. KSA 73-1232 authorized the establishment of a statewide system of veterans' cemeteries. The Commission will build cemeteries in Fort Dodge, Winfield, WaKeeney, and Fort Riley. To implement this system a total of \$355,000 from the State Institutions Building Fund was appropriated for FY 2001 for planning expenditures. After construction begins on each cemetery, the federal government will reimburse the state for the planning expenditures associated with each cemetery. When the agency

receives reimbursement for planning of one cemetery, that funding will be used for planning of the next cemetery. When the federal government has reimbursed the planning expenses for the final cemetery, \$355,000 will be returned to the State Institutions Building Fund. Construction on the cemetery at Fort Dodge was completed this year. The final cemetery at Fort Riley is scheduled to be completed in FY 2005. The Governor recommends expenditures of \$7,523,106 in FY 2003 and \$7,016,640 in FY 2004 from the Veterans' Cemeteries Federal Construction Grant Fund for these projects.

Education

School for the Blind

Rehabilitation & Repair. For FY 2003, the Governor recommends \$68,952 for rehabilitation and repair of the school grounds, to be funded from the State Institutions Building Fund. For FY 2004, the Governor recommends \$123,241 for rehabilitation and repair. These repairs and replacements will include buildings, sidewalks, electrical, plumbing, and heating and cooling. This funding will allow for the timely implementation of new regulations from the Americans with Disabilities Act.

Fire Alarm System Upgrade. For FY 2003, the Governor recommends \$77,606 to finish the upgrade of the fire alarm system for the School. The upgrade goal is to combine all building alarms into one system for more effective monitoring. The upgrade requires extensive electrical and communications work as well as general system improvements. Funding is from the State Institutions Building Fund.

School for the Deaf

Rehabilitation & Repair. For FY 2003, the Governor recommends \$192,602 for continued renovation, rehabilitation, and repair projects at the School and construction project at the elementary school for \$1,829. Some of the projects are asbestos removal, elementary school site improvements, and the Roberts Building renovation. The School owns

buildings that are in need of modification in order to be in compliance with fire, health, and safety inspections. For FY 2004, the Governor recommends \$165,000 for rehabilitation and repair, which includes equipment, building, and ground repairs. The State Institutions Building Fund will fund both years of the rehabilitation and repair projects.

Roberts Dorm Renovation. In FY 2003, the Governor recommends \$22,728 for renovation of the Roberts Building on the School campus. This renovation will upgrade the building in safety and code issues related to dorm living. Financing is from the State Institutions Building Fund.

Pool Repair. In FY 2003, the Governor recommends \$36,947 for pool maintenance and repair. Funding is from the State Institutions Building Fund.

Parks Bilge/Taylor Gym Roof. In FY 2003, the Governor recommends \$139,885 for roof repair since many of the School's buildings have flat roofs. These buildings are showing roof deterioration in the flat roof area, thus requiring repair to prevent major building damage and possible damage in the instructional areas within the School.

Roth Dorm Renovation. The Governor recommends \$706,671 for dormitory renovation in FY 2003, and \$399,944 in FY 2004. FY 2004 will be the third year of an eight-year renovation project. The financing is from the State Institutions Building Fund. Since the dormitories were built seven decades ago, they fail to meet present day code requirements or program needs for the students. The School's plan is to renovate each dorm floor to meet codes until all six dormitory areas are finished. The first code problem has been addressed. Additional stair towers were renovated to meet the fire code for emergency exits. A new fire alarm system with sprinklers is also required to meet the code. The new fire alarm system will follow the design of the new system in the classroom buildings, which provides visual warning devices for students and staff.

Board of Regents

Rehabilitation & Repair. The Governor recommends \$10.0 million in FY 2004 from the Educational Building Fund for the ongoing

rehabilitation and repair of campus facilities. The funding is distributed through a formula based on total square feet for each institution.

Crumbling Classroom Debt Service. The Governor recommends that \$15.0 million be transferred from the Educational Building Fund in FY 2004 to make the debt service payment on the "Crumbling Classroom" bond issue. Debt service for FY 2003 is \$9,360,000 in principal and \$5,640,000 in interest. Debt service for FY 2004 consists of \$9,805,000 in principal and \$5,195,000 in interest. These bond issues were approved during the 1996 Legislative Session upon the Governor's recommendation. The initial bonds of \$50.0 million were issued in November 1996, and another \$110.0 million was issued in October 1997.

The universities are using the \$173.0 million generated by these bond issues to make substantial repairs to campus buildings to bring buildings into compliance with the Americans with Disabilities Act and life/safety codes and to make classroom improvements. Several additions to buildings at the University of Kansas, Kansas State University, and Emporia State University are being made, and a new nursing education building is being constructed at the Medical Center.

Emporia State University

Rehabilitation & Repair. Funds for rehabilitation and repair are initially appropriated to the Board of Regents. The Governor recommends \$1,162,583 in FY 2003 from the Educational Building Fund, of which \$573,000 is from the allocation of new funds from the Board of Regents, and \$589,583 is reappropriated from FY 2002. In addition, \$260,344 is recommended from restricted use funds in FY 2003 and \$145,156 in FY 2004.

Parking Lot Improvements. To finance parking lot improvements, the Governor recommends \$90,000 each in both FY 2003 and FY 2004 from campus parking fees.

Residence Hall Debt Service. Financing of the debt service on the residence halls comes from student fees. The Governor recommends \$195,000 in FY 2003 and \$200,000 in FY 2004 to pay the principal on the bonds for improvements to the halls.

Student Recreational Building. Bonds have been issued for construction of the student recreational building that began in FY 2002. The total cost of the facility is expected to be \$3.0 million. The Governor recommends \$95,000 for principal bond payments in FY 2003 and \$100,000 in FY 2004. Planning and construction for the building are financed through student fees.

Student Union Renovation. Funds are budgeted annually for continuing improvements to the Student Union. For the next several years, most of the available funds will be directed toward code compliance issues and repairs related to the Americans with Disabilities Act. The Governor recommends \$131,000 for each of FY 2003 and FY 2004 to pay for the debt service for renovations at the Student Union.

Men's Dormitories. The Governor recommends expenditures of \$40,000 in each of FY 2003 and in FY 2004 to pay for debt service on the men's dormitories, which were built in 1969.

Fort Hays State University

Rehabilitation & Repair. Funds for rehabilitation and repair are initially appropriated to the Board of Regents. The Governor recommends \$938,032 in FY 2003 from the Educational Building Fund, of which \$702,000 is from the allocation of new funds from the Board of Regents and \$236,032 is reappropriated from FY 2002.

Student Housing Debt Service. The Governor recommends \$205,000 in FY 2003 and \$210,000 in FY 2004 to pay the principal on the bonds from restricted fees. The bonds finance the renovation and remodeling of student dormitories.

Parking Improvements. To finance parking improvements on campus, the Governor recommends \$600,000 in FY 2003 and \$300,000 in FY 2004. These improvements are funded by parking fees.

Kansas State University

Rehabilitation & Repair. The Governor recommends \$4,543,262 from the Educational

Building Fund for rehabilitation and repair of campus facilities in FY 2003. Of this amount, \$1,547,262 is a reappropriation from FY 2002 and \$2,996,000 is a transfer of new funds from the Board of Regents.

Lease-Purchase of Aeronautical Center. The Governor recommends \$189,446 in each of FY 2003 and FY 2004 from the State General Fund for the 10th and 11th payments in a lease-purchase agreement with the Salina Airport Authority. The payments have allowed the College to acquire the International Training Center and a recently-completed laboratory for the Airframe and Powerplant Program. The lease-purchase agreement is for 20 years.

University Debt Service. The Governor recommends \$2,343,205 in FY 2003 and \$2,448,348 in FY 2004 from special revenue funds for principal payments on various projects funded through revenue bonds. These projects include housing projects, parking lot projects, and a building renovation project.

Parking Lot Improvements. To finance parking improvements, the Governor recommends \$800,000 for each of FY 2003 and FY 2004 from campus parking fees. The work is based on two studies of parking operations. One study reviewed paved surfaces and the other parking and traffic patterns.

Food Safety & Security Research Facility. The University plans to construct a new research facility at the Manhattan campus. The institution is seeking federal funding for the five-year \$82.2 million project. The facility will need "bio-security," which would enable investigation of infectious diseases and provide for safe handling of biotechnology products. The Governor recommends the use of \$6.0 million in federal funding during FY 2004.

Renovation of Residence Halls. The renovation of Ford, Marlatt, Putnam, and Goodnow Halls will convert the old-style student rooms with gang showers to suites with private bathrooms. The project will also include improvements, such as electrical, plumbing, sprinkler systems, and environmental systems. The total estimated cost of the project is \$2.4 million. The Governor recommends \$1.2 million in FY 2004 from dormitory fees for the first year of this project.

Galachia Addition. The \$1,270,000 renovation and expansion of the College of Human Ecology's

Galachia Institute for Gerontology and Family Studies will add 5,900 square feet to the facility. This will allow the University to expand the teaching, research, and clinical training activities in communication sciences and disorders. The project will include new clinical and support spaces while meeting the needs of state-of-the-art technology that could not be added to the older facility. The Governor recommends \$500,126 for FY 2004 from private funding to initiate this project.

KSU—Extension Systems & Agricultural Research Programs

Eastern Kansas Horticulture-Forestry Research & Education Center. The Department of Horticulture, Forestry, and Recreation Resources provides outreach services throughout the state. To house research and visiting scientists, the agency will construct a new center at the Sunflower Army Ammunition Plant. This center will have two 750-square foot teaching laboratory spaces to assist classroom instruction, a plant material handling structure, research and teaching greenhouse spaces, and a pesticide storage and handling facility. The Governor recommends the use of \$1.0 million from gift funds in the current year.

Grain Science Center. KSU—ESARP plans to construct a \$20.6 million five-building complex for the Grain Science Center. The project consists of four phases: \$5.9 million for a Biological and Industrial Value-Added Program, \$5.5 million for a feed mill, \$5.5 million for a flour mill, and \$4.0 million for the International Grains Program. These projects will continue and expand research and teaching activities to improve both livestock production efficiency and crop utilization potential for Kansas and the U.S.

The Biological and Industrial Value-Added Program is being funded by \$3.0 million from the Educational Building Fund and the remainder through private gifts and restricted fees. For FY 2003, the Governor recommends the use of restricted funds in the amount of \$10.0 million for the milling operations and \$4.0 million for the Value Added Program. Another \$2,449,712 from the Educational Building Fund will be used for that program. For FY 2004, \$4.0 million is recommended from restricted use funds for the International Grains Program.

Greenhouse Laboratory. The laboratory would be constructed at the Agricultural Research Center in Hays. The greenhouse complex at the Center is used for the continuation of crop improvement and testing during winter months. The additional greenhouse space is needed to support the increase in research projects. The project will be privately funded. The Governor recommends \$75,000 to begin this project in FY 2004.

Horticulture Research Center. The new Horticulture Research Center building would be at the John C. Pair Horticulture Center in Wichita. The proposed building would allow resident and visiting campus-based faculty to conduct research projects and extension education programs. The Governor recommends \$75,000 from restricted use funds to begin this project in FY 2004.

KSU—Veterinary Medical Center

BL-2 Laboratory. This \$615,000 project will renovate and upgrade the Medical Centers' biohazard level 2 facility. The improved facility will be designed to provide a minimum of four laboratories. The Governor recommends \$300,000 from restricted use funds for this project.

Equine Locomotion Center. Kansas State University plans to construct a \$3.1 million addition with private funds to provide clinicians and horse owners with access to sophisticated diagnostic instruments for evaluation of many performance related issues. The Center will have an exercise area providing a variety of surfaces for assessment of horses being led and ridden. For FY 2004, the Governor recommends an amount of \$400,000 from restricted use funds for this project.

Pittsburg State University

Rehabilitation & Repair. Funds for rehabilitation and repair are initially appropriated to the Board of Regents. The Governor recommends \$775,908 in FY 2003 from the Educational Building Fund, \$668,000 of which is from the allocation of new funds from the Board of Regents, and \$87,908 is reappropriated from FY 2002.

Parking Improvements. To finance parking lot improvements, the Governor recommends \$200,000 each in FY 2003 and FY 2004 from campus parking fees.

Student Housing Improvements. The Governor includes \$1,250,000 in FY 2003 and \$560,000 in FY 2004 from student fees to make improvements to on-campus student housing.

Jack H. Overman Student Center. Financing of the debt service on the J. H. Overman Student Center renovation comes from student fees. The Governor recommends \$115,000 in FY 2003 and \$120,000 in FY 2004 to make the principal payment on bonds issued to renovate the student center. In addition, the Governor recommends \$105,000 in FY 2003 and \$110,000 in FY 2004 from student fees to complete several remodeling projects at the Center.

Horace Mann Debt Service. The Governor recommends \$115,000 in FY 2003 and \$120,000 in FY 2004 for debt service principal payments on the renovation of the Horace Mann Administration Building. These debt service payments are made from restricted fees.

Student Health Center & Hospital Improvements. The Governor recommends \$100,000 in FY 2003 and \$550,000 in FY 2004 from restricted fees to expand the Student Health Center reception area, complete remodeling projects, and provide space for another physician.

Armory/Classroom/Recreation Center. In FY 2002, the University was appropriated \$410,000 from the Educational Building Fund for planning. Only \$151,743 was used with the remaining \$258,257 carrying over into FY 2003. The total cost of the project will be \$13,338,000 from a variety of sources. This will be a multipurpose facility to house the Kansas National Guard Unit, as well as the University's Departments of Health, Physical Education and Recreation, and Military Science. For FY 2004, the Governor recommends \$1,767,000 from restricted use funds for the projects.

Polymer Research Center. For FY 2004, the Governor recommends the use of \$300,000 in private funds to begin construction of the Polymer Research

Center. Additional private funding of \$2.7 million will complete the project in FY 2005. The Center will be used to research and develop bio-based polymers for higher-grade plastics. The research will focus on transforming farm crops, such as soybeans, to replace petroleum-based ingredients used in plastics.

University of Kansas

Rehabilitation & Repair. The Governor recommends \$5,618,043 from the Educational Building Fund for rehabilitation and repair of campus facilities in FY 2003. Of this amount, \$2,745,043 is a reappropriation from FY 2002 and \$2,873,000 is a transfer of new funds from the Board of Regents. The Governor also recommends expenditures of \$952,940 in FY 2003 and \$500,000 in FY 2004 from restricted use fee funds to make additional repairs and improvements.

Parking Improvements. The Governor recommends \$250,000 in FY 2003 and \$300,000 in FY 2004 from parking fees for the completion of various parking improvements on the campus.

Dole Institute. The University of Kansas has established the Robert J. Dole Institute of Public Service and Public Policy to study major policy issues, encourage student participation and citizen involvement, and offer scholars the opportunity to study politics. For FY 2003, the Governor recommends \$714,718 from restricted use funds.

University Debt Service. The Governor recommends \$2,855,000 in FY 2003 and \$3,245,000 in FY 2004 from special revenue funds for principal payments on various projects funded through revenue bonds. These projects include housing projects, parking lot projects, the Regents Center, Student Union renovations, and the Watkins Health Center.

Mallott Hall Medicinal Chemistry. For FY 2004, the Governor recommends a \$2.8 million remodeling project that will be funded through the Research Overhead Fund and Restricted Fees. The remodeled labs will be used as synthetic chemistry facilities and will be primarily occupied by these faculty members with the most pressing need for space. A portion of the renovated space will be reserved for temporary use

by other faculty for the synthetic chemistry related portions of their projects.

Campus Landscape Master Plan. The plan was completed in fall 2000 as a follow-up to the work on the Lawrence campus developmental plan. The Landscape Master Plan provides direction for the development and maintenance of landscaping and proposes a system to direct signage development on campus. The Governor recommends restricted use funds in the amounts of \$750,150 in FY 2003 and \$1,420,025 in FY 2004.

Edwards Campus Facility Expansion. The \$70.0 million ten-year expansion plan will add space for programs in the areas of history, public administration, gerontology, and pharmaceutical chemistry. The master plan will quadruple the size of the campus by adding three new buildings. The project will be funded with a combination of private gifts, student fees, and revenue bonds secured with a pledge of student fees. The physical facilities required for the campus' expected growth are the basis for the expansion. The current \$17.5 million expansion project will be named Regnier Hall and will provide an additional 66,000 square feet for academic and conferencing facilities on the campus. The Governor recommends \$1.0 million in FY 2003 for the project.

Ellsworth Hall. Ellsworth Hall is the third in a series of multi-story residential hall facilities on the Lawrence campus to undergo renovation. The project includes converting living units to suites, as well as replacing major building mechanical systems. The renovation bonds are secured with a pledge of student fees. The Governor recommends continuation of this project with \$1,130,640 from restricted use funds.

Athletic Facility Enhancement. The Governor recommends \$308,429 from restricted use funds in FY 2003 to complete the stadium renovations.

Law Enforcement Training Center. For FY 2003, the Governor recommends \$276,668 from restricted use funds to make improvements to the parking areas of the Kansas Law Enforcement Training Center in Hutchinson.

Student Recreation & Fitness Center. The student recreation and fitness center will provide a facility designed and programmed to meet the diverse fitness, sports and lifestyle management needs of KU students

and guests. Revenue from a fee approved by the students in spring 1999 is funding this \$17.0 million project. The Governor recommends \$2,267,220 in FY 2003 and \$70,389 in FY 2004 from restricted use funds.

University of Kansas Medical Center

Rehabilitation & Repair. To fund rehabilitation and repair projects, the Governor recommends \$2,003,231 from the Educational Building Fund for the Medical Center facilities in FY 2003. This recommendation includes a reappropriation of \$995,231 from FY 2002. In addition, \$173,552 from restricted use funds is recommended for FY 2003.

Parking Lot & Garage Improvements. For routine maintenance on the Medical Center's parking lots, the Governor recommends expenditures of \$50,000 in FY 2003 and \$550,000 in FY 2004. Expenditures will be from parking fee funds.

Wahl Hall Renovation. The Governor recommends \$2,850,000 in FY 2003 and \$250,000 in FY 2004 from restricted fees for the renovation of Wahl Hall. The plan will renovate a portion of Wahl Hall East for the establishment of a kidney institution, with funding from a National Institutes of Health grant. The grant has not been finalized yet. This project will primarily renovate laboratory space.

Clinic Expansion. This project is a 12,500 square foot addition for outpatients at the Wichita clinic. It also includes remodeling of the existing clinic. The completed project will provide two clinic service areas organized around a patient entrance and a registration and waiting area. For FY 2004, the Governor recommends \$2,812,000 from private funding for the project.

University Debt Service. The Governor recommends \$433,914 in FY 2003 and \$300,000 in FY 2004 from restricted use funds. The recommendation will fund the principal payments for the Center on Aging and the Medical Centers Research Facility in both years. The final payment for a parking facility will also be made in FY 2003.

Biomedical Research Facility. This new facility on the north campus will be a five-level structure of

approximately 205,000 gross square feet, with 125,000 net square feet of scientific research space. These state-of-the-art laboratory facilities will meet the institution's commitment to double extramural research funding within the next few years. This project is part of the Board of Regents \$12.0 million plan to promote research that was approved by the Governor and Legislature during the 2002 Legislative Session. For FY 2003, the Governor recommends \$2,276,638 from restricted use funds.

Wichita State University

Rehabilitation & Repair. A total of \$2,081,922 is recommended for FY 2003 from the Educational Building Fund for rehabilitation and repair of campus facilities. Of this amount, \$921,922 is a reappropriation from FY 2002, and \$1,161,000 is a transfer from the Board of Regents. In addition, another \$2,929 from restricted use funding is recommended for minor repairs.

Parking & Housing Debt Service. The Governor recommends \$600,000 in FY 2003 and \$630,000 in FY 2004 for payment of principal on a bonded project to renovate campus parking and housing.

Historical Society

Rehabilitation & Repair. The Kansas State Historical Society will receive two one-time federal grants from the National Park Service for FY 2003. The agency will spend \$20,500 in federal funds, and \$13,700 in state funds to renovate the Grinter House in Kansas City, Kansas. In addition, federal funds of \$19,200 and state funds of \$12,800 will be used for rehabilitation and repair projects at the Native American Heritage Museum.

In FY 2003, the agency will use \$183,102 in federal monies for restoration of the William Allen White home. First constructed in the late 1880s, the Whites purchased the home in 1899 where they lived the remainder of their lives. No state funds will be used to renovate the home. The agency will also spend \$47,089 in FY 2003 and \$46,550 in FY 2004 for general rehabilitation and repair projects at the Kansas History Center and state historic sites, including the

renovations to the Grinter House and the Native American Heritage Museum.

Public Safety

Department of Corrections

Rehabilitation & Repair. The Governor recommends rehabilitation and repair projects in FY 2003 and FY 2004 totaling \$3.8 million and \$3.3 million, respectively. Financed from the Correctional Institutions Building Fund, the Department will disburse the funds among the correctional facilities as needed. An additional \$360,000 in rehabilitation and repair projects will be funded from special revenue funds in FY 2004.

RDU Relocation Bonds Debt Service. The Governor recommends expenditures of \$1,334,000 from the State General Fund in FY 2003 for the debt service payment in association with relocation of the Reception and Diagnostic Unit to El Dorado. Of this amount, \$789,000 is for interest and \$545,000 is for principal. For FY 2004, \$1,330,000 is recommended from the State General Fund, including \$565,000 for principal and \$765,000 for interest.

Labette Correctional Conservation Camp Debt Service. This debt service is utilized to pay off a 100-bed expansion project that was authorized in 1997. For FY 2003, the Governor recommends a debt service payment of \$162,000, including \$115,000 for principal and \$47,000 for interest. This amount will be paid from the State General Fund. For FY 2004, the Governor recommends \$162,000 from the State General Fund for this payment, including \$120,000 for principal and \$42,000 for interest.

Ellsworth Correctional Facility Debt Service. This debt service is utilized to pay off original construction costs for Ellsworth Correctional Facility. For debt service payments for this facility, the Governor recommends \$1,622,000 from the State General Fund in FY 2003, including \$1,255,000 for principal and \$405,000 for interest. For FY 2004, the Governor recommends \$1,622,000 from the State General Fund, including \$1,310,000 for the principal payment and \$312,000 for interest.

Wichita Work Release Facility Debt Service. This issue was used to pay for the acquisition and renovation of the Wichita Work Release Facility in 1990. In FY 2003, a total of \$169,000 from the State General Fund is recommended for the debt service payment for the Wichita Work Release Facility. Of this amount, \$140,000 is for principal and \$29,000 is for interest. For FY 2004, the Governor recommends \$161,000 from the State General Fund, including \$140,000 for principal and \$21,000 for interest.

Revenue Refunding Bonds Debt Service. This issue paid for the original construction of El Dorado and Larned Correctional Facilities. The Governor recommends \$7,981,000 from all funding sources in FY 2003 for the debt service payment for the revenue refunding bonds. Of this amount, \$6,564,000 is for principal and \$1,417,000 is for interest. Of the amount budgeted for principal, \$2,564,228 is from the State General Fund, \$2,010,075 is from special revenue funds, and \$1,989,697 is from the Correctional Institutions Building Fund.

For FY 2004, the Governor recommends \$7,323,000 from all funding sources. Of this amount, \$6,200,000 is for principal and \$1,123,000 is for interest. Of the amount budgeted for principal, \$3,987,113 is from the State General Fund, \$523,190 is from special revenue funds, and \$1,689,697 is from the Correctional Institutions Building Fund.

Topeka & Lansing Correctional Facilities Debt Service. Part of this issue paid for the renovation of several buildings that were damaged with fire in December 1999 at the Lansing Correctional Facility. The remaining funding financed the renovation of J-cellhouse at the Topeka Correctional Facility. For FY 2003, the Governor recommends \$960,000 from the State General Fund and \$49,000 from special revenue funds for the payment of debt service for the Topeka and Lansing Correctional Facilities. Of this amount, \$860,000 is for principal and \$149,000 is for interest. For FY 2004, the Governor recommends \$1,015,000 from the State General Fund, including \$905,000 for principal and \$110,000 for interest.

El Dorado Correctional Facility Site Utilities Debt Service. This issue financed the repair of utility and steam lines that were damaged at the El Dorado Correctional Facility in 1997. For FY 2003, the Governor recommends a principal payment of

\$1,256,000 from the State General Fund and \$45,000 from special revenue funds. The debt will be retired in FY 2003.

Kansas Correctional Industries Rehabilitation & Repair. For FY 2003, the Governor recommends expenditures of \$26,000 from the Correctional Industries Fund for the rehabilitation and repair of various correctional industries buildings. For FY 2004, the Governor recommends \$28,200 from the Correctional Industries Fund.

El Dorado Correctional Facility

Rehabilitation & Repair. The Governor recommends a total of \$15,157 from the Correctional Institutions Building Fund for ongoing projects in FY 2003. These funds were reappropriated from FY 2002.

Ellsworth Correctional Facility

Rehabilitation & Repair. For FY 2003 the Governor recommends \$153,000 for general repairs and construction. Of this amount, \$15,320 is from the State General Fund and \$137,680 is from the Violent Offender Incarceration/Truth-in-Sentencing federal grant.

Hutchinson Correctional Facility

Rehabilitation & Repair. For ongoing rehabilitation and repair projects, the Governor recommends \$1,090,861 from the Correctional Institutions Building Fund in FY 2003. These funds were reappropriated from FY 2002.

Facility Conservation Improvement Program Lease Payment. In FY 2002, the Hutchinson Correctional Facility was selected to participate in this program to identify improvements that would generate utility savings. These improvements have been made through a master lease agreement with annual lease payments. As part of the program, if the estimated savings are not generated, the company providing the lease will make up the difference. The total cost of the project at the facility is \$2,748,100, with a ten-year lease term. The company guarantees first-year utility

savings of \$340,415. For FY 2003, the Governor recommends \$150,000 from the State General Fund for this lease payment, including \$66,306 for interest and \$83,694 for principal. For FY 2004, the Governor recommends \$330,629 from the State General Fund for this payment, including \$218,382 for principal and \$112,247 for interest.

Lansing Correctional Facility

Rehabilitation & Repair. For rehabilitation and repair, the Governor recommends \$741,869 from the Correctional Institutions Building Fund in FY 2003. These funds were reappropriated from FY 2002.

Larned Correctional Mental Health Facility

Rehabilitation & Repair. For FY 2003, the Governor recommends \$42,532 from the Correctional Institutions Building Fund for ongoing renovation in the West and East Units. This funding was reappropriated from the previous fiscal year.

Norton Correctional Facility

Rehabilitation & Repair. For FY 2003, the Governor recommends \$65,078 from the Correctional Institutions Building Fund for ongoing rehabilitation and repair. This funding was reappropriated from FY 2002.

Topeka Correctional Facility

Rehabilitation & Repair. The Governor recommends \$154,401 from the Correctional Institutions Building Fund for ongoing rehabilitation and repair projects in FY 2003. These funds were reappropriated from the previous fiscal year.

Winfield Correctional Facility

Rehabilitation & Repair. For FY 2003, the Governor recommends \$156,952 from the Correctional Institutions Building Fund for ongoing renovation of

in the Administration Building. This funding was reappropriated from the previous fiscal year.

Juvenile Justice Authority

Rehabilitation & Repair—Juvenile Correctional Facilities. For FY 2004, the Governor recommends \$970,000 from the State Institutions Building Fund for rehabilitation projects at three of the juvenile correctional facilities. Projects at the Atchison, Beloit, and Topeka facilities include safety and security improvements, structural repairs, and road repavement. A total of \$973,356 is included for rehabilitation projects in FY 2003.

Debt Service on Facility Construction. For FY 2004, the Governor recommends \$1,625,000 from the State Institutions Building Fund for payment of the principal portion of revenue bonds issued for facility construction and expansion of the juvenile correctional facilities. A total of \$1,550,000 is recommended for the FY 2003 principal payment. Bonds were issued in FY 2002 to build a 225-bed maximum-security and diagnostic center adjacent to construct adjacent to the Topeka Juvenile Correctional Facility, a 152-bed replacement facility at Larned, and to convert a living unit at the Beloit Facility to maximum-security. The Larned replacement unit is scheduled to open in May 2003 and the maximum-security facility in July 2004. The maximum-security conversion at Beloit was completed in May 2002.

Facility Planning and Remodeling. For FY 2003, the Governor recommends \$1,569,604 from the State Institutions Building Fund for juvenile correctional facility planning and remodeling. The Governor recommends \$15,964 for facility planning and \$1,553,640 for remodeling projects at the four juvenile correctional facilities. The amounts for both projects are reappropriated from FY 2002.

Detention Facilities Debt Service. The Governor recommends \$425,000 in FY 2003 and \$435,000 in FY 2004 for the debt service on 13 juvenile detention facilities that are operated by local governments. Funding for both years will come from the agency's Juvenile Detention Facilities Fund.

Byrne Grant. For FY 2003, the Governor recommends \$493,496 from a federal Byrne grant. The grant will be used for information technology

upgrades in connection with capital projects at juvenile correctional facilities.

Topeka Juvenile Correctional Facility

Rehabilitation & Repair. For FY 2003, the Governor recommends \$27,333 from the State Institutions Building Fund for various rehabilitation and repair projects throughout the facility. The entire amount is reappropriated from FY 2002.

Adjutant General

Armory Repair & Debt Service. The Adjutant General's Department was authorized to issue \$22.0 million in bonds to fund the *Armory Rehabilitation Plan* over a five-year period starting in FY 2001. The plan will rehabilitate selected existing state-owned armories statewide, construct certain replacement armories, and relinquish to communities armories that are no longer required to meet the agency's needs. The agency issued the first \$2.0 million in November 2000 and the second \$2.0 million in November 2001.

The Governor recommends \$382,829 in FY 2004 from the State General Fund to finance the debt service payment associated with the issuance of bonds for rehabilitation and repair of the 58 statewide armories. Of the recommended amount, \$215,000 will be used for debt service principal and \$167,829 will be used for debt service interest.

Highway Patrol

Rehabilitation, Repair, & Scale Replacement. The Governor recommends \$270,249 in FY 2003 and \$207,776 in FY 2004 for facility rehabilitation, repair, and scale replacement for motor carrier inspection ports across the state and at the Training Center in Salina. Of these amounts, \$50,000 comes from the Highway Patrol Training Center Fund, with the remainder coming from the Motor Carrier Inspection Fund.

Training Center Debt Service. The Governor recommends \$385,000 in FY 2003 from the Highway Patrol Training Center Fund to finance debt service on the Training Center in Salina and \$405,000 in FY

2004. This amount is the principal portion of the debt, which was incurred in FY 1993 for purchase of the Training Center.

Fleet Facility Debt Service. In FY 2003, the Governor, for the purpose of paying the debt service principal on the Highway patrol fleet facility, recommends \$109,456. In FY 2004, \$116,207 is recommended for the same purpose. The facility was purchased using bonds that were issued in November 2001.

Port Modernization Debt Service. An amount of \$41,817 is recommended from the Motor Carrier Inspection Fund by the Governor in FY 2003, with an additional amount of \$43,957 being recommended for FY 2004 for port modernization. These funds will pay for the debt service principal on bonds to rebuild those weigh-stations located on Interstate 70 and Interstate 35 as well as alleviate some ingress and egress problems at the ports.

Kansas Bureau of Investigation

Headquarters Building Debt Service. The Governor recommends \$210,000 from the State General Fund to finance the debt service principal payments on the headquarters building in Topeka in FY 2004. For FY 2004, \$95,680 is included in the agency's operating budget to finance the interest portion on the debt service payments in FY 2004.

Agriculture & Natural Resources

Kansas State Fair

Rehabilitation & Repair. For FY 2003, the Governor recommends \$170,500 from the State Fair Capital Improvements Fund for various rehabilitation and repair projects on the State Fairgrounds in Hutchinson. For FY 2004, the Governor recommends \$101,500 from the State Fair Capital Improvements Fund for the same purpose.

Master Plan Improvements. In FY 2002, the Kansas Development Finance Authority was authorized to issue bonds totaling \$29.0 million for capital

improvements for the Kansas State Fair. The financing will allow the State Fair Board to make extensive improvements to the Fairgrounds in Hutchinson, as specified in the Board's capital improvement master plan. The agency requested, and in September 2001 the State Finance Council authorized, that \$17.5 million of the \$29.0 million, plus issuance costs, be issued for a total of \$17,860,000. The debt service payments in FY 2003 and FY 2004 will be \$559,575 and \$1,238,103, respectively. The State Fair will contribute \$259,575 in FY 2003 and \$630,000 in FY 2004. The City of Hutchinson will contribute \$300,000 in each year. The State General Fund will finance \$538,103 starting in FY 2004.

Department of Wildlife & Parks

The Governor's recommendation continues capital improvement projects for the Department of Wildlife and Parks for FY 2003, with estimated expenditures of \$12.0 million from all funding sources. Included among the FY 2003 recommended expenditures are projects financed by the State General Fund totaling \$34,872. For FY 2004, the Governor recommends expenditures of \$6.6 million for capital improvements from all funding sources, including special revenue and federal funds.

Rehabilitation & Repair. The Governor continues efforts to ensure that the state's parks, public lands, and wildlife areas are in good repair and are accessible to all visitors. For FY 2003, an amount of \$8.3 million from all funding sources is recommended for rehabilitation and repair, and in FY 2004, the recommendation is \$3.3 million from all funding sources. There are several categories of rehabilitation and repair that are emphasized. These categories are general rehabilitation and repair, ADA accessibility, and road and bridge maintenance.

General rehabilitation and repair includes maintenance on any facility managed by the Department. For FY 2003, the Governor recommends a total of \$3.3 million from all funding sources for general rehabilitation and repair. Of the total, \$34,872 is from the State General Fund, \$271,408 is from the Park Fee Fund, \$1,315,417 is from the Land and Water Conservation Fund, and \$538,327 is from the Federal Grants Fund. For FY 2004, the total for rehabilitation and repair is \$1.4

million. The mix of financing will be the Land and Water Conservation Fund (\$1,169,500) and the Park Fee Fund (\$79,100).

Of the total amount recommended for rehabilitation and repair in FY 2003, the Governor includes financing specifically for ADA accessibility of \$103,500 from the Land and Water Conservation Fund and \$105,500 from the Park Fee Fund. The Governor's recommendation for FY 2004 is \$95,000 from the Land and Water Conservation Fund and \$97,000 from the Park Fee Fund.

Another category of rehabilitation and repair is for road and bridge maintenance. This category is focused on ensuring that access roads and bridges in state parks, public lands, wildlife areas, and other facilities managed by the Department are safe. To ensure the safety of users, the Governor recommends \$2.6 million from the State Highway Fund for FY 2003. Of the total, \$1.9 million is for access roads and \$730,490 is for bridges. The Governor's budget recommendation for FY 2004 totals \$1,700,000 from the State Highway Fund, of which \$1,500,000 is for roads and \$200,000 is for bridges.

Boating Access & Development. In recognition of the United States Fish and Wildlife Service's mandate to provide boating access in Kansas, the Governor recommends expenditures for boating access and development of \$1.9 million for FY 2003 and \$822,000 in FY 2004 from the Wildlife Fee Fund.

Land/Wetland Acquisition & Development. The Department of Wildlife and Parks acquires and develops both land and wetlands in Kansas to provide public access to all citizens for wildlife viewing, habitat preservation, hunting, and other recreational opportunities. In recognition of the need for enhanced recreational activities, the Governor recommends an amount of \$1.6 million from special revenue funds for both land and wetlands acquisition, development, and rehabilitation in FY 2003. Included in the total is \$967,245 for land and \$625,640 for wetlands. Financing for land is from the Wildlife Conservation Fund. Financing for wetlands includes \$275,640 from the Migratory Waterfowl Propagation and Protection Fund and \$350,000 from the Wildlife Conservation Fund.

In FY 2004, the Governor recommends \$950,000 for both land and wetlands development. The

recommendation includes \$500,000 from the Wildlife Conservation Fund for land. It also includes \$450,000 for wetlands, of which \$350,000 is from the Wildlife Conservation Fund and \$100,000 from the Migratory Waterfowl Propagation and Protection Fund.

Water Intake Line at Milford Hatchery. In FY 2004, the Governor includes \$1,282,110 from the Wildlife Conservation Fund to construct a water intake line from Milford Reservoir to the Milford Hatchery. The intake line will enhance fish production.

River Access. In keeping with the agency's mission of enhancing recreational opportunities, the Governor includes financing to increase recreational access to Kansas' rivers. The recommendation for FY 2003 is \$322,242 from the Boating Fee Fund and other federal funds. For FY 2004, the recommendation is \$220,000 from the Boating Fee Fund.

Continuation of Other Projects Approved for FY 2003. It is common for some projects to encompass multiple fiscal years. The Department has one such project, which is state fishing lake dam repair. For FY 2003, the Governor has recommended a total of \$2.1 million from the Land and Water Conservation Fund.

Transportation

Kansas Department of Transportation

The Governor recommends \$1,078.1 million in FY 2003 and \$1,025.4 million in FY 2004 for Department of Transportation's capital improvement projects. The table below summarizes the recommendations for the expenditures that are related to the Comprehensive Transportation Plan by major classification of expenditure.

Comprehensive Transportation Plan		
Construction Costs		
<i>(Dollars in Thousands)</i>		
	<u>FY 2003</u>	<u>FY 2004</u>
Routine Maintenance	114,259	123,357
Substantial Maintenance	168,747	174,925
Major Mods.-Priority Bridge	489,003	572,604
System Enhancements	82,054	102,993
Total	\$854,063	\$973,879

Included in the FY 2003 budget are funds for rehabilitation and repair projects, replacement of deteriorated roofs on agency facilities, replacement of deteriorated equipment storage sheds at the area and sub-area shops, and the building of remote chemical storage facilities to reduce loading times for maintenance equipment.

Also included are funds to renovate the Wichita Hillside Area office and shop as well as construction of a district crew and paint storage building. Funds are also planned for purchase of land in Lyons and Strong City in order to allow for the storage of materials and equipment at those sub-area shops, as opposed to the current situation of having to store these items offsite.

Expenditures for Capital Improvements by Project

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Educational Building Fund					
Board of Regents					
Rehabilitation & Repair	--	--	10,000,000	8,000,000	10,000,000
Crumbling Classrooms--Principal	9,000,000	9,360,000	9,805,000	--	9,805,000
Emporia State University					
Rehabilitation & Repair	535,679	1,162,583	--	--	--
Fort Hays State University					
Rehabilitation & Repair	656,213	938,032	--	--	--
Kansas State University					
Rehabilitation & Repair	3,771,205	4,543,262	--	--	--
Memorial Stad. Class/Office Renov.	--	--	--	260,010	--
KSU--ESARP					
Grain Sci. Ctr. Value Added Prog.	500,288	2,449,712	--	--	--
Pittsburg State University					
Rehabilitation & Repair	1,311,567	775,908	--	--	--
Armory/Class/Rec. Ctr.	151,743	258,257	--	--	--
University of Kansas					
Rehabilitation & Repair	3,012,282	5,618,043	--	--	--
KU Medical Center					
Rehabilitation & Repair	1,081,598	2,003,231	--	--	--
Research Initiative	827,001	--	--	--	--
Wichita State University					
Rehabilitation & Repair	2,062,267	2,081,922	--	--	--
Subtotal--EBF	22,909,843	29,190,950	19,805,000	8,260,010	19,805,000
Crumbling Classrooms--Interest	6,000,000	5,640,000	5,195,000	--	5,195,000
Total--EBF	\$ 28,909,843	\$ 34,830,950	\$ 25,000,000	\$ 8,260,010	\$ 25,000,000
State Insts. Bldg. Fund					
Social & Rehabilitation Services					
State Hospital Rehab. & Repair	291,653	3,499,917	4,055,891	--	4,055,891
Debt Serv.--State Security Hosp.	--	--	2,125,000	--	2,125,000
Sex Predator Capacity	1,087,635	356,306	--	--	--
State Security Hospital Planning	2,227,831	372,169	--	--	--
Kansas Neurological Institute					
Rehabilitation & Repair	939,205	--	--	--	--
Larned State Hospital					
Rehabilitation & Repair	890,315	--	--	--	--
Osawatomie State Hospital					
Rehabilitation & Repair	1,115,085	97,004	--	--	--
Parsons State Hospital					
Rehabilitation & Repair	509,145	60,763	--	--	--
Rainbow Mental Health Facility					
Rehabilitation & Repair	110,142	6,667	--	--	--
Commission on Veterans' Affairs					
Rehab.& Rep.--Sold.& Vet. Home	185,535	198,496	1,890,155	1,547,375	250,000
Soldiers' Home Facility Improve.	14,156	544,296	--	--	--
School for the Deaf					
Rehabilitation & Repair	135,477	68,952	61,180	--	61,180
Bleacher Construction Project	6,447	--	--	--	--
Construct/Equip-Dining/Dorm	107,520	--	62,061	--	62,061
Student Residence Project Conti.	4,263	--	--	--	--

Expenditures for Capital Improvements by Project

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Fire Alarm System Upgrade	--	77,606	--	--	--
School for the Blind					
Rehabilitation & Repair	270,253	192,217	165,000	5,000	165,000
Property Acquisition	--	--	--	100,000	--
Roberts Building Renovation	21,012	22,728	--	--	--
Pool & Laundry Roof Replacement	112,310	--	--	--	--
Roof Replacement Foltz Gym	75,705	--	--	--	--
Air Conditioning Auditorium	55,701	241	--	--	--
Pool Repair	58,718	36,947	--	--	--
Dorm Renovation	5,807	706,671	--	352,323	399,944
Pool & Laundry Roof Replacement	1,592	--	--	--	--
Parks Bilger/Taylor Gym Roof	--	139,885	--	--	--
Asbestos Removal	337	144	--	--	--
Const./EQ Elem. School/Site Imps.	2,268	1,829	--	--	--
Roth Reroof	--	--	--	40,600	--
Juvenile Justice Authority					
Rehabilitation & Repair--Facilities	--	973,356	1,040,000	--	970,000
Debt Service--LJCF & KJCC	1,305,000	1,550,000	1,625,000	--	1,625,000
Facilities Planning Needs	5,841	15,964	--	--	--
Emergency Elec. Generator--TJCF	--	--	--	1,592,049	--
Raze Root House--BJCF	--	--	--	12,725	--
Remodeling of Facilities	2,449,042	1,553,640	--	--	--
Reloc. Chapel/Treatment Ctr.--TJCF	--	--	--	517,585	--
Beloit Juvenile Correctional Facility					
Rehabilitation & Repair	215,815	--	--	--	--
Topeka Juvenile Correctional Facility					
Rehabilitation & Repair	851,993	27,333	--	--	--
Atchison Juvenile Correctional Facility					
Rehabilitation & Repair	201,483	--	--	--	--
Subtotal--SIBF	13,257,286	10,503,131	11,024,287	4,167,657	9,714,076
Juvenile Justice Projects--Interest	371,142	1,572,656	2,372,263	--	2,372,263
SRS Projects--Interest	--	--	1,381,316	--	1,381,316
Total--SIBF	\$ 13,628,428	\$ 12,075,787	\$ 14,777,866	\$ 4,167,657	\$ 13,467,655
Correctional Insts. Bldg Fund					
Department of Corrections					
Rehabilitation & Repair	99,002	3,799,879	3,310,303	--	3,310,303
Debt Service--Rev. Refund. Bond	810,000	1,989,697	1,689,697	--	1,689,697
El Dorado Correctional Facility					
Rehabilitation & Repair	66,994	15,157	--	--	--
Hutchinson Correctional Facility					
Rehabilitation & Repair	883,729	1,090,861	--	--	--
Lansing Correctional Facility					
Rehabilitation & Repair	746,415	741,869	--	--	--
Larned Correct. Mental Health Fac.					
Rehabilitation & Repair	56,731	42,532	--	--	--
Norton Correctional Facility					
Rehabilitation & Repair	207,626	65,078	--	--	--
Topeka Correctional Facility					
Rehabilitation & Repair	1,461,603	154,401	--	--	--
Winfield Correctional Facility					
Rehabilitation & Repair	142,211	156,952	--	--	--

Expenditures for Capital Improvements by Project

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Subtotal--CIBF	4,474,311	8,056,426	5,000,000	--	5,000,000
Corrections Projects--Interest	732,472	--	--	--	--
Total--CIBF	\$ 5,206,783	\$ 8,056,426	\$ 5,000,000	\$ --	\$ 5,000,000

State General Fund

Department of Administration					
Rehab. & Repair--State Facilities	1,825	122,831	--	185,000	--
Rehab. & Repair--Judicial Center	69,573	105,117	--	100,000	--
Debt Serv.--Energy Conserv. Imps.	2,080,000	1,750,000	1,735,000	--	1,735,000
Debt Serv.--Statehouse Imps.	--	815,000	1,900,000	--	1,900,000
Debt Serv.--Judicial Center	--	40,000	55,000	--	55,000
McClellan Park Public Toilets	--	--	--	160,000	--
Dillon House Repair	--	--	--	88,200	--
Deferred Maint. Elimination	--	--	--	11,495,318	--
Statehouse Grounds & Facs. Imps.	101,177	313,289	--	--	--
Judicial Ctr. Remodel A.G. Offices	4,500	90,206	--	--	--
Judicial Center Improvements	--	124,343	--	1,631,760	--
Judiciary					
Remodel 2nd Floor of Jud. Ctr.	--	114,400	251,149	--	114,400
Larned State Hospital					
Rehabilitation & Repair	3,899	--	--	--	--
Osawatomie State Hospital					
Rehabilitation & Repair	593	--	--	--	--
Department of Human Resources					
Purchase 1430 Topeka Blvd.	--	4,250	10,200	--	10,200
School for the Deaf					
Operating Expenditures	124	--	--	--	--
Board of Regents					
Debt Serv.--Facilities Upgrade	4,325	--	--	--	--
Emporia State University					
William Allen White Addition	--	--	--	348,318	--
Fort Hays State University					
Rehabilitation & Repair	68,208	--	--	--	--
Picken Hall Renovation	--	--	--	239,850	--
Kansas State University					
Rehabilitation & Repair	96,565	--	--	--	--
Lease Purchase of Aeronautical Ctr.	189,446	189,446	189,446	--	189,446
KSU--Vet. Med.					
Rehabilitation & Repair	2,356	--	--	--	--
KSU--ESARP					
Rehabilitation & Repair	183,374	--	--	--	--
Pittsburg State University					
Rehabilitation & Repair	127,473	--	--	--	--
Armory/Class/Rec.Ctr. Construct.	--	--	--	930,000	--
University of Kansas					
Rehabilitation & Repair	1,458,997	--	--	--	--
Electrical Distribution Improvement	--	--	--	4,128,000	--

Expenditures for Capital Improvements by Project

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
KU Medical Center					
Rehabilitation & Repair	163,230	--	--	--	--
Applegate Energy Ctr. Upgrade	--	--	--	14,534,112	--
Wichita State University					
Rehabilitation & Repair	3,106	--	--	--	--
3-D Art and Graduate Painting Fac.	--	--	--	490,586	--
Historical Society					
Rehabilitation & Repair	130,967	47,089	49,000	--	46,550
Emergency Repairs	--	--	--	125,000	--
Historic Sites Preservation & Devel.	--	--	--	737,846	--
Cyclical Maintenance Program	--	--	--	92,100	--
Museum ADA Alarms & Signs	--	--	--	54,976	--
Interactive Museum & Auditorium	--	--	--	--	--
Department of Corrections					
Debt Serv.--EDCF Site Utilities	--	1,256,000	--	--	--
Debt Serv.--Wichita Work Release	130,000	140,000	140,000	--	140,000
Debt Serv.--ECF	665,000	1,255,000	1,310,000	--	1,310,000
Debt Serv.--Labette Conserv. Camp	115,000	115,000	120,000	--	120,000
Debt Serv.--TCF & LCF Bond	818,547	811,000	905,000	--	905,000
Debt Serv.--RDU Reloc. Bond	530,000	545,000	565,000	--	565,000
Debt Serv.--Rev. Refund. Bond	4,290,150	2,564,228	3,987,113	--	3,987,113
Ellsworth Correctional Facility					
Rehabilitation & Repair	77,327	15,320	--	--	--
Hutchinson Correctional Facility					
Fac. Conservation Imp. Prog. Lease	--	83,694	--	--	218,382
Norton Correctional Facility					
Const. Med. Security Dining Area	--	--	--	475,956	--
Const. Warehouse and Maint. Bldg.	--	--	--	969,588	--
Adjutant General					
Debt Service--Armory Repair	--	175,000	215,000	360,000	215,000
Heater, Alarm, and Feasibility Study	8,706	--	--	--	--
Kansas Bureau of Investigation					
Rehabilitation & Repair	29,907	--	--	--	--
Debt Serv.--Headquarter Building	190,000	205,000	210,000	--	210,000
Facility Needs Assessment	--	--	--	95,000	--
State Fair					
Rehabilitation & Repair	--	--	--	6,000	--
Department of Wildlife & Parks					
State Park Maintenance	6,433	34,872	--	--	--
Gen'l Maint: Admin	493	--	--	--	--
Gen'l Maint: Parks	2,516	--	--	--	--
Wetlands Acquisition & Devel.	339,553	--	--	--	--
Department of Transportation					
Construction Contracts	94,288,021	--	128,000,000	--	--
Total--State General Fund	\$ 106,181,391	\$ 10,916,085	\$ 139,641,908	\$ 37,247,610	\$ 11,721,091
Regents Restricted Funds					
Emporia State University					
Rehabilitation & Repair	2,859,643	260,344	145,156	--	145,156
Debt Serv.--Student Facilities	441,000	461,000	471,000	--	471,000
Parking Lot Improvements	62,390	90,000	90,000	--	90,000
Fort Hays State University					
Rehabilitation & Repair	1,216,892	--	--	--	--

Expenditures for Capital Improvements by Project

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Debt Serv.--Student Facilities	195,000	205,000	210,000	--	210,000
Parking Lot Improvements	125,556	600,000	300,000	--	300,000
Kansas State University					
Rehabilitation & Repair	4,891,105	--	--	--	--
Debt Serv.--Campus Facilities	303,665	338,205	348,348	--	348,348
Debt Serv.--Student Facilities	1,970,000	2,005,000	2,100,000	--	2,100,000
Construct Food Safety Rsrch. Fac.	--	--	6,000,000	--	6,000,000
Parking Lot Improvements	315,517	800,000	800,000	--	800,000
Galachia Addition	--	--	--	500,126	500,126
Renovation of Residence Halls	--	--	--	1,200,000	1,200,000
KSU--Vet Med.					
Rehabilitation & Repair	46,760	--	--	--	--
Construct Equine Locomotion Ctr.	--	--	--	400,000	400,000
Biosecurity Level 2 Lab. Renovation	--	--	--	300,000	300,000
KSU--ESARP					
Rehabilitation & Repair	1,160,880	--	--	--	--
Construct Greenhouse Laboratory	--	--	75,000	--	75,000
Construct Horticulture Research Ctr.	--	--	75,000	--	75,000
Construct Grain Sci. Ctr. Feed Mill	--	5,000,000	--	--	--
Construct Grain Sci. Ctr. Flour Mill	--	5,000,000	--	--	--
Constr. Grn. Sci. Ctr. Val. Add. Fac.	--	4,000,000	--	--	--
Constr. Grn. Sci. Ctr. Int'l Grns. Fac.	--	--	4,000,000	--	4,000,000
Constr. Hort.--Forestry Res./Ed. Ctr.	--	1,000,000	--	--	--
Pittsburg State University					
Rehabilitation & Repair	1,206,288	--	--	--	--
Debt Serv.--Administration Bldg.	110,000	115,000	120,000	--	120,000
Debt Serv.--Student Facilities	210,000	220,000	230,000	--	230,000
Construct Polymer Research Ctr.	--	--	300,000	--	300,000
Construct Armory/Class./Rec. Ctr.	--	--	--	1,767,000	1,767,000
Parking Maint. & Imps.	350,532	200,000	200,000	--	200,000
Housing Maint. and Imps.	395,483	1,250,000	560,000	--	560,000
Hosp. and Student Hlth. Ctr. Imps.	--	100,000	550,000	--	550,000
University of Kansas					
Rehabilitation & Repair	448,577	952,940	500,000	--	500,000
Edwards Campus Expansion	1,045,440	1,000,000	--	--	--
Construct Dole Institute	6,976,824	714,718	--	--	--
Construct Stud. Rec. & Fitness Ctr.	13,408,499	2,267,220	70,389	--	70,389
Parking Lot Maintenance	324,174	250,000	300,000	--	300,000
Implement Landscape Master Plan	--	750,105	1,420,025	--	1,420,025
Law Enforcement Train. Ctr. Improv.	--	276,668	--	--	--
Other Capital Projects	4,998,690	--	--	--	--
Renovate Mallot Hall Med. Chem.	361,493	--	--	2,800,000	2,800,000
Ellsworth Hall Renovation	10,045,869	1,130,640	--	--	--
Athletic Facility Renovation	--	308,429	--	--	--
Kansas Union Renovation	5,539,410	--	--	--	--
Debt Serv.--Campus Facilities	585,000	595,000	630,000	--	630,000
Debt Serv.--Student Facilities	4,240,000	2,260,000	2,615,000	--	2,615,000
KU Medical Center					
Rehabilitation & Repair	2,219,864	173,552	--	--	--
Debt Serv.--Center Facilities	585,000	433,914	300,000	--	300,000
KU Medical Center Cont.					
Clinic Expansion	--	--	--	2,812,000	2,812,000
Research Initiative Construction	5,742,651	2,276,638	--	--	--
Parking Lot/Garage Maintenance	--	50,000	550,000	--	550,000

Expenditures for Capital Improvements by Project

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Wahl Hall Renovation	--	2,850,000	250,000	--	250,000
Wichita State University					
Rehabilitation & Repair	1,882,957	2,929	--	--	--
Debt Serv.--Student Facilities	570,000	600,000	630,000	--	630,000
Total--Regents Rest. Funds	\$ 74,835,159	\$ 38,537,302	\$ 23,839,918	\$ 9,779,126	\$ 33,619,044
Special Revenue Funds					
Department of Administration					
Rehab. & Repair for State Facilities	--	143,886	--	--	--
Rehab. & Repair for Judicial Ctr.	--	100,000	--	--	--
Grounds Shop Debt Service	14,002	15,315	16,752	--	16,752
Executive Mansion Gifts	5,024	--	--	--	--
Ad Astra Sculpture Construction	32,460	--	--	--	--
Top. St. Hosp. Cemetery Memorial	--	20,000	180,000	--	180,000
Docking 9th Street Right-of-Way	--	70,000	--	--	--
Capitol Dome Reinforcement	--	300,200	--	--	--
Memorial Hall Parking Construction	43,341	--	--	--	--
Parking Imps. & Gen'l Repairs	12,000	178,000	95,000	--	95,000
Judicial Center Improvements	--	77,970	--	--	--
Department of Commerce & Housing					
Travel Info. Ctrs. Rehab. & Repair	41,672	--	--	--	--
Insurance Department					
Rehabilitation & Repair	141,189	20,000	20,000	--	20,000
Debt Serv.--Insurance Building	120,000	130,000	140,000	--	140,000
Social & Rehabilitation Services					
Rehab. & Rep. Chanute Area Office	165,957	300,000	300,000	--	300,000
Larned State Hospital					
Rehabilitation & Repair	4,191	--	--	--	--
Department of Human Resources					
Rehabilitation & Repair	22,274	50,000	183,550	--	183,550
Remodel Administration Building	--	155,000	140,000	--	140,000
Purchase 1430 Topeka Blvd.	--	20,750	49,800	--	49,800
Kansas City Local Office Repair	--	96,750	--	--	--
Remodel Admin. Bldg. (Planning)	--	167,838	--	--	--
Commission on Veterans' Affairs					
Rehabilitation & Repair	628	--	21,000	--	--
Veterans' Cemeteries Construction	3,075,883	7,523,106	7,016,640	--	7,016,640
Facility Improvements	--	1,010,835	--	--	--
Fort Hays State University					
Rehabilitation & Repair	595	--	--	--	--
Historical Society					
Rehabilitation & Repair	106,139	--	--	--	--
Rehab. & Rep.--Shawnee Mission	51,977	--	--	--	--
Rehab. & Rep.--Grinter House	--	20,500	--	--	--
Rehab. & Rep.--Nat.Am.Herit. Mus.	--	19,200	--	--	--
Rehab. & Rep.--Wm.A.White Home	56,389	183,102	--	--	--
Rehab. & Rep.--Ft. Hays Hist. Site	15,600	--	--	--	--
Department of Corrections					
Rehabilitation & Repair--Instutions	--	--	360,000	--	360,000
Rehabilitation & Repair--KCI	231,028	26,000	28,200	--	28,200
Debt Service--Rev. Refund. Bond	891,303	2,010,075	523,190	--	523,190
Debt Service--EDCF Site Utilities	1,180,000	415,000	--	--	--
Debt Service--TCF & LCF	--	49,000	--	--	--

Expenditures for Capital Improvements by Project

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Ellsworth Correctional Facility					
Rehabilitation & Repair	692,760	137,680	--	--	--
Lansing Correctional Facility					
Rehabilitation & Repair	34,413	--	--	--	--
Juvenile Justice Authority					
Debt Serv.--Juvenile Det. Ctrs.	310,000	425,000	435,000	--	435,000
Facility Expansion	5,500,000	--	--	--	--
Byrne Grant Info. Tech. Proj	--	493,496	--	--	--
Adjutant General					
Rehab. & Repair--Armories	893,219	--	--	--	--
Debt Service--Armory Repair	100,000	--	--	--	--
Carpet, HVAC Parts, Feasib. Study	21,200	--	--	--	--
HVAC, Reroofing Armories	889,275	--	--	--	--
Kansas Bureau of Investigation					
Remodel Great Bend Facility	35,329	--	--	--	--
Highway Patrol					
Rehab. & Repair, Scale Replace.	44,123	270,249	207,776	--	207,776
Debt Service--Training Center	415,000	385,000	405,000	--	405,000
Debt Service--Fleet Center	--	109,456	116,207	--	116,207
Debt Service--Port Modernization	--	41,817	43,957	--	43,957
State Fair					
Rehabilitation & Repair	1,131,753	170,500	101,500	--	101,500
Debt Service--Master CI Plan	--	--	630,000	--	630,000
Department of Wildlife & Parks					
Water Intake Line--Milford Hatch.	--	--	1,282,110	--	1,282,110
River Access	100,000	322,242	320,000	--	220,000
Motorboat Access Facilities	692,851	1,858,147	822,000	--	822,000
State Park Maintenance	943,098	1,965,618	1,293,600	--	1,153,600
Land Acquisition	449,000	967,245	500,000	--	500,000
Wetlands Acquisition & Devel.	827,319	625,640	450,000	--	450,000
Public Lands Maintenance	956,883	1,164,957	235,000	--	235,000
State Park Maintenance (ADA)	--	209,000	192,000	--	192,000
Roads Maintenance & Development	1,886,176	1,866,826	1,500,000	--	1,500,000
Bridge Maintenance	76,880	730,490	200,000	--	200,000
Gen'l Maint: Admin	17,719	--	--	--	--
Gen'l Maint: Law Enforce.	6,402	--	--	--	--
Gen'l Maint: Parks	44,573	--	--	--	--
Gen'l Maint: Fish., Wild., Lands	68,045	--	--	--	--
Dam Repair	262,680	2,132,747	--	--	--
Public Lands Maintenance	24,113	164,432	--	--	--
Total--Spec. Revenue Funds	\$ 22,634,463	\$ 27,143,069	\$ 17,808,282	--	\$ 17,547,282
State Highway Fund					
Department of Transportation					
KDOT Buildings--Rehab. & Repair	4,380,638	13,404,582	7,475,666	--	4,999,283
Debt Service--Projects	45,095,000	47,405,000	49,880,000	--	49,880,000
Department of Transportation Cont.					
Design Contracts	27,617,697	40,287,225	26,342,350	--	26,342,350
Construction Operations	64,719,812	72,482,998	75,886,011	--	75,625,562
Construction Contracts	273,800,710	606,405,000	429,731,000	--	556,949,652
City/County Construction	94,336,187	129,399,000	136,724,000	--	136,724,000
Substantial Maintenance	139,235,108	168,747,000	174,925,000	--	174,925,000
Total--State Highway Fund	\$ 649,185,152	\$ 1,078,130,805	\$ 900,964,027	--	\$ 1,025,445,847
Total--Statewide Cap. Imps.	\$ 893,477,605	\$ 1,202,477,768	\$ 1,118,083,422	\$ 59,454,403	\$ 1,122,852,340

Expenditures for Capital Improvements by Project

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Department of Administration					
Rehabilitation & Repair	126,501	355,276	200,000	--	200,000
Landon Debt Service	919,972	939,145	562,250	--	562,250
Print Plant Debt Service	131,621	138,676	166,417	--	166,417
Memorial Hall Debt Service	185,000	195,000	205,000	--	205,000
Motor Pool Shop Debt Service	21,456	23,837	26,484	--	26,484
Debt Serv.--Docking Cooling Tow.	--	44,808	111,535	--	111,535
Landon Elec. Sys. Fail Mode Study	--	180,000	--	--	--
Landon Fail Safe Power Supply	488,116	399,745	--	--	--
State of Kansas Building Projects	--	315,000	330,000	--	330,000
Capitol Complex Study	--	--	--	400,000	400,000
Memorial Hall-LSOB Steam Tunnel	11,815	--	--	--	--
Docking 11th Floor Re-Roofing	73,012	--	--	--	--
Landon Building Assessment	--	250,000	--	--	--
Docking Building Assessment	--	250,000	--	--	--
Docking Elec. Equip. Condition	--	40,000	--	--	--
Capitol Complex Tunnels	--	233,290	--	--	--
Landon Roof Repairs	--	--	--	86,000	86,000
Capitol Complex Refrigerant Rod	--	--	--	80,000	80,000
Docking Penthouse Roof Replace.	--	--	--	91,000	91,000
Landon Security Improvements	--	30,000	--	--	--
Landon Fire Pump Replacement	--	--	--	75,000	75,000
Landon Electrical Controls Upgrade	--	--	--	40,000	40,000
Docking Lighting Control Systems	--	--	--	110,000	110,000
SBG Renov. Debt Serv. Shortfall	6,155	--	--	--	--
Total--Off-Budget Expend.	\$ 1,963,648	\$ 3,394,777	\$ 1,601,686	\$ 882,000	\$ 2,483,686

The Budget Process: A Primer

The purpose of this primer is to describe briefly the annual budget and appropriations process for the State of Kansas.

The Governor, by KSA 75-3721, must present spending recommendations to the Legislature. *The Governor's Budget Report* reflects expenditures for both the current and upcoming fiscal years and identifies the sources of financing for them.

The Legislature uses *The Governor's Budget Report* as a guide as it appropriates the money necessary for state agencies to operate. Only the Legislature can authorize expenditures by the State of Kansas. The Governor recommends spending levels, while the Legislature chooses whether to accept or modify those recommendations. The Governor may veto legislative appropriations, although the Legislature may override any veto by a two-thirds majority vote.

Fiscal Years. It is important when reading the budget to consider which fiscal year is being discussed. The state *fiscal year* runs from July 1 to the following June 30 and is numbered for the calendar year in which it ends. The *current fiscal year* is the one which ends the coming June. The *actual fiscal year* is the year which concluded the previous June. The *budget year* refers to the next fiscal year, which begins the July following the Legislature's adjournment. Finally, *out-years* refer to the years beyond the budget year. In *The FY 2004 Governor's Budget Report*, the actual fiscal year is FY 2002, the current fiscal year is FY 2003, and the budget year is FY 2004.

By law, *The Governor's Budget Report* must reflect actual year spending, the Governor's revised spending recommendations for the current fiscal year, state agency spending requests for the budget year, and the Governor's spending recommendations for the budget year. The budget recommendations cannot include the expenditure of anticipated income attributable to proposed legislation. Expenditure data are shown by agency and category of expenditure in the schedules at the back of this volume. Those same data are included, by agency and program, in *Volume 2 of The Governor's Budget Report*.

Annual-Biennial Budgets. Appropriations for agency operating expenditures have been made on an annual

basis since 1956. With enactment of legislation in 1994, the budgets of 20 state agencies were approved on a biennial basis starting with FY 1996. They were all financed through fee funds. Since then, two of these merged and a non-fee agency was added, leaving the total at 20.

Financing of State Spending. Frequent reference is made to *State General Fund* expenditures and expenditures from *all funding sources*. Expenditures from all funding sources include both State General Fund expenditures and expenditures from special revenue funds. All money spent by the state must first be appropriated by the Legislature, either from the State General Fund or from special revenue funds.

The State General Fund receives the most attention in the budget because it is the largest of the "uncommitted" revenue sources available to the state. It is also the fund to which most general tax receipts are credited. The Legislature may spend State General Fund dollars for any governmental purpose.

Special revenue funds, by contrast, are dedicated to a specific purpose. For instance, the Legislature may not spend monies from the State Highway Fund to build new prisons. The State Highway Fund, which is the largest state special revenue fund, can be used only for highway purposes. It consists primarily of motor fuel taxes, federal grants, vehicle registration fees, a dedicated one-fourth cent sales tax, and a transfer from the State General Fund. Other examples of special revenue funds are the three state building funds, which can be used only for capital improvements; federal funds made available for specific purposes; and the Board of Accountancy Fee Fund, which can be used only to support operations of the Board.

Revenue Estimates. The tool used by both the Governor and the Legislature to determine State General Fund revenue is the "consensus revenue estimate" prepared by the Consensus Revenue Estimating Group.

The consensus revenue estimate is important because both the Governor and the Legislature base their budget decisions on it. The estimate is categorized by major source and covers a two-year period: the current year and the budget year. In addition, KSA

75-6701 requires that the Director of the Budget and the Director of the Legislative Research Department certify a joint estimate of State General Fund resources to the Legislature. The revenue estimating process is the source of that estimate.

The Consensus Revenue Estimating Group is composed of representatives of the Division of the Budget, the Department of Revenue, the Legislative Research Department, and one consulting economist each from the University of Kansas, Kansas State University, and Wichita State University. The Director of the Budget serves as unofficial chairperson of the group.

The Consensus Revenue Estimating Group meets each spring and fall. Before December 4 (typically in November) of each year, the group makes its initial estimate for the budget year and revises its estimate for the current year. The results are reported to the Governor, Legislature, and public in a joint memorandum from the Director of Legislative Research and the Director of the Budget. The group meets again before April 4 to review the fall estimate and additional data. The group then publishes a revised estimate which the Legislature may use in adjusting expenditures, if necessary.

The consensus revenue estimate is the official revenue projection for the State General Fund. Estimates of revenues to other funds are prepared by individual state agencies, reviewed by the Division of the Budget, and included in *The Governor's Budget Report*.

The State General Fund consensus revenue estimate for FY 2004 is \$4.53 billion, which is subject to revision in April 2003. This estimate and the assumptions upon which it is based are discussed in the State General Fund Revenues section of this volume. A complete discussion of the economy is included in *The Governor's Economic and Demographic Report*. This report is prepared by the Division of the Budget and a Wichita State University economist.

Budget Balancing Mechanisms. This term refers to KSA 75-6701 to 75-6704. The purpose of the law is to ensure an adequate operating balance in the State General Fund. The practical effect of this provision is to target the ending balance in the State General Fund to be at least 7.5 percent of authorized expenditures and demand transfers in the budget year. During the

2002 Legislative Session the statutes were amended for only FY 2003 and the State General Fund ending balance was set at 5.0 percent for that year. For FY 2004, the Governor's recommendations do not target a specific reserve percentage. Rather, the goal is to ensure that available funds cover the level of expenditures recommended.

The "spending lid" statute requires that *The Governor's Budget Report* and actions of the Legislature comply with its provisions. An "Omnibus Reconciliation Spending Limit Bill" must be the last appropriation bill passed by the Legislature. The purpose of the bill is to reconcile State General Fund expenditures and revenues by reducing expenditures, if necessary, to meet the provisions of the "spending lid."

The final provision of the "spending lid" act allows the Governor to reduce State General Fund expenditures in the current fiscal year, when the Legislature is not in session, by an amount not to exceed that necessary to retain an ending balance in the State General Fund of \$100.0 million. The Governor must make the reductions "across-the-board" by reducing each line item of expenditure by a fixed percentage. The only exceptions are debt service obligations, state retirement contributions for school employees, and transfers to the School District Capital Improvements Fund. The reductions must be approved by the State Finance Council.

In addition to the "spending lid" act, the Governor has the authority under a statutory allotment system to limit expenditures of the State General Fund and special revenue funds when it appears that available monies are insufficient to cover expenditure obligations. This authority applies to agencies of the Executive Branch but not the Legislature or the Judiciary. Allotments can be made on a case-by-case basis and do not have to be across the board. Agencies have the right to appeal any allotment amount and the Governor makes the final determination.

Classification of State Spending. The State of Kansas classifies state spending by function of government and by category of expenditure. Function of government is a grouping of agencies which make expenditures for similar programs and purposes. There are six functions of government: general government, human resources, education, public safety, agriculture and natural resources, and

transportation. Category of expenditure classifies expenditures by budgeting and accounting objects of expenditure (state operations; aid to local governments; other assistance, grants, and benefits; and capital improvements).

Each of the six functions of government is discussed in a section of this volume. The following is a brief description of each function.

General Government includes state agencies with both administrative and regulatory functions. These agencies include the state's elected officials (Governor, Secretary of State, etc.) and the

percent of total expenditures and 3.8 percent of State General Fund expenditures recommended by the Governor for FY 2004 are for General Government.

Agencies in the *Human Resources* function provide services to individuals. Such services include the nutrition programs of the Department on Aging; care of the developmentally disabled by the Department of Social and Rehabilitation Services; services to veterans provided by the Kansas Commission on Veterans' Affairs; job training placement assistance provided by the Department of Human Resources; Division of Health programs in the Department of Health and Environment; and financial assistance and social services provided by the Department of Social and Rehabilitation Services. Recommended Human Resources expenditures for FY 2004 constitute 30.8 percent of all recommended expenditures and 21.8 percent of State General Fund expenditures.

The *Education* function agencies provide various educational services to Kansans. While Regents institutions and the Board of Education provide direct education services, services by agencies such as the State Library are indirect in nature. Recommended Education expenditures represent 43.0 percent of total expenditures for FY 2004 and 67.5 percent of the State General Fund expenditures.

Public Safety agencies ensure the safety and security of Kansas citizens. Agencies in this function include the Department of Corrections and law enforcement agencies. Also included are the Juvenile Justice Authority and the juvenile correctional facilities, the Highway Patrol, and the Kansas Bureau of Investigation. Public Safety expenditures constitute 4.4 percent of the total recommended expenditures for the FY 2004 budget and 6.4 percent of recommended expenditures from the State General Fund.

Agriculture and Natural Resources agencies protect the natural and physical resources of the state and regulate the use of those resources. The FY 2004 expenditures recommended by the Governor constitute 1.4 percent of total expenditures and 0.6 percent of State General Fund expenditures. Agencies included in this function are the Department of Agriculture, the Division of Environment of the Department of Health and Environment, and the Department of Wildlife and Parks.

Transportation includes only the Department of Transportation. Responsibilities of this agency include

Expenditures by Function, FY 2004		
<i>(Dollars in Millions)</i>		
	State General Fund	All Funding Sources
General Government	\$ 169.1 3.8%	\$ 597.9 5.9%
Human Resources	\$ 981.4 21.8%	\$ 3,134.4 30.8%
Education	\$3,033.7 67.5%	\$ 4,372.5 43.0%
Public Safety	\$ 289.0 6.4%	\$ 448.8 4.4%
Agriculture & Natural Resources	\$ 24.7 0.6%	\$ 145.1 1.4%
Transportation	\$ -- --	\$ 1,456.2 14.3%
Emp. Salary Increase	\$ 13.5	\$ 26.9
Death & Dis. Moratorium	(17.8)	(21.1)
Dues & Subscriptions	(0.3) (0.1%)	(0.3) 0.1%
Total	\$4,493.4 100.0%	\$ 10,160.3 100.0%

Totals may not add because of rounding.

Department of Administration. The Corporation Commission, the Board of Nursing, the Racing and Gaming Commission, and the Department of Revenue are examples of agencies that perform a regulatory function. Other general government agencies include the Legislature and the Judiciary. Approximately 5.9

maintenance and construction of highways in Kansas. Recommended expenditures constitute 14.3 percent of the total recommended budget for FY 2004 and no State General Fund expenditures.

Categories of expenditure are based on accounting objects of expenditure. The four general categories are state operations; aid to local governments; other assistance, grants, and benefits; and capital improvements. The first three categories constitute what are called operating expenditures.

Following is a brief guide to the general categories of expenditure:

State Operations includes expenses incurred conducting the day-to-day business of state government. The largest category of these costs is the salaries and wages paid to state employees. Expenditures in this category constitute 29.3 percent of the FY 2004 total budget and 25.7 percent of the State General Fund budget.

Aid to Local Governments consists of payments made to governments which provide services at the local level and in most cases have taxing authority. General State Aid to school districts is an example; it consists of more than \$2,642.7 million for FY 2004. This category constitutes 32.3 percent of the FY 2004 total budget and 56.7 percent of the State General Fund budget.

Other Assistance, Grants, and Benefits constitutes payments to individuals and agencies that are not governmental units. Medicaid payments, financial aid for postsecondary education, nutrition assistance for mothers and their babies, and temporary assistance for needy families are examples. This category includes 28.5 percent of total expenditures in FY 2004 and 17.4 percent of the State General Fund.

Capital Improvements include highway construction costs as well as the cost of rehabilitation and repair, razing, remodeling, and construction of state-owned buildings and other facilities. Some of these projects are financed by bond issues. The cost of that portion of the debt service payment on bonds that represents the principal is also included in this category. By far the largest portion of the expenditures in this category is highway construction costs. Highway construction costs are estimated at \$973.9 million for FY 2004. This represents 86.7 percent of all capital

improvement expenditures. Capital improvement expenditures represent 9.9 percent of total expenditures in FY 2004 and 0.3 percent of State General Fund expenditures. Included in this volume are separate sections on capital improvements and debt service.

Expenditures by Category, FY 2004		
<i>(Dollars in Millions)</i>		
	State General Fund	All Funding Sources
State Operations	\$ 1,153.7 25.7%	\$ 2,864.6 28.2%
Aid to Local Governments	\$ 2,545.8 56.7%	\$ 3,278.0 32.3%
Other Assistance, Grants, & Benefits	\$ 782.2 17.4%	\$ 2,894.8 28.5%
Capital Improvements	\$ 11.7 0.3%	\$ 1,122.9 11.1%
Total	\$ 4,493.4 100.0%	\$ 10,160.3 100.0%

Totals may not add because of rounding.

State Employees. A major part of the state operations category of expenditures is salary and wage payments to employees in the State Civil Service. For FY 2004, 17.8 percent of all expenditures are estimated for salaries and wages.

The State Civil Service, by KSA 75-2935, includes the classified and the unclassified service. Employees hired to fill positions in the classified service must be hired on the basis of merit and fitness and on the basis of competitive examinations. These employees are also promoted and discharged according to rules and regulations established for administration of the Kansas Civil Service Act.

The classified service includes *regular* full-time and part-time positions. The classified service also includes the following special types of appointments:

Limited Term appointments are made in cases where the position will be eliminated at the end of a predetermined length of time as stipulated in a federal grant or contractual agreement. Except for this time factor, which means an employee in one of these

positions has no layoff rights, limited term appointments are the same as classified positions.

Temporary positions may be either classified or unclassified. Those positions in the classified service require the employee filling the position to work fewer than 1,000 hours in a 12-month period. The unclassified temporary category in the SHARP personnel and payroll system consists of two groups: those that truly are temporary and non-FTE unclassified permanent positions. Positions in the second group are counted as part of the state workforce because they participate in the state retirement system.

The regular unclassified service includes full-time and part-time positions specifically designated as being in the unclassified service. Typically these positions are defined by specific agencies, or types of agencies, for specific purposes. Examples are all employees of the Legislature; teaching, research, student, and health care employees of Regents institutions; and all employees of the courts. Unclassified positions are governed by rules and regulations of the appointing agencies and are not subject to Civil Service Act rules and regulations.

Children's Budget. KSA 75-3717(a)(2) requires that the Governor include in *The Governor's Budget Report* a listing of all state agency programs that "provide services for children and their families." The information is summarized in the Children's Budget, which includes expenditures from all funding sources and from the State General Fund, by agency and by project; the number of children or families served in each program; and a brief description of each of the agency programs.

Budget Process. Producing a budget is a continuous process. However, it does have certain discrete phases. In the Executive Branch, the budget process begins as soon as the legislative session ends. At that time, the budget staff prepares the *Comparison Report*. This report compares the budget recommended by the Governor for the current and budget fiscal years to the budget approved by the Legislature.

In June, budget instructions are distributed by the Division of the Budget to state agencies. These instructions include allocations that each Executive Branch agency uses in budget preparation and

instructions for preparing a capital budget for the budget year based on the approved budget for the current fiscal year, as adjusted for one-time expenditures, caseloads, and the annualization of partial-year funding. Enhancement packages and reduced resource packages are also a part of budget preparation.

On July 1, agencies use the budget instructions to submit a capital budget. The capital budget contains a five-year plan, which includes the capital improvement requests for the current year, the budget year, and four out-years following the budget year.

Concurrent with preparation of financial segments of the agency budget is completion of agency strategic plans that are submitted with the budget in September. Agency strategic plans establish a clear definition of mission and a direction for the future; develop agency-wide work plans and agency-specific objectives and strategies for fulfilling the agency mission; and allocate resources according to priority and ensure accountability for the use of those resources. As part of the strategic planning process, agencies identify an agency mission, agency philosophy, goals and objectives, and performance measures to track progress toward the plan.

Agencies are requested to prepare one complete operating budget for submission on September 15. For Executive Branch agencies, the submission is based on an allocation prepared by the Division of the Budget in June. Each Executive Branch budget submission also includes reduced resource packages that detail how the services provided by the agency would be affected under a reduced resource scenario. The Division of the Budget also prepares a reduction amount for these agencies to use in preparing their reduction packages. Agencies may also submit requests for incremental additions to their base budgets in the form of enhancement packages that represent new programs or the expansion of existing ones. All budget components are intended to reflect program priorities.

The Governor's policy is not to make a recommendation with respect to the budget requests submitted by the legislative and judicial branches. However, to present a complete state budget that accounts for all the resources of the State General Fund, the Governor will include as "place holders" the legislative and judicial budgets approved for the previous fiscal year.

The individual budgets submitted by state agencies show program expenditures with appropriate funding sources for each program within the agency. These data are shown for the actual fiscal year, the current year, and the budget year. Each level of budget represents the agency's best judgment concerning program priorities. Further, budget submissions document performance at each level of spending that relates to the outputs and outcomes identified in the agency's strategic plan. Evaluation of performance at each budget level provides a means for weighing budget alternatives.

Beginning September 15, analysts in the Division of the Budget review agency budget requests. The Division of the Budget recommendations, based on those analyses, are provided to each state agency by November 10. The agencies then have ten days to determine whether to appeal those recommendations to the Secretary of Administration. Many appeal the recommendations in writing; some also request an appointment to present an oral appeal.

Once the appeal process has been completed, the Division of the Budget staff prepares its presentations for the Governor. An analysis of the difference between the Division of the Budget recommendations and the agency's request, including the effect on performance, is presented to the Governor. The analysis includes the agency's request and the basis for it, the Division of the Budget recommendation and the basis for it, and the agency's appeal, if any. The Governor uses this information to make budget determinations for all agencies. The Division of the Budget then aggregates final recommendations and prepares *The Governor's Budget Report*.

During this same period (between September 15 and commencement of the legislative session in January), the Legislative Research Department's fiscal staff also is analyzing agency budget requests. Following receipt of the Governor's recommendations, legislative fiscal analysts begin updating their analysis for each agency to reflect the recommendations of the Governor. These updated budget analyses are printed in the Legislative Research Department's annual analysis and copies are distributed to each legislator.

Consideration by First House. The Governor's budget recommendations are drafted into appropriation language by the Office of the Revisor of Statutes.

Appropriations are divided into three parts: supplemental appropriations, capital improvement appropriations, and budget year expenditure authority for all agencies except biennial agencies, whose expenditure authorizations cover a two-year period. The appropriations are simultaneously considered by the Ways and Means Committee of the Senate and the Appropriations Committee of the House.

The chairpersons of the committees appoint subcommittees to consider appropriations for various agencies. Subcommittees vary in size. Usually between two and five persons are named to a subcommittee. After reviewing the budget requests, the subcommittee drafts a report which details all budgetary adjustments to the Governor's budget recommendations that the subcommittee wishes to make. The subcommittee report may contain administrative or programmatic recommendations.

The subcommittee report is presented to the full committee for consideration. A committee may adjust the recommendations of its subcommittee in any area or it may adopt the entire report as submitted. The appropriations are reprinted to reflect the recommendations of the full committee. The appropriations are then presented to either the House or Senate, which may amend or reject them.

Consideration by Second House. The process for review of the appropriations in the second house repeats the steps followed in the house of origin.

Conference Committee Action. Upon completion of consideration of the appropriations by both chambers, the bills typically go to a conference committee so that differences between the House and Senate versions can be reconciled. Each chamber then votes to accept or reject this appropriation bill. If either chamber rejects the conference committee report on the appropriation bill, it returns to the conference committee for further review and possible modification.

Omnibus Appropriation Bill. Traditionally, this has been the last appropriation bill of the session. It contains any appropriation necessary to carry out the intent of the Legislature that has not yet been included in another appropriation bill. Since the advent of the statutory requirement for an Omnibus Reconciliation Spending Limit Bill to be passed at the end of the session, the Omnibus Appropriation Bill has served as the reconciliation bill.

State Finance Council. The State Finance Council is a statutory body that provides a mechanism for making certain budgetary and personnel adjustments when the Legislature is not in session. The Council consists of nine members: the Governor, the Speaker of the House, the President of the Senate, and the House and Senate majority leaders, minority leaders, as well as Ways and Means and Appropriations Committee chairpersons.

The Governor serves as chairperson of the Finance Council. Meetings are at the call of the Governor, who also prepares the agenda. Items are eligible to receive Finance Council consideration only if they are characterized as a legislative delegation to the Finance Council. Approval of Finance Council items typically requires the vote of the Governor and a majority of the legislative members.

Present statutes characterize the following items of general application to state agencies as legislative delegations, allowing them to receive Finance Council approval under certain circumstances:

1. Increases in expenditure limitations on special revenue funds and release of State General Fund appropriations.

2. Authorization for state agencies to contract with other state or federal agencies, if the agencies do not already have such authorization.
3. Authorization of expenditures from the State Emergency Fund for purposes enumerated in statute.
4. Increases in limitations on positions imposed by appropriation acts on state agencies.
5. Approval of the issuance of certificates of indebtedness to maintain a positive cashflow.

Certain other items of limited application are characterized as legislative delegations by individual legislative acts, allowing them to be subject to Finance Council action. The Finance Council cannot appropriate money from the State General Fund, authorize expenditures for a purpose that specifically was rejected by the previous legislative session, or commit future legislative sessions to provide funds for a particular program.

Prepared by the Division of the Budget in cooperation with the Legislative Research Department.

Appropriation

An amount of money for a particular purpose that an agency is authorized to spend during a fiscal year. In Kansas, the entire amount is available at the start of the fiscal year. Allotments to agencies during the fiscal year are authorized only in emergencies.

Base Budget

A level of expenditure for the forthcoming fiscal year based on the approved budget of the preceding year, as adjusted for the deletion of one-time expenses and the addition of funds to annualize partial year funding in the preceding fiscal year or for caseloads in entitlement programs. The base budget serves as the reference point for enhancements and reduced resource deletions.

Biennial Budget

A budget which plans revenues and expenditures for the two forthcoming fiscal years, rather than one year. The 1994 Legislature enacted legislation requiring fee-funded agencies to submit biennial budgets beginning on September 15, 1994, for FY 1996 and FY 1997. The 2001 Legislature made the budget of the Ethics Commission biennial. All other agencies submit annual requests.

Budget

A plan of operation, including an estimate of proposed expenditures and the means to finance them, to meet the needs of the public.

Capital Improvements

Projects involving new construction, remodeling, rehabilitation and repair, razing, and the principal portion of debt service for a capital expense. The interest portion of the debt is an operating expense.

Classified Temporary Positions

An appointment not exceeding 999 hours of employment in a 12-month period. Temporary

positions do not count toward the agency's FTE position limitation. Employees in these positions do not generally receive fringe benefits.

Decrements

The decremental decrease in expenditures or positions, or both, to reduce or delete a service or program, primarily when revenues are insufficient to continue support at the base budget level.

Enhancements

The incremental increase in expenditures or positions to expand a service or program or provide a new one.

Expenditure

The actual payment of money out of any state fund or the commitment to make such a payment in the form of an encumbrance, either firm or contingent.

Expenditure Limitation

A limitation placed on expenditures that can be made from a special revenue fund.

Expenditures, Non-Reportable

Disbursements that do not result in a net reduction of statewide assets. An example is a refund, where an agency is reimbursed for an item. Also non-reportable are certain "off budget" expenditures, most occurring in the Department of Administration. For example, dollars are spent in many state agencies' budgets for printing services provided by the Division of Printing. Those dollars are spent again for the salaries, utilities, equipment, paper supplies, and other operating costs of the Printing Plant. To avoid reporting expenditures twice, the agencies' printing costs are treated as reportable and the Printing Plant's are non-reportable.

Fiscal Year

A 12-month period beginning July 1 and ending June 30 of the following year that is used as the state budget, accounting, and appropriation period.

Fringe Benefits

State expenditures for retirement, social security, workers compensation, unemployment insurance, state leave payment assessment upon retirement (including sick and annual leave), and group health insurance.

Full-Time Equivalent (FTE) Positions

State employee positions that are permanent and either full-time or part-time but mathematically equated to full-time, e.g., two half-time positions equal one full-time position. Limited term positions are included in the limitation. Teaching positions contracted for nine or more months are considered 1.0 FTE position.

Functions of Government

The six classifications into which similar agencies are grouped to reflect the basic purposes of state government: General Government, Human Resources, Education, Public Safety, Agriculture & Natural Resources, and Transportation (see the Primer).

Fund

A fund is a basic unit of classification in both the budget process and the accounting system for agency monies. Fund names and numbers are included in the Division of Accounts and Reports' *Central Chart of Accounts*, which lists every active fund by agency.

Holiday Pay

Payments to employees working on a legal holiday, such as certain personnel in correctional facilities or state hospitals, who receive additional compensation at the rate of one and one-half times the regular rate of pay. The additional pay may be given in the form of wages or compensatory time credits.

Lapse

That portion of an appropriation not spent or reappropriated. A lapsed appropriation reverts to the fund from which it was made and becomes part of the unappropriated balance. At the end of the fiscal year, State General Fund appropriations automatically lapse unless specific authorization reappropriates the funds.

Line-Item Appropriation

An appropriation of funds made by the Legislature for a specific purpose. The purpose could be limited to a specific item, such as equipment, or more generally to a category of expenditure or a program.

Longevity

Bonus payments made to eligible state employees based on \$40 per year of service times the number of years of state service. Minimum eligibility is ten years of state service, and the maximum payment is \$1,000, or 25 years of service.

Multi-Year Appropriation

A legislative authorization to expend funds that provides funding for more than one fiscal year.

Non-Expense Item

This is an expenditure of funds that has no budgetary implications—for example, an expense incurred from the purchase of supplies for which an agency is subsequently reimbursed. The amount is shown in the budget as a “non-expense” to acknowledge the transaction, but it is not included in an agency’s expenditure totals to avoid overstating the true cost of government services.

Non-FTE Unclassified Permanent Positions

The category of “unclassified temporary” in the SHARP system consists of two groups: one that truly is temporary and the other permanent because the employees in the permanent group participate in the state retirement system. The category of Non-FTE Unclassified Permanent refers to the second group, which is reported as part of the state workforce.

Overtime Pay

Pay or compensatory time credits at a time and a half rate for hours worked over the maximum number of hours required in a work period, which may vary depending on the type of position. A normal work period is 40 hours per week. However, law enforcement and firefighters have a different work week.

Performance Budgeting

A budgeting process that uses strategic plans and performance measures to distribute available financial resources to accomplish goals and objectives. Outcome measures gauge the ultimate effect of programs on the problems or conditions they are intended to affect. Output measures indicate the level of resource input or intermediate agency work effort. Efficiency measures compare input to output.

Position Classification Actions

An “individual position” action, approved by Personnel Services, to change the classification from an existing class to a different one at the same or a different pay grade or a “classification study” action to redefine the work in a class or a class series, reassign pay grades, or establish new classes at the same or a different pay grade.

Program

A set of related operations that follows a planned course of action to achieve a specified purpose and set of objectives. Programs classify agency services and provide a framework for resource allocation decisions.

Reappropriation

Funds remaining unexpended or unencumbered at the end of the current fiscal year that are carried over to the next fiscal year. Expenditures that can be made by an agency from such reappropriated funds may or may not be limited.

Shift Differential

An additional amount per hour, either a flat dollar amount or a percentage increase, paid to certain classified employees who work shifts other than the normal day shift.

Shrinkage

The difference, expressed as a percentage, between the cost of fully funding salaries and wages in a budget, assuming all positions are filled all the time, and actual salary costs, taking vacancies into account.

Supplemental Appropriation

An appropriation made to finance the operations of state government during the current fiscal year in addition to regular appropriations already approved. Supplemental appropriations are considered where a shortage of funds is anticipated as a result of an emergency or unforeseen occurrence.

Total Positions

The sum of FTE positions and non-FTE unclassified permanent positions, representing a complete reporting of positions constituting the state workforce.

Transfer (Demand)

Funds transferred annually from the State General Fund to a special revenue fund in accordance with a formula in statute. Historically, they have been treated as expenditures from the State General Fund. Because they have been authorized by statute, demand transfers have not been part of the appropriation process. However, by FY 2004 all of them will be converted to revenue transfers with the amount of the transfers determined through the appropriations process.

Transfer (Revenue)

Authority in appropriation bills transferring all or part of the unencumbered balance in a fund to another fund prior to expenditure. The Governor proposes to convert the last of the State General Fund demand transfers to revenue transfers through the appropriation process.

Major State Funds

The state's major funds are described below, including the source of their revenue and how they are used, as a guide to understanding the schedules that follow.

Children's Initiatives Fund

A fund capitalized by proceeds from the national settlement with tobacco companies. The fund finances programs designed to benefit the physical and mental health, welfare, and safety of children.

Clearing Funds

Funds into which monies are transferred from other funds and then disbursed for a particular expenditure, such as payroll.

Correctional Institutions Building Fund

A fund for financing capital improvements at state correctional facilities. Income is derived from a transfer of 10.0 percent of the State Gaming Revenues Fund, with an annual maximum of \$5.0 million.

Economic Development Initiatives Fund

A fund for financing economic activities that receives revenues from lottery and racing activities. Most monies are appropriated directly from this fund to various agencies. However, with the KEOIF and KEIEP funds in the Department of Commerce and Housing, EDIF monies are transferred to and spent out of them.

Educational Building Fund

A fund for constructing, equipping, and repairing buildings at state universities. Income is derived from a one-mill, statewide levy on property subject to ad valorem taxation.

Employment Security Fund

The fund from which unemployment benefits are paid. Deposits consist of employer taxes, contributions, fines, and penalties levied on employers for unemployment benefits; federal grants for federal

employees, former military personnel, and extended benefits; and interest earned on unemployment trust funds deposited in the U.S. Treasury.

Enterprise Funds

Funds that account for charges for services, usually of a commercial nature, rendered to the public for compensation. An example is accounting for dormitory operations at state universities.

Highway Funds

The State Highway Fund and several other special purpose funds. Receipts are dedicated to the maintenance and construction of state and local streets and highways and to operations of the Department of Transportation and the Department of Revenue's Division of Motor Vehicles. Revenue sources include motor fuel taxes, motor vehicle registration taxes, driver's license fees, special vehicle permits, federal funds, and proceeds from the sale of bonds.

Intra-Governmental Service Funds

Funds that account for the provision of goods and services by state agencies for other state agencies. Through these funds, goods and services are charged to, and paid by, the recipient agency.

Juvenile Detention Facilities Fund

A fund financing facilities or programs that provide an alternative to the detention of juveniles in local jails. The fund is capitalized by a transfer of 5.0 percent of the revenues to the State Gaming Revenues Fund and 20.0 percent of the collections from the reinstatement of driver's licenses.

Retirement Funds

The employee retirement funds managed by the Kansas Public Employees Retirement System. Employees of participating state and local governments are eligible to receive retirement benefits from these funds, which are financed by investment earnings and employer and employee contributions.

Shared Tax Collection Funds

A distribution of tax revenues, state and local-initiated, to local governments. If the revenue is from a locally-passed tax, the state collects the tax and remits it to the local government. If a statewide tax, the appropriate percentage is remitted to the local government.

Special Revenue Funds

Funds into which statutorily-earmarked receipts are deposited. There are many of these funds, and the revenues consist largely of special fees or levies assessed by the state as well as federal grant-in-aid receipts. Generally, these monies must be expended for purposes specified by state statutes or, in the case of federal grants, for purposes specified by the federal government. A special class of these funds is the agency fee fund, which consists of fee receipts collected by an agency and retained in its budget.

State Emergency Fund

A fund used to meet state obligations arising from natural disasters, match federal payments to individuals and families, and offer rewards to catch wanted criminals. The State Finance Council, a joint legislative/executive body that generally meets when the Legislature is not in session, is empowered to authorize expenditures from the fund. A small balance is retained for payment of rewards. When the Council approves payments for emergencies, the Director of the Budget certifies the amount, up to \$10.0 million, and Accounts and Reports transfers monies from the State General Fund to this fund.

State Gaming Revenues Fund

This is a clearing fund that disburses receipts from lottery sales, taxes, and fees on racing activities in accordance with a statutorily-prescribed formula. Of all receipts to the fund, a specific amount is designated for the Problem Gambling Grant Fund. Of the amount remaining, 85.0 percent is transferred to the Economic Development Initiatives Fund, 10.0

percent to the Correctional Institutions Building Fund, and 5.0 percent to the Juvenile Detention Facilities Fund. Revenues in excess of the statutory formula go to the State General Fund.

State General Fund

A fund for revenues not dedicated for special purposes. It is used to finance government operations not provided for by special revenue funds. The principal revenue sources for the State General Fund include individual and corporate income taxes, sales and compensating use taxes, severance and other excise taxes, the estate tax, and interest earnings.

State Institutions Building Fund

A fund for constructing, equipping, and repairing buildings at the state mental institutions under SRS, the juvenile correctional facilities under the Juvenile Justice Authority, the Schools for the Deaf and Blind under the Department of Education and the veterans' homes. Income is derived from a one-half mill, statewide levy on property subject to ad valorem taxation.

State Water Plan Fund

A fund establishing a dedicated source of funding to provide for the water resource needs of the state. The fund receives a \$6.0 million transfer from the State General Fund and a \$2.0 million transfer from the Economic Development Initiatives Fund. Other receipts come from fees charged to water users, pesticide label fees, fertilizer use fees, and environmental fines.

Trust & Agency Funds

Funds containing monies received, held, and disbursed by the state acting as a trustee, agent, or custodian. These are monies collected by the state as agent and disbursed to other governments and individuals. Examples include inmate or patient benefit funds and the KPERS Fund.

Schedules 1.1—6.2—Summary of Expenditures present expenditures first by Category of Expenditure, then by Fund, as follows:

	All Funding Sources	State General Fund
Expenditure Summaries	1.1	1.2
Total Expenditures by Agency	2.1	2.2
State Operations	3.1	3.2
Aid to Local Governments	4.1	4.2
Other Assistance, Grants, and Benefits	5.1	5.2
Capital Improvements	6.1	6.2

In each case, a “1” after the decimal point (as in 1.1) indicates funding from all funding sources (State General Fund plus special revenue funds) and a “2” indicates State General Fund only. In only one category, “Total Expenditures by Agency,” are there schedules beyond “2.” In this category, there are 2.3 for the Children’s Initiatives Fund, 2.4 for the EDIF, and 2.5 for the State Water Plan Fund. The schedules contain actual expenditure information for FY 2002 and the recommendations of the Governor for the current fiscal year and the budget year. The Base Budget column shows amounts requested by Executive Branch agencies in their budget submission in keeping with allocations developed by the Division of the Budget. The Enhancement column represents agency requests for new or expanded expenditure authority.

Agencies of the Legislative and Judicial Branches are not subject to the allocation process. Therefore, the Base Budget column for them represents their total request unconstrained by the financial resources of the state. Consistent with the Governor’s policy not to make a recommendation concerning these budgets, the “FY 2004 Gov. Rec.” column represents the budget approved by the 2002 Legislature for FY 2003.

Non-expense items are not counted as reportable expenditures in the state budget. These are expenditures without an effect on an agency’s budget, such as expenses for supplies that are subsequently reimbursed. Adding them into an agency’s expenditure totals would overstate the true cost of government operations.

Schedule 1.1--Expenditures Statewide from All Funding Sources

	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Gov. Estimate</u>	<u>FY 2004</u> <u>Base Budget</u>	<u>FY 2004</u> <u>Enhance. Pkg.</u>	<u>FY 2004</u> <u>Gov. Rec.</u>
Summary of State Expenditures					
State Operations	2,902,356,172	2,869,554,880	2,942,662,042	74,792,812	2,864,605,040
Aid to Local Governments	3,360,191,678	3,312,889,645	3,400,465,434	410,596,431	3,278,009,662
Other Assistance	2,646,561,452	2,796,194,165	2,854,506,417	152,115,556	2,894,815,080
Subtotal--Operating Expenditures	\$8,909,109,302	\$8,978,638,690	\$9,197,633,893	\$637,504,799	\$9,037,429,782
Capital Improvements	893,477,605	1,202,477,768	1,118,083,422	59,454,403	1,122,852,340
Total Expenditures	\$9,802,586,907	\$10,181,116,458	\$10,315,717,315	\$696,959,202	\$10,160,282,122
Expenditures by Object					
Salaries & Wages	1,827,047,347	1,782,630,231	1,821,876,132	19,186,810	1,810,744,574
Contractual Services	714,713,840	748,187,534	738,429,618	15,827,296	726,775,977
Commodities	151,125,720	161,116,124	159,499,923	2,058,900	159,078,249
Capital Outlay	99,740,656	103,135,470	106,535,741	503,952	103,828,775
Debt Services	109,728,609	96,549,771	95,181,794	135,062	94,553,559
Operating Adjustments	--	(22,064,250)	21,138,834	37,080,792	(30,376,094)
Subtotal--State Operations	\$2,902,356,172	\$2,869,554,880	\$2,942,662,042	\$74,792,812	\$2,864,605,040
Aid to Local Governments	3,360,191,678	3,312,889,645	3,400,465,434	410,596,431	3,278,009,662
Other Assistance	2,646,561,452	2,796,194,165	2,854,506,417	152,115,556	2,894,815,080
Subtotal--Operating Expenditures	\$8,909,109,302	\$8,978,638,690	\$9,197,633,893	\$637,504,799	\$9,037,429,782
Capital Improvements	893,477,605	1,202,477,768	1,118,083,422	59,454,403	1,122,852,340
Total Expenditures	9,802,586,907	10,181,116,458	10,315,717,315	696,959,202	10,160,282,122
Expenditures by Fund Class					
State General Fund	4,466,061,435	4,358,312,173	4,780,292,653	569,592,899	4,493,432,144
Water Plan	12,098,617	16,688,072	16,071,758	2,991,157	14,986,949
EDIF	36,982,292	38,644,222	35,358,782	3,263,821	38,707,918
Children's Initiatives Fund	38,017,756	44,838,724	43,853,000	12,949,372	46,153,000
State Budget Stabilization Fund	2,780,499	373,322	--	--	--
State Highway Fund	781,245,845	1,226,312,031	1,049,367,859	--	1,200,134,947
Educational Building Fund	28,909,843	34,830,950	25,000,000	8,260,010	25,000,000
State Institutions Building Fund	13,671,306	12,075,787	14,777,866	4,167,657	13,467,655
Correctional Building Fund	5,206,783	8,056,426	5,000,000	--	5,000,000
Other Funds	4,417,612,531	4,440,984,751	4,345,995,397	95,734,286	4,323,399,509
Total--Expenditures	\$9,802,586,907	\$10,181,116,458	\$10,315,717,315	\$696,959,202	\$10,160,282,122

Schedule 1.2--State Expenditures from the State General Fund

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2004</u>	<u>FY 2004</u>
	<u>Actual</u>	<u>Gov. Estimate</u>	<u>Base Budget</u>	<u>Enhance. Pkg.</u>	<u>Gov. Rec.</u>
Salaries & Wages	923,268,543	900,885,254	957,974,822	16,801,369	922,983,059
Other Operating Expenditures	291,441,366	256,555,146	312,195,253	47,777,711	230,693,615
Subtotal--State Operations	\$ 1,214,709,909	\$ 1,157,440,400	\$ 1,270,170,075	\$ 64,579,080	\$ 1,153,676,674
Aid to Local Governments	2,538,778,385	2,536,168,312	2,574,547,172	407,143,619	2,545,793,055
Other Assistance	606,391,750	653,787,376	795,933,498	60,622,590	782,241,324
Subtotal--Operating Expenditures	\$ 4,359,880,044	\$ 4,347,396,088	\$ 4,640,650,745	\$ 532,345,289	\$ 4,481,711,053
Capital Improvements	106,181,391	10,916,085	139,641,908	37,247,610	11,721,091
Total Expenditures	\$ 4,466,061,435	\$ 4,358,312,173	\$ 4,780,292,653	\$ 569,592,899	\$ 4,493,432,144
State Operations					
General Government	183,089,893	181,242,205	190,079,085	4,969,462	163,006,228
Human Resources	149,154,163	146,175,736	170,309,075	7,768,555	166,482,930
Education	593,883,383	565,855,459	608,930,031	40,733,198	564,823,396
Public Safety	261,238,656	247,226,107	274,979,600	10,447,198	239,153,970
Agriculture & Natural Resources	27,343,814	22,205,963	25,872,284	660,667	24,718,510
Transportation	--	--	--	--	--
State Employee Salary Increase	--	--	--	--	13,500,000
Savings from Death & Disabil. Morator.	--	(5,265,070)	--	--	(17,758,360)
Savings from Dues & Subscriptions	--	--	--	--	(250,000)
Subtotal--State Operations	\$ 1,214,709,909	\$ 1,157,440,400	\$ 1,270,170,075	\$ 64,579,080	\$ 1,153,676,674
Aid to Local Governments					
General Government	339,645	376,673	381,254	56,390	374,949
Human Resources	51,037,908	58,461,871	67,613,969	2,500,000	64,434,341
Education	2,446,496,096	2,439,871,315	2,460,036,226	404,087,229	2,448,000,079
Public Safety	40,115,960	37,458,453	35,315,723	500,000	32,983,686
Agriculture & Natural Resources	788,776	--	--	--	--
Transportation	--	--	11,200,000	--	--
Subtotal--Aid to Local Governments	\$ 2,538,778,385	\$ 2,536,168,312	\$ 2,574,547,172	\$ 407,143,619	\$ 2,545,793,055
Other Assistance					
General Government	2,415,641	2,219,621	2,055,997	296,046	1,964,404
Human Resources	570,415,312	621,933,007	763,327,124	56,051,265	750,483,049
Education	19,800,773	20,827,635	21,389,759	3,751,996	20,633,253
Public Safety	8,567,257	8,807,113	9,160,618	523,283	9,160,618
Agriculture & Natural Resources	5,192,767	--	--	--	--
Transportation	--	--	--	--	--
Subtotal--Other Assistance	\$ 606,391,750	\$ 653,787,376	\$ 795,933,498	\$ 60,622,590	\$ 782,241,324
Capital Improvements					
General Government	2,257,075	3,475,186	3,941,149	13,660,278	3,804,400
Human Resources	4,492	4,250	10,200	--	10,200
Education	2,428,171	236,535	238,446	21,680,788	235,996
Public Safety	6,854,637	7,165,242	7,452,113	1,900,544	7,670,495
Agriculture & Natural Resources	348,995	34,872	--	6,000	--
Transportation	94,288,021	--	128,000,000	--	--
Subtotal--Capital Improvements	\$ 106,181,391	\$ 10,916,085	\$ 139,641,908	\$ 37,247,610	\$ 11,721,091
Total Expenditures	\$ 4,466,061,435	\$ 4,358,312,173	\$ 4,780,292,653	\$ 569,592,899	\$ 4,493,432,144

Schedule 2.1--Expenditures from All Funding Sources by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Department of Administration	26,181,765	28,907,814	29,239,852	14,012,714	22,070,172
Kansas Corporation Commission	17,005,607	17,530,309	17,481,713	172,217	15,819,071
Citizens' Utility Ratepayer Board	560,149	654,683	616,952	--	580,552
Kansas Human Rights Commission	1,786,793	1,862,551	1,808,255	106,012	1,706,173
Board of Indigents' Defense Services	15,615,856	16,004,036	14,946,988	1,356,782	14,631,312
Health Care Stabilizator	26,600,469	29,631,105	29,669,667	60,000	29,596,952
Kansas Public Employees Retirement Sys.	26,276,649	24,906,908	26,487,509	--	26,487,509
Department of Commerce & Housing	100,698,718	115,126,342	112,902,565	--	112,137,305
Kansas Technology Enterprise Corporation	14,488,385	15,986,514	14,660,603	2,454,477	13,953,820
Kansas, Inc.	406,678	441,414	446,585	366,002	--
Kansas Lottery	51,026,289	59,970,737	60,754,657	--	60,211,857
Kansas Racing & Gaming Commission	5,868,564	6,209,735	6,218,241	133,234	6,351,475
Department of Revenue	82,722,056	81,308,783	82,856,031	1,004,996	78,669,152
Board of Tax Appeals	1,923,880	1,838,319	1,856,927	36,000	1,546,993
Abstracters' Board of Examiners	16,668	20,285	20,683	--	19,463
Board of Accountancy	176,206	189,663	243,696	--	229,318
Banking Department	4,962,326	5,699,803	6,205,523	--	5,722,154
Board of Barbering	130,063	113,266	131,856	--	108,200
Behavioral Sciences Regulatory Board	463,089	517,271	528,004	--	492,147
Board of Cosmetology	601,809	661,161	689,737	--	646,361
Department of Credit Unions	801,288	850,554	872,750	--	821,258
Kansas Dental Board	299,331	327,208	336,365	--	316,519
Governmental Ethics Commission	532,520	555,420	578,513	--	558,660
Board of Healing Arts	1,980,522	2,058,350	2,173,024	45,512	2,044,816
Hearing Aid Board of Examiners	14,610	19,222	19,875	--	18,702
Board of Mortuary Arts	201,360	216,514	226,841	--	213,457
Board of Nursing	1,308,699	1,459,832	1,410,203	200,000	1,327,001
Board of Examiners in Optometry	86,477	106,777	111,917	--	104,373
Board of Pharmacy	506,652	581,497	577,376	41,351	582,222
Real Estate Appraisal Board	201,402	207,855	235,323	--	221,439
Kansas Real Estate Commission	611,450	714,473	755,704	--	711,117
Office of the Securities Commissioner	2,026,187	2,132,996	2,177,303	--	2,048,842
Board of Technical Professions	474,073	555,193	544,905	--	512,756
Board of Veterinary Examiners	288,642	276,429	278,651	--	239,223
Office of the Governor	1,650,123	5,871,025	1,685,869	--	12,741,004
Office of the Lieutenant Governor	121,052	132,628	118,228	--	112,093
Attorney General	21,875,642	17,743,180	21,780,713	--	13,164,950
Insurance Department	20,147,245	19,567,601	20,194,662	--	18,580,905
Secretary of State	3,479,366	3,266,752	3,642,731	--	3,554,695
State Treasurer	124,157,508	78,681,117	146,979,737	--	35,976,241
Legislative Coordinating Council	865,342	706,770	721,351	--	687,365
Legislature	11,972,778	12,014,919	12,493,419	--	12,580,270
Legislative Research Department	2,361,679	2,605,575	2,626,778	--	2,440,921
Legislative Division of Post Audit	1,710,975	1,821,099	1,815,944	--	1,752,139
Revisor of Statutes	2,355,451	2,474,748	2,448,345	--	2,385,856
Judiciary	89,700,377	96,480,762	98,581,362	3,082,080	92,940,817
Judicial Council	328,332	309,199	318,904	12,787	309,106
Total--General Government	\$ 667,571,102	\$ 659,318,394	\$ 731,472,837	\$ 23,084,164	\$ 597,926,733
Human Resources					
Social & Rehabilitation Services	1,886,723,256	1,987,648,846	2,111,431,165	111,444,678	2,149,385,653
Kansas Neurological Institute	25,759,577	23,987,714	24,247,416	--	24,247,416
Larned State Hospital	31,752,097	32,493,521	33,222,196	1,847,313	34,811,915
Osawatomie State Hospital	21,781,641	20,125,936	22,975,916	--	19,655,672

Schedule 2.1--Expenditures from All Funding Sources by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Human Resources Cont'd					
Parsons State Hospital & Training Center	20,940,901	20,075,859	20,361,666	--	20,361,666
Rainbow Mental Health Facility	6,718,918	6,684,079	--	--	6,819,608
Subtotal--SRS	\$ 1,993,676,390	\$ 2,091,015,955	\$ 2,212,238,359	\$ 113,291,991	\$ 2,255,281,930
Department on Aging	394,082,831	393,181,921	418,056,558	27,430,748	417,848,145
Health & Environment--Health	117,851,043	127,087,645	114,317,137	18,399,704	107,038,518
Department of Human Resources	412,772,990	405,547,786	332,888,496	--	332,745,816
Commission on Veterans' Affairs	15,510,728	22,133,820	22,105,095	2,232,767	20,458,357
Kansas Guardianship Program	1,106,908	998,297	1,054,349	90,364	1,000,506
Total--Human Resources	\$ 2,935,000,890	\$ 3,039,965,424	\$ 3,100,659,994	\$ 161,445,574	\$ 3,134,373,272
Education					
Department of Education	2,650,052,945	2,682,962,212	2,659,734,246	399,180,872	2,696,876,557
School for the Blind	5,141,905	4,968,340	4,955,652	578,333	4,751,408
School for the Deaf	8,185,074	8,814,211	7,686,178	915,861	7,723,387
Subtotal--Department of Ed.	\$ 2,663,379,924	\$ 2,696,744,763	\$ 2,672,376,076	\$ 400,675,066	\$ 2,709,351,352
Board of Regents	170,795,147	173,462,666	255,103,131	53,488,445	186,967,930
Emporia State University	59,990,177	58,606,188	58,362,369	348,318	57,188,216
Fort Hays State University	61,198,017	61,294,835	61,056,958	239,850	59,835,085
Kansas State University	340,660,282	352,698,883	358,626,610	1,960,136	356,288,369
Kansas State University--ESARF	103,681,138	115,175,014	103,982,349	--	102,089,017
KSU--Veterinary Medical Center	23,464,392	27,841,168	24,974,783	700,000	25,299,816
University of Kansas	504,063,827	444,533,815	438,140,621	6,928,000	435,773,380
Pittsburg State University	66,230,483	66,237,668	66,338,999	2,697,000	66,813,977
University of Kansas Medical Center	218,888,001	212,829,506	207,423,679	17,346,112	207,410,284
Wichita State University	152,061,292	151,321,816	151,588,324	490,586	149,070,857
Subtotal--Regents	\$ 1,701,032,756	\$ 1,664,001,559	\$ 1,725,597,823	\$ 84,198,447	\$ 1,646,736,931
Kansas Arts Commission	2,072,587	2,083,883	2,076,264	120,322	1,995,300
Historical Society	8,549,155	8,421,576	8,101,355	1,340,922	7,855,347
State Library	6,866,305	6,561,097	6,780,668	2,879,533	6,516,104
Total--Education	\$ 4,381,900,727	\$ 4,377,812,878	\$ 4,414,932,186	\$ 489,214,290	\$ 4,372,455,034
Public Safety					
Department of Corrections	106,366,335	111,048,590	111,268,901	5,238,789	108,736,709
El Dorado Correctional Facility	20,501,609	20,407,247	21,159,443	--	20,825,731
Ellsworth Correctional Facility	9,978,093	10,444,357	10,658,452	--	10,536,835
Hutchinson Correctional Facility	25,080,245	25,116,907	25,000,596	--	24,644,294
Lansing Correctional Facility	33,126,715	32,816,784	33,069,872	93,000	32,539,719
Larned Correctional Mental Health Facility	7,702,643	7,760,662	8,028,599	--	7,909,042
Norton Correctional Facility	12,234,011	12,170,401	12,509,493	1,445,544	12,325,073
Topeka Correctional Facility	12,142,501	11,272,733	11,382,845	--	11,233,969
Winfield Correctional Facility	10,031,427	9,924,124	10,114,792	--	9,987,045
Subtotal--Corrections	\$ 237,163,579	\$ 240,961,805	\$ 243,192,993	\$ 6,777,333	\$ 238,738,417
Juvenile Justice Authority	63,933,320	56,832,323	57,559,417	5,064,713	56,814,008
Atchison Juvenile Correctional Facility	6,636,636	6,359,927	6,443,003	341,130	6,116,241
Beloit Juvenile Correctional Facility	5,406,221	5,398,749	5,376,931	--	5,114,775
Larned Juvenile Correctional Facility	4,964,196	5,446,597	8,255,833	298,018	7,693,438
Topeka Juvenile Correctional Facility	13,478,798	12,641,256	16,318,750	541,080	13,846,728
Subtotal--Juvenile Justice	\$ 94,419,171	\$ 86,678,852	\$ 93,953,934	\$ 6,244,941	\$ 89,585,190
Adjutant General	67,075,003	42,305,790	37,527,251	1,163,582	37,190,375
Ombudsman for Corrections	184,889	184,745	189,450	7,500	--
Emergency Medical Services Board	1,023,485	1,009,072	858,974	10,000	917,705

Schedule 2.1--Expenditures from All Funding Sources by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Public Safety Cont'd					
State Fire Marsha	3,254,960	3,653,822	3,691,952	1,753,486	3,512,477
Highway Patrol	55,812,302	52,163,390	53,169,164	2,371,632	58,361,077
Kansas Bureau of Investigation	21,375,363	21,665,629	19,885,716	1,467,135	19,247,811
Kansas Parole Board	524,961	502,257	521,441	--	486,102
Sentencing Commission	3,473,254	6,335,414	4,396,770	63,291	726,789
Total--Public Safety	\$ 484,306,967	\$ 455,460,776	\$ 457,387,645	\$ 19,858,900	\$ 448,765,943
Agriculture & Natural Resources					
Department of Agriculture	19,281,350	21,602,226	20,183,325	221,853	19,782,736
Animal Health Department	1,980,907	2,575,379	2,406,793	71,124	2,362,165
State Conservation Commission	11,313,423	11,005,988	10,199,473	2,458,554	9,530,400
Health & Environment--Environment	89,209,681	62,084,463	59,535,868	395,000	59,341,547
Kansas State Fair	4,458,267	4,515,265	5,220,831	209,743	5,224,574
Kansas Water Office	6,846,967	6,110,093	5,878,401	--	5,626,960
Department of Wildlife & Parks	43,944,763	49,191,776	43,443,570	--	43,182,342
Total--Agriculture & Natural Resources	\$ 177,035,358	\$ 157,085,190	\$ 146,868,261	\$ 3,356,274	\$ 145,050,724
Transportation					
Kansas Department of Transportation	1,156,771,863	1,497,596,866	1,464,396,392	--	1,456,197,776
Total--Transportation	\$ 1,156,771,863	\$ 1,497,596,866	\$ 1,464,396,392	\$ --	\$ 1,456,197,776
State Employee Salary Increase	--	--	--	--	26,907,000
Savings from Death & Disability Moratorium	--	(6,123,070)	--	--	(21,144,360)
Savings from Dues & Subscriptions	--	--	--	--	(250,000)
Total Expenditures	\$ 9,802,586,907	\$ 10,181,116,458	\$ 10,315,717,315	\$ 696,959,202	\$ 10,160,282,122

Schedule 2.2--Expenditures from the State General Fund by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Department of Administration	24,227,429	25,463,037	26,519,237	14,012,714	19,312,708
Kansas Human Rights Commission	1,423,591	1,403,350	1,414,096	106,012	1,333,830
Board of Indigents' Defense Services	15,206,271	15,577,051	14,533,988	1,356,782	14,218,312
Kansas Public Employees Retirement System	10,623	--	--	--	--
Department of Commerce & Housing	199,380	188,325	--	--	--
Department of Revenue	34,797,626	31,261,742	33,923,649	462,220	25,213,302
Board of Tax Appeals	1,915,645	1,823,819	1,842,427	36,000	1,232,493
Governmental Ethics Commission	402,927	438,295	459,124	--	435,699
Office of the Governor	1,650,123	2,040,477	1,685,869	--	1,599,031
Office of the Lieutenant Governor	121,052	132,628	118,228	--	112,093
Attorney General	6,012,698	5,262,951	5,213,157	--	4,200,785
Secretary of State	1,781,304	1,631,075	1,722,743	--	834,707
State Treasurer	1,463,800	1,483,788	1,555,041	--	--
Legislative Coordinating Council	865,342	706,770	721,351	--	687,365
Legislature	11,874,909	11,846,966	12,362,419	--	12,449,270
Legislative Research Department	2,361,679	2,605,575	2,626,778	--	2,440,921
Legislative Division of Post Audit	1,710,969	1,821,099	1,815,944	--	1,752,139
Revisor of Statutes	2,355,451	2,474,748	2,448,345	--	2,385,856
Judiciary	79,488,273	80,965,866	87,299,126	2,995,661	80,941,470
Judicial Council	233,162	186,123	195,963	12,787	--
Total--General Government	\$ 188,102,254	\$ 187,313,685	\$ 196,457,485	\$ 18,982,176	\$ 169,149,981
Human Resources					
Social & Rehabilitation Services	568,403,902	626,353,158	754,006,298	45,197,240	739,066,871
Kansas Neurological Institute	9,183,826	8,877,702	9,765,684	--	9,765,684
Larned State Hospital	10,003,215	12,062,205	23,937,967	1,847,313	25,527,686
Osawatomie State Hospital	6,272,965	5,286,669	9,305,027	--	8,225,647
Parsons State Hospital & Training Center	6,481,585	6,142,188	6,866,864	--	6,866,864
Rainbow Mental Health Facility	433,101	587,613	--	--	3,867,158
Subtotal--SRS	\$ 600,778,594	\$ 659,309,535	\$ 803,881,840	\$ 47,044,553	\$ 793,319,910
Department on Aging	140,824,186	139,738,400	168,655,248	11,389,179	163,476,317
Health & Environment--Health	21,855,904	19,718,631	20,661,487	7,110,332	16,998,571
Department of Human Resources	2,048,229	2,513,867	1,994,257	--	1,891,612
Commission on Veterans' Affairs	3,998,054	4,296,134	5,013,187	685,392	4,723,604
Kansas Guardianship Program	1,106,908	998,297	1,054,349	90,364	1,000,506
Total--Human Resources	\$ 770,611,875	\$ 826,574,864	\$ 1,001,260,368	\$ 66,319,820	\$ 981,410,520
Education					
Department of Education	2,333,348,677	2,331,722,827	2,307,363,298	399,020,872	2,344,505,609
School for the Blind	4,513,542	4,377,205	4,447,982	578,333	4,223,738
School for the Deaf	7,243,832	7,089,885	7,198,883	417,938	6,836,148
Subtotal--Department of Ed.	\$ 2,345,106,051	\$ 2,343,189,917	\$ 2,319,010,163	\$ 400,017,143	\$ 2,355,565,495
Board of Regents	134,617,397	129,510,702	197,693,300	45,224,425	124,380,626
Emporia State University	30,490,809	29,231,556	30,405,709	348,318	29,231,556
Fort Hays State University	31,846,557	30,179,531	31,401,404	239,850	30,179,531
Kansas State University	106,969,910	101,091,282	105,129,649	--	101,091,282
Kansas State University--ESARP	49,143,891	46,456,360	48,349,692	--	46,456,360
KSU--Veterinary Medical Center	10,021,162	9,545,175	9,920,142	--	9,545,175
Pittsburg State University	33,437,540	31,826,710	33,118,732	930,000	31,826,710
University of Kansas	138,257,795	131,222,584	136,384,825	4,128,000	131,222,584
University of Kansas Medical Center	104,000,291	99,479,412	101,304,807	14,534,112	99,479,412
Wichita State University	65,699,384	62,738,280	65,255,747	490,586	62,738,280
Subtotal--Regents	\$ 704,484,736	\$ 671,281,592	\$ 758,964,007	\$ 65,895,291	\$ 666,151,516

Schedule 2.2--Expenditures from the State General Fund by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Education Cont'd					
Kansas Arts Commission	1,650,105	1,522,850	1,584,914	120,322	1,503,950
Historical Society	5,980,671	5,833,735	5,852,957	1,340,922	5,553,906
State Library	5,386,860	4,962,850	5,182,421	2,879,533	4,917,857
Total--Education	\$ 3,062,608,423	\$ 3,026,790,944	\$ 3,090,594,462	\$ 470,253,211	\$ 3,033,692,724
Public Safety					
Department of Corrections	83,438,284	82,319,953	85,093,463	5,238,789	82,618,271
El Dorado Correctional Facility	20,351,805	20,168,433	21,026,632	--	20,692,920
Ellsworth Correctional Facility	9,236,778	10,258,641	10,621,891	--	10,500,274
Hutchinson Correctional Facility	23,786,127	23,796,518	24,723,201	--	24,366,899
Lansing Correctional Facility	32,064,887	31,758,915	32,899,872	93,000	32,369,719
Larned Correctional Mental Health Facility	7,645,058	7,583,060	8,026,570	--	7,907,013
Norton Correctional Facility	11,781,718	11,796,681	12,350,635	1,445,544	12,166,215
Topeka Correctional Facility	10,532,798	10,293,956	10,562,724	--	10,198,848
Winfield Correctional Facility	9,752,449	9,582,620	9,927,412	--	9,799,665
Subtotal--Corrections	\$ 208,589,904	\$ 207,558,777	\$ 215,232,400	\$ 6,777,333	\$ 210,619,824
Juvenile Justice Authority	34,556,472	28,902,085	31,071,167	1,142,354	29,395,758
Atchison Juvenile Correctional Facility	6,206,406	6,113,425	6,194,905	341,130	5,868,143
Beloit Juvenile Correctional Facility	4,969,571	5,161,963	5,136,101	--	4,873,945
Larned Juvenile Correctional Facility	4,649,156	5,061,310	7,791,556	298,018	7,229,161
Topeka Juvenile Correctional Facility	11,921,228	12,103,324	15,818,706	541,080	13,171,684
Subtotal--Juvenile Justice	\$ 62,302,833	\$ 57,342,107	\$ 66,012,435	\$ 2,322,582	\$ 60,538,691
Adjutant General	5,236,934	9,409,731	5,508,898	718,696	5,172,022
Ombudsman for Corrections	167,642	167,906	174,450	7,500	--
Emergency Medical Services Board	841,489	--	--	--	--
Highway Patrol	25,967,956	13,111,909	26,536,996	2,039,508	--
Kansas Bureau of Investigation	12,679,213	12,135,069	12,473,100	1,467,135	11,835,195
Kansas Parole Board	524,961	502,257	521,441	--	486,102
Sentencing Commission	465,578	429,159	448,334	38,271	316,935
Total--Public Safety	\$ 316,776,510	\$ 300,656,915	\$ 326,908,054	\$ 13,371,025	\$ 288,968,769
Agriculture & Natural Resources					
Department of Agriculture	9,969,187	9,385,304	9,912,212	--	9,406,284
Animal Health Department	627,047	572,318	618,715	330,871	574,087
State Conservation Commission	6,591,867	560,295	592,574	29,796	562,295
Health & Environment--Environment	10,387,401	7,248,232	9,496,863	300,000	9,226,710
Kansas State Fair	132,540	--	538,103	6,000	538,103
Kansas Water Office	1,375,320	1,283,892	1,372,998	--	1,251,448
Department of Wildlife & Parks	4,590,990	3,190,794	3,340,819	--	3,159,583
Total--Agriculture & Natural Resources	\$ 33,674,352	\$ 22,240,835	\$ 25,872,284	\$ 666,667	\$ 24,718,510
Transportation					
Kansas Department of Transportation	94,288,021	--	139,200,000	--	--
Total--Transportation	\$ 94,288,021	\$ --	\$ 139,200,000	\$ --	\$ --
State Employee Salary Increase	--	--	--	--	13,500,000
Savings from Death & Disability Moratorium	--	(5,265,070)	--	--	(17,758,360)
Savings from Dues & Subscriptions	--	--	--	--	(250,000)
Total Expenditures	\$ 4,466,061,435	\$ 4,358,312,173	\$ 4,780,292,653	\$ 569,592,899	\$ 4,493,432,144

Schedule 2.3--Expenditures from the Children's Initiatives Fund by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Human Resources					
Social & Rehabilitation Services					
Children's Cabinet Accountability Fund	550,000	550,000	550,000	--	550,000
Children's Mental Health Initiative	1,800,000	1,800,000	1,800,000	--	1,800,000
Family Centered System of Care	4,980,000	5,000,000	5,000,000	--	5,000,000
Therapeutic Preschool	1,000,000	1,000,000	3,228,000	--	1,000,000
Child Care Services	1,400,000	1,400,000	1,400,000	--	1,400,000
Community Services for Child Welfare	2,600,000	3,056,219	2,600,000	--	3,106,230
HealthWave	1,413,374	1,000,000	1,000,000	--	2,000,000
Smart Start Kansas	3,000,000	3,000,000	3,000,000	--	4,300,000
Medical Assistance	3,000,000	3,000,000	3,000,000	--	3,000,000
Immunization Outreach	--	500,000	500,000	--	500,000
Family Preservation	--	2,293,781	2,750,000	--	2,243,770
CMHC Children's Program Grants	--	2,000,000	--	--	2,000,000
School Violence Prevention	--	228,000	--	--	228,000
Total--SRS	\$ 19,743,374	\$ 24,828,000	\$ 24,828,000	\$ --	\$ 27,128,000
Health & Environment--Health					
Healthy Start Program	250,000	250,000	250,000	--	250,000
Infants and Toddlers Program	500,000	500,000	500,000	--	500,000
Smoking Prevention Grants	500,000	500,000	500,000	10,989,372	500,000
Total--Health & Environment	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 10,989,372	\$ 1,250,000
Total--Human Resources	\$ 20,993,374	\$ 26,078,000	\$ 26,078,000	\$ 10,989,372	\$ 28,378,000
Education					
Department of Education					
Reading & Vision Research	300,000	300,000	300,000	--	300,000
Parent Education Program	2,499,990	2,500,000	2,500,000	(2,500,000)	2,500,000
Four-Year-Old At-Risk Program	4,500,000	4,500,000	4,500,000	60,000	4,500,000
School Violence Prevention	474,392	--	--	--	--
Special Education	--	1,225,000	1,225,000	(1,225,000)	1,225,000
General State Aid	--	--	--	3,825,000	--
Total--Department of Ed.	\$ 7,774,382	\$ 8,525,000	\$ 8,525,000	\$ 160,000	\$ 8,525,000
University of Kansas Medical Center					
Tele-Kid Health Care Link	250,000	235,724	250,000	--	250,000
Pediatric Biomedical Research	1,000,000	2,000,000	1,000,000	--	--
Total--Regents	\$ 1,250,000	\$ 2,235,724	\$ 1,250,000	\$ --	\$ 250,000
Total--Education	\$ 9,024,382	\$ 10,760,724	\$ 9,775,000	\$ 160,000	\$ 8,775,000
Public Safety					
Juvenile Justice Authority					
Juvenile Prevention Program Grants	6,000,000	4,900,000	6,000,000	500,000	5,414,487
Juvenile Graduated Sanctions Grants	2,000,000	3,100,000	2,000,000	1,300,000	3,585,513
Total--Public Safety	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 1,800,000	\$ 9,000,000
Total Expenditures	\$ 38,017,756	\$ 44,838,724	\$ 43,853,000	\$ 12,949,372	\$ 46,153,000

Schedule 2.4--Expenditures from the EDIF Fund by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Department of Administration					
Smoky Hills Public Television	--	114,099	--	--	--
Department of Commerce & Housing					
Small Business Development Centers	485,000	--	--	--	--
Certified Development Companies	400,000	--	--	--	--
Kansas Industrial Training/Retraining	3,496,073	--	--	--	--
Trade Show Promotion	95,288	--	--	--	--
Capacity Planning Grants	197,000	--	--	--	--
Main Street Development Grants	216,800	--	--	--	--
Tourism Promotion Grants	1,016,830	--	--	--	--
Training Equipment	277,500	--	--	--	--
Agriculture Product Development	136,500	--	--	--	--
HOME Program	530,000	--	--	--	--
Travel Information Centers	77,008	--	--	--	--
Operations	8,347,906	16,142,107	14,782,465	--	14,026,980
Total--Commerce & Housing	\$ 15,275,905	\$ 16,142,107	\$ 14,782,465	\$ --	\$ 14,026,980
Kansas Technology Enterprise Corporation					
Special Projects	66,387	--	--	--	--
Centers of Excellence	3,552,215	3,374,387	3,643,552	615,959	3,363,510
Innovative Research Grants	57,000	--	--	--	--
Research Matching Grants	748,016	1,649,473	1,428,683	450,000	1,354,699
Commercialization Grants	1,420,000	1,593,356	1,386,474	600,000	1,317,151
EPSCOR	2,284,921	3,062,167	2,664,575	284,041	2,664,575
Mid-America Mfg. Technology Center	888,880	900,000	783,144	292,477	670,324
Operations	2,163,413	2,368,682	1,475,782	212,000	1,233,929
Total--KTEC	\$ 11,180,832	\$ 12,948,065	\$ 11,382,210	\$ 2,454,477	\$ 10,604,188
Kansas, Inc.					
Operations	281,377	291,674	294,830	366,002	--
Total--General Government	\$ 26,738,114	\$ 29,495,945	\$ 26,459,505	\$ 2,820,479	\$ 24,631,168
Education					
Board of Regents					
Vocational Education	2,700,000	2,565,000	2,565,000	--	2,565,000
Postsecondary Aid	6,882,981	6,144,277	6,144,277	--	10,331,250
Technology Innovation	161,197	195,658	190,000	--	180,500
Comprehensive Grant	250,000	--	--	--	750,000
Educational Assistance	--	243,342	--	243,342	250,000
Total--Regents	\$ 9,994,178	\$ 9,148,277	\$ 8,899,277	\$ 243,342	\$ 14,076,750
Total--Education	\$ 9,994,178	\$ 9,148,277	\$ 8,899,277	\$ 243,342	\$ 14,076,750
Public Safety					
Adjutant General					
Educational Assistance	250,000	--	--	--	--
Total--Public Safety	\$ 250,000	\$ --	\$ --	\$ --	\$ --
Agriculture & Natural Resources					
Kansas State Fair					
Advertising	--	--	--	200,000	--
Total--Agriculture & Natural Resources	\$ --	\$ --	\$ --	\$ 200,000	\$ --
Total Expenditures	\$ 36,982,292	\$ 38,644,222	\$ 35,358,782	\$ 3,263,821	\$ 38,707,918

Schedule 2.5--Expenditures from the State Water Plan Fund by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Kansas Corporation Commission					
Gas and Oil Well Plugging	400,000	--	--	--	--
Total--Kansas Corporation Commission	\$ 400,000	\$ --	\$ --	\$ --	\$ --
Total--General Government	\$ 400,000	\$ --	\$ --	\$ --	\$ --
Education					
University of Kansas					
Geological Survey	50,001	45,000	45,000	--	40,000
Total--Regents	\$ 50,001	\$ 45,000	\$ 45,000	\$ --	\$ 40,000
Total--Education	\$ 50,001	\$ 45,000	\$ 45,000	\$ --	\$ 40,000
Agriculture & Natural Resources					
Department of Agriculture					
Floodplain Management	128,396	64,185	65,836	70,000	65,836
Water Appropriations	--	71,028	74,420	--	74,420
Interstate Water Issues	274,269	241,423	240,076	--	240,076
Subbasin Water Resources Management	548,918	556,352	535,494	50,023	483,538
Water Use Study	--	10,000	10,000	50,000	60,000
Total--Department of Agriculture	\$ 951,583	\$ 942,988	\$ 925,826	\$ 170,023	\$ 923,870
State Conservation Commission					
Nonpoint Source Pollution Assistance	3,110,090	3,055,000	2,800,000	500,000	2,800,000
Aid to Conservation Districts	1,038,000	1,042,500	1,043,000	--	1,043,000
Multipurpose Small Lakes	230,000	--	--	1,412,548	--
Watershed Dam Construction	794,552	677,451	634,500	70,500	352,500
Water Quality Buffer Initiatives	144,288	347,971	347,471	38,663	307,471
Riparian and Wetland Program	246,317	310,000	250,000	--	250,000
Water Rights Purchase	--	--	69,433	--	--
Water Resources Cost-Share	4,663,555	4,196,754	3,795,577	404,423	3,548,216
Total--Conservation Commission	\$ 10,226,802	\$ 9,629,676	\$ 8,939,981	\$ 2,426,134	\$ 8,301,187
Health & Environment					
Assessment of Sediment Quality	50,000	--	--	--	--
Contamination Remediation	1,397,334	1,200,624	1,200,001	200,000	1,060,435
Local Environmental Protection Program	1,789,764	1,630,236	1,630,236	169,764	1,630,236
Nonpoint Source Program	408,209	457,328	447,540	25,236	387,938
TMDL Initiatives	401,396	346,224	346,224	--	346,224
Total--Health & Environment	\$ 4,046,703	\$ 3,634,412	\$ 3,624,001	\$ 395,000	\$ 3,424,833
Kansas Water Office					
Assessment and Evaluation	198,253	207,000	216,124	--	201,996
Federal Cost-Share Programs	250,000	160,285	100,000	--	100,000
GIS Data Access and Support Center	143,774	76,824	--	--	--
GIS Data Base Development	250,000	140,000	250,000	--	250,000
MOU--Storage Operations and Maintenance	438,795	390,715	419,385	--	419,385
Ogallala Aquifer Institute	45,000	40,000	40,000	--	40,000
PMIB Loan Payment for Storage	261,095	259,027	263,110	--	263,110
Public Information	28,592	35,000	35,000	--	35,000
Stream Gauging	412,946	353,180	367,331	--	364,754
Technical Assistance to Water Users	434,528	392,668	437,000	--	339,737
Water Planning Process	55,466	154,077	165,000	--	154,077
Water Resource Education	60,000	55,000	60,000	--	55,000
Weather Modification	176,500	100,119	9,000	--	9,000
Kansas Water Authority	--	22,101	25,000	--	25,000
Total--Water Office	\$ 2,754,949	\$ 2,385,996	\$ 2,386,950	\$ --	\$ 2,257,059

Schedule 2.5--Expenditures from the State Water Plan Fund by Agency

	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Gov. Estimate</u>	<u>FY 2004</u> <u>Base Budget</u>	<u>FY 2004</u> <u>Enhance. Pkg.</u>	<u>FY 2004</u> <u>Gov. Rec.</u>
Agriculture & Natural Resources Cont'd					
Department of Wildlife & Parks					
River Access	--	--	100,000	--	--
Stream Monitoring	49,979	50,000	50,000	--	40,000
Total--Wildlife & Parks	\$ 49,979	\$ 50,000	\$ 150,000	\$ --	\$ 40,000
Total--Agriculture & Natural Resources	\$ 18,030,016	\$ 16,643,072	\$ 16,026,758	\$ 2,991,157	\$ 14,946,949
Total Expenditures*	\$ 18,480,017	\$ 16,688,072	\$ 16,071,758	\$ 2,991,157	\$ 14,986,949

**Total Water Plan expenditures for FY 2002 include the demand transfer from the State General Fund and the transfer to the Kansas Corporation Commission.*

Schedule 3.1--Expenditures from All Funding Sources for State Operations by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Department of Administration	20,450,291	21,031,979	21,633,239	--	14,561,457
Kansas Corporation Commission	15,739,632	16,929,114	16,890,277	172,217	15,227,635
Citizens' Utility Ratepayer Board	560,149	654,683	616,952	--	580,552
Kansas Human Rights Commission	1,784,293	1,862,551	1,808,255	106,012	1,706,173
Board of Indigents' Defense Services	15,615,456	16,004,036	14,946,988	1,356,782	14,631,312
Health Care Stabilization	3,579,695	3,974,788	4,013,350	60,000	3,940,635
Kansas Public Employees Retirement Sys.	26,276,649	24,906,908	26,487,509	--	26,487,509
Department of Commerce & Housing	17,215,382	18,615,550	16,357,126	--	16,346,834
Kansas Technology Enterprise Corp.	2,601,191	2,625,057	2,668,077	212,000	2,384,643
Kansas, Inc.	406,678	441,414	446,585	366,002	--
Kansas Lottery	21,859,845	20,957,500	20,509,700	--	19,966,900
Kansas Racing & Gaming Commission	4,017,834	4,567,735	4,576,241	133,234	4,709,475
Department of Revenue	73,479,903	72,952,213	74,543,090	1,004,996	70,356,211
Board of Tax Appeals	1,923,880	1,838,319	1,856,927	36,000	1,546,993
Abstracters' Board of Examiners	16,668	20,285	20,683	--	19,463
Board of Accountancy	176,206	189,663	243,696	--	229,318
Banking Department	4,919,826	5,654,803	6,160,523	--	5,677,154
Board of Barbering	130,063	113,266	131,856	--	108,200
Behavioral Sciences Regulatory Board	463,089	517,271	528,004	--	492,147
Board of Cosmetology	601,809	661,161	689,737	--	646,361
Department of Credit Unions	801,288	850,554	872,750	--	821,258
Kansas Dental Board	299,331	327,208	336,365	--	316,519
Governmental Ethics Commission	532,520	555,420	578,513	--	558,660
Board of Healing Arts	1,980,522	2,058,350	2,173,024	45,512	2,044,816
Hearing Aid Board of Examiners	14,610	19,222	19,875	--	18,702
Board of Mortuary Arts	201,360	216,514	226,841	--	213,457
Board of Nursing	1,308,699	1,459,832	1,410,203	200,000	1,327,001
Board of Examiners in Optometry	86,477	106,777	111,917	--	104,373
Board of Pharmacy	506,652	581,497	577,376	41,351	582,222
Real Estate Appraisal Board	201,402	207,855	235,323	--	221,439
Kansas Real Estate Commission	611,450	714,473	755,704	--	711,117
Office of the Securities Commissioner	2,026,187	2,132,996	2,177,303	--	2,048,842
Board of Technical Professions	474,073	555,193	544,905	--	512,756
Board of Veterinary Examiners	288,642	276,429	278,651	--	239,223
Office of the Governor	1,650,123	2,242,582	1,685,869	--	1,945,535
Office of the Lieutenant Governor	121,052	132,628	118,228	--	112,093
Attorney General	9,324,031	8,794,001	8,986,091	--	7,627,215
Insurance Department	9,898,231	10,349,401	10,466,462	--	9,852,705
Secretary of State	3,479,366	3,266,752	3,642,731	--	3,554,695
State Treasurer	3,359,214	3,664,906	3,771,794	--	3,692,298
Legislative Coordinating Council	865,342	706,770	721,351	--	687,365
Legislature	11,972,778	12,014,919	12,493,419	--	12,580,270
Legislative Research Department	2,361,679	2,605,575	2,626,778	--	2,440,921
Legislative Division of Post Audit	1,710,975	1,821,099	1,815,944	--	1,752,139
Revisor of Statutes	2,355,451	2,474,748	2,448,345	--	2,385,856
Judiciary	88,130,855	94,762,641	96,674,708	3,082,080	91,319,093
Judicial Council	328,332	309,199	318,904	12,787	309,106
Total--General Government	\$ 356,709,181	\$ 367,725,837	\$ 371,198,189	\$ 6,828,973	\$ 347,598,648
Human Resources					
Social & Rehabilitation Services	305,231,437	289,256,537	298,039,813	908,100	291,015,363
Kansas Neurological Institute	24,810,949	23,985,714	24,245,416	--	24,245,416
Larned State Hospital	30,853,585	32,493,521	33,222,196	1,847,313	34,811,915
Osawatomie State Hospital	20,663,722	20,026,432	22,973,416	--	19,653,172

Schedule 3.1--Expenditures from All Funding Sources for State Operations by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Human Resources Cont'd					
Parsons State Hospital & Training Center	20,430,092	20,013,096	20,359,666	--	20,359,666
Rainbow Mental Health Facility	6,608,031	6,676,212	--	--	6,819,608
Subtotal--SRS	\$ 408,597,816	\$ 392,451,512	\$ 398,840,507	\$ 2,755,413	\$ 396,905,140
Department on Aging	11,261,332	9,326,763	9,484,863	--	14,392,534
Health & Environment--Health	53,397,547	60,447,071	53,960,386	9,451,704	46,315,077
Department of Human Resources	58,602,241	57,403,930	55,845,516	--	55,805,481
Commission on Veterans' Affairs	12,234,088	12,856,749	13,176,962	685,392	13,191,379
Kansas Guardianship Program	1,106,908	998,297	1,054,349	90,364	1,000,506
Total--Human Resources	\$ 545,199,932	\$ 533,484,322	\$ 532,362,583	\$ 12,982,873	\$ 527,610,117
Education					
Department of Education	20,685,581	25,065,709	22,877,090	1,473,000	22,877,090
School for the Blind	4,888,198	4,821,782	4,832,411	578,333	4,628,167
School for the Deaf	7,581,247	7,713,549	7,521,178	417,938	7,158,443
Subtotal--Department of Education	\$ 33,155,026	\$ 37,601,040	\$ 35,230,679	\$ 2,469,271	\$ 34,663,700
Board of Regents	10,528,130	15,591,434	40,642,583	37,965,448	19,146,824
Emporia State University	51,030,647	51,379,415	52,410,233	--	51,236,080
Fort Hays State University	53,672,290	53,789,430	54,784,585	--	53,562,712
Kansas State University--Main Campus	251,851,296	245,682,718	250,142,507	--	246,104,140
Kansas State University--ESARP	99,908,947	97,479,081	99,599,150	--	97,705,818
Kansas State University--Vet Med	23,397,098	27,841,168	24,974,783	--	24,599,816
University of Kansas	355,688,914	334,410,052	338,605,207	--	333,437,966
Pittsburg State University	56,124,933	57,619,812	58,680,308	--	57,388,286
University of Kansas Medical Center	198,614,208	197,298,243	201,350,638	--	196,358,479
Wichita State University	133,858,011	136,030,289	138,351,648	--	135,834,181
Subtotal--Regents	\$1,234,674,474	\$1,217,121,642	\$1,259,541,642	\$ 37,965,448	\$1,215,374,302
Kansas Arts Commission	498,766	531,683	537,159	57,157	537,159
Historical Society	7,200,481	6,690,700	6,919,655	331,000	6,681,732
State Library	2,209,444	2,192,059	2,212,502	91,000	2,146,152
Total--Education	\$1,277,738,191	\$1,264,137,124	\$1,304,441,637	\$ 40,913,876	\$1,259,403,045
Public Safety					
Department of Corrections	79,070,533	80,423,721	82,538,878	5,238,789	80,466,334
El Dorado Correctional Facility	20,433,665	20,392,090	21,159,443	--	20,825,731
Ellsworth Correctional Facility	9,207,914	10,291,357	10,658,452	--	10,536,835
Hutchinson Correctional Facility	24,194,933	23,942,352	25,000,596	--	24,425,912
Lansing Correctional Facility	32,342,916	32,074,915	33,069,872	93,000	32,539,719
Larned Correctional Mental Health Facility	7,645,874	7,718,130	8,028,599	--	7,909,042
Norton Correctional Facility	12,026,277	12,105,323	12,509,493	--	12,325,073
Topeka Correctional Facility	10,680,864	11,118,332	11,382,845	--	11,233,969
Winfield Correctional Facility	9,888,010	9,767,172	10,114,792	--	9,987,045
Subtotal--Corrections	\$ 205,490,986	\$ 207,833,392	\$ 214,462,970	\$ 5,331,789	\$ 210,249,660
Juvenile Justice Authority	5,743,327	6,490,785	6,586,327	119,071	6,496,431
Atchison Juvenile Correctional Facility	6,435,153	6,359,927	6,443,003	341,130	6,116,241
Beloit Juvenile Correctional Facility	5,190,406	5,398,749	5,376,931	--	5,114,775
Larned Juvenile Correctional Facility	4,964,196	5,446,597	8,255,833	298,018	7,693,438
Topeka Juvenile Correctional Facility	12,626,805	12,613,923	16,318,750	541,080	13,846,728
Subtotal--Juvenile Justice	\$ 34,959,887	\$ 36,309,981	\$ 42,980,844	\$ 1,299,299	\$ 39,267,613
Adjutant General	22,970,631	21,485,005	21,603,420	803,582	21,553,420
Ombudsman for Corrections	184,889	184,745	189,450	7,500	--
Emergency Medical Services Board	943,384	927,072	781,474	10,000	840,205

Schedule 3.1--Expenditures from All Funding Sources for State Operations by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Public Safety Cont'd					
State Fire Marshal	3,210,640	3,343,472	3,416,952	1,753,486	3,237,477
Highway Patrol	55,351,265	51,356,868	52,396,224	2,371,632	57,588,137
Kansas Bureau of Investigation	19,588,459	19,572,325	18,183,923	1,372,135	17,546,018
Kansas Parole Board	524,961	502,257	521,441	--	486,102
Sentencing Commission	762,097	737,145	774,720	63,291	386,789
Total--Public Safety	\$ 343,987,199	\$ 342,252,262	\$ 355,311,418	\$ 13,012,714	\$ 351,155,421
Agriculture & Natural Resources					
Department of Agriculture	19,276,517	21,602,226	20,183,325	221,853	19,782,736
Animal Health Department	1,957,057	2,575,379	2,406,793	71,124	2,362,165
State Conservation Commission	2,227,678	2,105,967	2,243,032	32,420	2,058,886
Health & Environment--Environment	74,140,395	56,128,975	54,701,076	525,236	54,256,755
Kansas State Fair	3,326,214	4,344,474	4,489,040	203,743	4,492,783
Kansas Water Office	6,846,967	6,110,093	5,878,401	--	5,626,960
Department of Wildlife & Parks	35,622,886	35,714,560	35,063,860	--	35,042,632
Total--Ag. & Natural Resources	\$ 143,397,714	\$ 128,581,674	\$ 124,965,527	\$ 1,054,376	\$ 123,622,917
Transportation					
Kansas Department of Transportation	235,323,955	239,496,731	254,382,688	--	249,702,252
Total--Transportation	\$ 235,323,955	\$ 239,496,731	\$ 254,382,688	\$ --	\$ 249,702,252
State Employee Salary Increase	--	--	--	--	26,907,000
Savings from Death & Disability Moratorium	--	(6,123,070)	--	--	(21,144,360)
Savings from Dues & Subscriptions	--	--	--	--	(250,000)
Total Expenditures	\$2,902,356,172	\$2,869,554,880	\$2,942,662,042	\$ 74,792,812	\$2,864,605,040

Schedule 3.2--Expenditures from the State General Fund for State Operations by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Department of Administration	19,417,631	19,694,282	20,391,986	--	13,283,355
Kansas Human Rights Commission	1,421,091	1,403,350	1,414,096	106,012	1,333,830
Board of Indigents' Defense Services	15,205,871	15,577,051	14,533,988	1,356,782	14,218,312
Kansas Public Employees Retirement Sys.	10,623	--	--	--	--
Department of Commerce & Housing	--	--	--	--	--
Department of Revenue	34,797,343	31,261,742	33,923,649	462,220	25,213,302
Board of Tax Appeals	1,915,645	1,823,819	1,842,427	36,000	1,232,493
Governmental Ethics Commission	402,927	438,295	459,124	--	435,699
Office of the Governor	1,650,123	2,040,477	1,685,869	--	1,599,031
Office of the Lieutenant Governor	121,052	132,628	118,228	--	112,093
Attorney General	6,012,698	5,262,951	5,213,157	--	4,200,785
Secretary of State	1,781,304	1,631,075	1,722,743	--	834,707
State Treasurer	1,463,800	1,483,788	1,555,041	--	--
Legislative Coordinating Council	865,342	706,770	721,351	--	687,365
Legislature	11,874,909	11,846,966	12,362,419	--	12,449,270
Legislative Research Department	2,361,679	2,605,575	2,626,778	--	2,440,921
Legislative Division of Post Audit	1,710,969	1,821,099	1,815,944	--	1,752,139
Revisor of Statutes	2,355,451	2,474,748	2,448,345	--	2,385,856
Judiciary	79,488,273	80,851,466	87,047,977	2,995,661	80,827,070
Judicial Council	233,162	186,123	195,963	12,787	--
Total--General Government	\$ 183,089,893	\$ 181,242,205	\$ 190,079,085	\$ 4,969,462	\$ 163,006,228
Human Resources					
Social & Rehabilitation Services	93,026,024	91,044,683	97,048,846	737,154	92,968,300
Kansas Neurological Institute	9,174,403	8,876,907	9,764,864	--	9,764,864
Larned State Hospital	9,999,209	12,062,205	23,937,967	1,847,313	25,527,686
Osawatomie State Hospital	6,270,181	5,284,169	9,302,527	--	8,223,147
Parsons State Hospital & Training Center	6,481,585	6,142,188	6,866,864	--	6,866,864
Rainbow Mental Health Facility	433,101	587,613	--	--	3,867,158
Subtotal--SRS	\$ 125,384,503	\$ 123,997,765	\$ 146,921,068	\$ 2,584,467	\$ 147,218,019
Department on Aging	4,925,355	4,473,987	4,397,024	--	4,646,960
Health & Environment--Health	12,017,009	10,419,204	11,268,820	4,408,332	7,239,214
Department of Human Resources	1,722,334	1,990,349	1,654,627	--	1,654,627
Commission on Veterans' Affairs	3,998,054	4,296,134	5,013,187	685,392	4,723,604
Kansas Guardianship Program	1,106,908	998,297	1,054,349	90,364	1,000,506
Total--Human Resources	\$ 149,154,163	\$ 146,175,736	\$ 170,309,075	\$ 7,768,555	\$ 166,482,930
Education					
Department of Education	9,005,551	8,776,527	8,919,627	1,313,000	8,919,627
School for the Blind	4,513,542	4,377,205	4,447,982	578,333	4,223,738
School for the Deaf	7,243,708	7,089,885	7,198,883	417,938	6,836,148
Subtotal--Department of Education	\$ 20,762,801	\$ 20,243,617	\$ 20,566,492	\$ 2,309,271	\$ 19,979,513
Board of Regents	3,716,618	3,690,861	24,409,938	37,944,770	2,914,179
Emporia State University	30,489,104	29,229,851	30,404,004	--	29,229,851
Fort Hays State University	31,776,699	30,179,531	31,401,404	--	30,179,531
Kansas State University--Main Campus	106,656,151	100,901,836	104,940,203	--	100,901,836
Kansas State University--ESARP	48,960,517	46,456,360	48,349,692	--	46,456,360
Kansas State University--Vet Med	10,017,352	9,545,175	9,920,142	--	9,545,175
University of Kansas	136,467,193	131,222,584	136,384,825	--	131,222,584
Pittsburg State University	32,671,230	31,383,399	32,675,421	--	31,383,399
University of Kansas Medical Center	99,107,938	93,162,534	97,154,693	--	93,162,534

Schedule 3.2--Expenditures from the State General Fund for State Operations by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Education Cont'd					
Wichita State University	65,678,184	62,722,788	65,240,255	--	62,722,788
Subtotal--Regents	\$ 565,540,986	\$ 538,494,919	\$ 580,880,577	\$ 37,944,770	\$ 537,718,237
Kansas Arts Commission	335,742	332,002	332,002	57,157	332,002
Historical Society	5,734,704	5,345,661	5,691,257	331,000	5,400,291
State Library	1,509,150	1,439,260	1,459,703	91,000	1,393,353
Total--Education	\$ 593,883,383	\$ 565,855,459	\$ 608,930,031	\$ 40,733,198	\$ 564,823,396
Public Safety					
Department of Corrections	59,362,315	60,014,735	62,304,830	5,238,789	60,289,286
El Dorado Correctional Facility	20,350,855	20,168,433	21,026,632	--	20,692,920
Ellsworth Correctional Facility	9,159,359	10,243,321	10,621,891	--	10,500,274
Hutchinson Correctional Facility	23,784,544	23,712,824	24,723,201	--	24,148,517
Lansing Correctional Facility	32,061,916	31,758,915	32,899,872	93,000	32,369,719
Larned Correctional Mental Health Facility	7,645,020	7,583,060	8,026,570	--	7,907,013
Norton Correctional Facility	11,781,610	11,796,681	12,350,635	--	12,166,215
Topeka Correctional Facility	10,532,764	10,293,956	10,562,724	--	10,198,848
Winfield Correctional Facility	9,751,243	9,582,620	9,927,412	--	9,799,665
Subtotal--Corrections	\$ 184,429,626	\$ 185,154,545	\$ 192,443,767	\$ 5,331,789	\$ 188,072,457
Juvenile Justice Authority	3,955,427	3,163,630	3,342,124	119,071	3,252,228
Atchison Juvenile Correctional Facility	6,206,406	6,113,425	6,194,905	341,130	5,868,143
Beloit Juvenile Correctional Facility	4,969,571	5,161,963	5,136,101	--	4,873,945
Larned Juvenile Correctional Facility	4,649,156	5,061,310	7,791,556	298,018	7,229,161
Topeka Juvenile Correctional Facility	11,921,228	12,103,324	15,818,706	541,080	13,171,684
Subtotal--Juvenile Justice	\$ 31,701,788	\$ 31,603,652	\$ 38,283,392	\$ 1,299,299	\$ 34,395,161
Adjutant General	4,759,311	4,326,610	4,308,120	358,696	4,258,120
Ombudsman for Corrections	167,642	167,906	174,450	7,500	--
Emergency Medical Services Board	763,989	--	--	--	--
Highway Patrol	25,967,085	13,111,909	26,536,996	2,039,508	--
Kansas Bureau of Investigation	12,458,676	11,930,069	12,263,100	1,372,135	11,625,195
Kansas Parole Board	524,961	502,257	521,441	--	486,102
Sentencing Commission	465,578	429,159	448,334	38,271	316,935
Total--Public Safety	\$ 261,238,656	\$ 247,226,107	\$ 274,979,600	\$ 10,447,198	\$ 239,153,970
Agriculture & Natural Resources					
Department of Agriculture	9,969,187	9,385,304	9,912,212	--	9,406,284
Animal Health Department	627,047	572,318	618,715	330,871	574,087
State Conservation Commission	610,469	560,295	592,574	29,796	562,295
Health & Environment--Environment	10,387,401	7,248,232	9,496,863	300,000	9,226,710
Kansas State Fair	132,540	--	538,103	--	538,103
Kansas Water Office	1,375,320	1,283,892	1,372,998	--	1,251,448
Department of Wildlife & Parks	4,241,850	3,155,922	3,340,819	--	3,159,583
Total--Ag. & Natural Resources	\$ 27,343,814	\$ 22,205,963	\$ 25,872,284	\$ 660,667	\$ 24,718,510
State Employee Salary Increase	--	--	--	--	13,500,000
Savings from Death & Disability Moratorium	--	(5,265,070)	--	--	(17,758,360)
Savings from Reduction in Dues & Subs.	--	--	--	--	(250,000)
Total Expenditures	\$1,214,709,909	\$1,157,440,400	\$1,270,170,075	\$ 64,579,080	\$1,153,676,674

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Department of Administration					
Emergency Flood Control	245,195	248,000	248,000	--	248,000
Grants to Public Broadcasting Stations	339,645	376,673	381,254	56,390	374,949
Total--Department of Administration	\$ 584,840	\$ 624,673	\$ 629,254	\$ 56,390	\$ 622,949
Kansas Corporation Commission					
Gas Pipeline Safety Grants	200,800	--	--	--	--
Energy Conservation Grants	789,470	601,195	591,436	--	591,436
Total--Kansas Corp. Commission	\$ 990,270	\$ 601,195	\$ 591,436	\$ --	\$ 591,436
Department of Commerce & Housing					
Housing Assistance Program	3,792,965	--	--	--	--
Community Services Block Grant	5,257,047	5,016,217	5,016,217	--	5,016,217
Emergency Shelter Grant	706,268	827,775	827,775	--	827,775
HOME Program	8,525,644	7,897,350	8,392,637	--	8,367,342
Community Development Block Grant	26,948,228	24,576,224	24,576,224	--	24,576,224
Agriculture Products Development	68,503	80,000	80,000	--	24,251
Weatherization Assistance Program	3,988,639	4,336,114	4,336,114	--	4,336,114
Small Business Development Centers	485,000	414,675	414,675	--	368,500
Training Equipment	277,500	180,000	--	--	--
Community Capacity Building Grants	200,658	187,748	171,342	--	124,475
Kansas Partnership Program	750,000	1,000,000	800,000	--	800,000
School-to-Work Program	4,259,264	1,700,604	--	--	--
Federal Flood Mitigation	90,928	124,500	126,000	--	126,000
State Trust Fund	971,362	1,300,900	1,479,050	--	1,479,050
Total--Dept. of Com. & Housing	\$ 56,322,006	\$ 47,642,107	\$ 46,220,034	\$ --	\$ 46,045,948
Department of Revenue					
Sand Royalty Fund	89,672	73,320	71,691	--	71,691
Co. Treas. Vehicle Licensing Fee Fund	133,525	131,250	131,250	--	131,250
VIPS/CAMA Hardware Fund	7,964	--	--	--	--
Electronic Database Fee Fund	27,427	--	--	--	--
Mineral Production Tax Fund	5,318,610	3,952,000	3,910,000	--	3,910,000
County Drug Tax Fund	1,047,008	700,000	700,000	--	700,000
Total--Department of Revenue	\$ 6,624,206	\$ 4,856,570	\$ 4,812,941	\$ --	\$ 4,812,941
Banking Department					
State Aid	25,000	45,000	45,000	--	45,000
Office of the Governor					
Federal Grants Programs	--	3,628,443	--	--	10,795,469
Attorney General					
Crime Victims Assistance Fund	668,111	595,923	595,923	--	595,923
Child Exchange Visitation Centers	103,133	50,000	100,000	--	--
Violence against Women Fund	1,603,903	728,175	1,456,350	--	--
Drug Free Schools Fund	681,500	351,565	703,130	--	--
Protection from Abuse	943,918	974,812	1,191,812	--	1,191,812
Federal Preventive Health Block Grant	361,209	156,076	312,151	--	--
Family Violence Prevention Services	1,018,717	533,128	1,066,256	--	--
Victims of Crime Act--VRU	3,235,202	1,809,500	3,619,000	--	--
Total--Attorney General	\$ 8,615,693	\$ 5,199,179	\$ 9,044,622	\$ --	\$ 1,787,735
Insurance Department					
Senior Health Insurance Counseling	77,640	68,200	68,200	--	68,200
Firefighters' Associations Grants	6,628,779	6,000,000	6,000,000	--	6,000,000
SHIPMATES Grant	13,333	--	--	--	--
Total--Insurance Department	\$ 6,719,752	\$ 6,068,200	\$ 6,068,200	\$ --	\$ 6,068,200

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
State Treasurer					
Local Ad Valorem Tax Reduction	54,680,691	26,246,722	63,056,000	--	--
Tax Increment Financing	983,836	995,000	1,000,000	--	1,000,000
County & City Revenue Sharing	34,876,349	16,740,646	47,868,000	--	--
Local Alcoholic Liquor Fund	18,300,795	18,450,000	18,500,000	--	18,500,000
Rental of Motor Vehicles Excise Tax	2,973,813	2,850,000	2,850,000	--	2,850,000
Racing Admissions Tax	2,303	2,400	2,500	--	2,500
Kansas Speedway bond Financing	523,680	731,443	731,443	--	731,443
Total--State Treasurer	\$ 112,341,467	\$ 66,016,211	\$ 134,007,943	\$ --	\$ 23,083,943
Judiciary					
Child Welfare Federal Fund	--	35,000	20,000	--	20,000
Dispute Resolution Fund	9,875	20,000	20,000	--	20,000
Permanent Families Account	487,849	480,719	495,439	--	476,718
Total--Judiciary	\$ 497,724	\$ 535,719	\$ 535,439	\$ --	\$ 516,718
Total--General Government	\$ 192,720,958	\$ 135,217,297	\$ 201,954,869	\$ 56,390	\$ 94,370,339
Human Resources					
Social & Rehabilitation Services					
Office of Prevention	1,915,879	675,000	739,860	--	664,860
Child Care Development Grants	337,404	865,750	2,265,750	--	2,265,750
Early Head Start/Head Start	4,596,127	7,589,618	7,889,618	--	7,889,618
Discretionary Grants/ Commun. Funding	853,719	--	--	--	--
Children & Family Services Grants	1,108,661	1,687,549	2,288,072	--	2,288,072
Adoption Independent Living Grants	1,995	--	--	--	--
Children's Cabinet Grants	416,121	3,751,100	3,751,100	--	5,051,100
Com. Devel. Disab. Support Grants	12,055,469	9,574,059	12,292,289	--	10,571,559
Community Mental Health Centers	10,233,297	10,233,297	10,233,297	2,000,000	10,233,297
Devel. Disabilities Council Grants	185,944	584,486	584,486	--	584,486
Independent Living Center Grants	444,217	1,284,738	1,323,988	--	1,323,988
Mental Health Grants	30,185,186	43,695,964	47,387,964	--	45,656,714
Substance Abuse Treatment	8,115,842	--	--	--	--
Children Mental Health--CIF	--	2,000,000	2,000,000	--	2,000,000
School Violence Prevention--CIF	--	228,000	228,000	--	228,000
Refugee Assistance	114,139	385,000	385,000	--	385,000
Rehabilitation Services Grants	2,098,518	3,702,061	3,849,676	--	3,483,130
Miscellaneous Grants	6,422	--	--	--	--
Total--SRS	\$ 72,668,940	\$ 86,256,622	\$ 95,219,100	\$ 2,000,000	\$ 92,625,574
Department on Aging					
Administration	51,871	37,000	37,000	--	--
Program Grants	--	225,000	178,847	--	178,847
Nutrition Grants	8,840,080	9,257,121	9,345,671	--	9,345,671
Total--Department on Aging	\$ 8,891,951	\$ 9,519,121	\$ 9,561,518	\$ --	\$ 9,524,518
Health & Environment--Health					
General Health Programs	5,499,825	4,849,969	5,493,964	--	5,493,964
Primary Health Project	1,516,125	1,520,840	1,520,840	--	1,520,840
Other Federal Aid	83,905	165,750	165,750	--	165,750
Teen Pregnancy Prevention	844,947	744,018	175,560	--	542,250
Pregnancy Maintenance	300,000	75,000	--	--	--
Food Service Inspection	745,640	747,000	747,000	--	747,000
Sexually Trans. Disease Control Proj.	296,304	310,484	310,484	--	310,484
WIC Program	6,660,780	6,130,000	6,130,000	--	6,130,000
Commodity Supplemental Food Program	194,159	295,000	295,000	--	295,000
Mothers & Infants Health Program	2,535,507	2,554,418	2,512,418	--	2,512,418
Childcare Facility Licensure Aid	860,909	850,000	850,000	--	850,000
Healthy Start	250,000	250,000	250,000	--	250,000

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Family Planning/Federal Title X	2,126,868	2,060,033	2,060,033	--	2,060,033
Preventive Health Block Grant	399,121	369,481	353,038	--	353,038
Migrant Health Program	47,933	52,000	52,000	--	52,000
Lead Poisoning and Prevention Program	5,550	81,108	78,991	--	78,991
Federal Tobacco Prevention Aid	370,000	331,831	500,000	--	500,000
Homeland Security Aid	--	5,347,317	--	--	--
AIDS Services/Education	1,524,548	1,375,742	1,175,939	--	1,175,939
District Coroners Fund	281,631	427,500	427,500	--	427,500
Immunization Programs	576,670	722,395	710,403	--	710,403
Infant & Toddler Program	2,485,825	2,371,305	2,492,000	500,000	2,492,000
SIDS Program Network Aid	25,000	25,000	25,000	--	25,000
Child Care & Development Block Grant	3,928,463	3,530,831	3,530,831	--	3,530,831
Total--KDHE--Health	\$ 31,559,710	\$ 35,187,022	\$ 29,856,751	\$ 500,000	\$ 30,223,441
Department of Human Resources					
State Employment Programs	\$ 11,964,099	\$ 11,319,268	\$ 10,529,430	\$ --	\$ 10,426,785
Total--Human Resources	\$ 125,084,700	\$ 142,282,033	\$ 145,166,799	\$ 2,500,000	\$ 142,800,318
Education					
Department of Education					
General State Aid	1,815,231,343	1,796,980,000	1,773,410,456	612,233,110	2,033,304,845
School District Finance Fund	18,471,969	18,300,000	15,000,000	--	15,000,000
Supplemental State Aid	116,569,122	148,427,000	131,158,860	(21,064,000)	155,956,000
Bond & Interest Aid	40,007,915	--	--	--	--
KPERS Employer Contribution	98,391,841	116,747,986	132,713,140	8,224,923	138,940,758
Special Education Services Aid	299,169,340	316,841,845	325,096,836	(251,271,836)	73,825,000
Reward Outstanding Schools	--	--	--	8,000,000	--
Health Insurance	--	--	--	37,145,000	--
Discretionary Grants	--	--	--	25,000	--
Juvenile Detention Grants	5,170,024	5,484,483	5,599,393	910,175	5,599,393
Deaf-Blind Program Aid	107,250	107,350	107,350	--	107,350
In-Service Education Aid	2,592,096	2,600,000	2,600,000	4,900,000	--
School Food Assistance	72,629,419	73,165,896	74,015,896	--	74,015,896
Driver Education Program Aid	1,581,454	1,564,000	1,565,000	--	1,565,000
Alcohol & Drug Abuse Programs	2,687,450	2,750,000	2,750,000	--	2,750,000
Federal Class Size Reduction Initiative	12,790,424	740,000	--	--	--
Federal School Renovation Grants	4,264,062	3,200,000	--	--	--
Goals 2000	936,541	60,000	--	--	--
Ed. Research & Innovative Prog.	5,723,056	5,119,203	4,836,485	--	4,836,485
Elementary & Secondary Ed. Prog.	86,948,663	92,705,000	94,200,000	--	94,200,000
Education for Economic Security Aid	2,581,059	300,000	--	--	--
Community Service Grants	--	400,000	--	--	--
21st Century Community Learning Ctrs.	--	2,000,000	3,700,000	--	3,700,000
Rural & Low Income Schools	--	540,000	--	--	--
Lang Assistance Grants to States	--	1,300,000	1,500,000	--	1,500,000
Federal Reading First Grants	--	5,000,000	5,000,000	--	5,000,000
Improving Teacher Quality	--	20,000,000	20,000,000	--	20,000,000
Miscellaneous Grants	50,000	175,000	175,000	--	305,000
School Safety Hotline	15,340	10,000	10,000	--	10,000
Vocational Education Grants	4,678,850	4,850,000	4,850,000	--	4,850,000
Mentor Teachers	890,800	--	--	2,500,000	--
Teaching Excellence Scholarships	65,265	56,000	56,000	1,379,000	56,000
Department of Education Con't.					
Parent Education	6,736,468	7,139,500	7,139,500	(7,139,500)	7,139,500
School Violence Prevention	474,392	--	--	--	--
Total--Department of Education	\$ 2,598,764,143	\$ 2,626,563,263	\$ 2,605,483,916	\$ 395,841,872	\$ 2,642,661,227

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Board of Regents					
Operating Grant--Washburn University	10,561,191	10,102,336	12,737,930	79,455	10,102,336
Postsecondary Aid for Vocational Ed.	26,966,871	25,630,765	26,489,735	4,300,000	25,630,765
Adult Basic Education	4,244,906	5,011,764	4,689,614	375,395	4,646,862
Technical Equipment	450,000	431,116	446,625	--	424,077
Technical Innovation	161,197	195,658	190,000	--	180,500
Vocational Education Capital Outlay	2,700,000	2,565,000	2,565,000	--	2,565,000
Performance Funding	--	--	13,761,325	--	--
Truck Driver Training	69,954	70,000	70,000	--	70,000
Community College Operating Grant	85,174,486	80,958,169	108,378,652	638,809	80,958,169
Carl Perkins Grant	5,912,603	7,358,929	6,653,626	--	6,653,626
Other Aid	401,683	552,888	552,888	--	552,888
Total--Board of Regents	\$ 136,642,891	\$ 132,876,625	\$ 176,535,395	\$ 5,393,659	\$ 131,784,223
Emporia State University					
Miscellaneous Aid	131,602	131,602	131,602	--	131,602
Pittsburg State University					
Miscellaneous Aid	3,300	--	--	--	--
Kansas State University					
Miscellaneous Aid	912,131	1,157,714	1,063,771	--	1,063,771
Kansas State University--ESARP					
Miscellaneous Aid	325,310	246,221	233,199	--	233,199
University of Kansas Medical Center					
Miscellaneous Aid	2,118,089	--	--	--	--
Subtotal--Regents	\$ 140,133,323	\$ 134,412,162	\$ 177,963,967	\$ 5,393,659	\$ 133,212,795
Kansas Arts Commission					
Arts Grants	1,542,821	1,521,200	1,508,105	63,165	1,427,141
Historical Society					
Historic Preservation Grants	125,581	120,000	120,000	--	120,000
Kansas Humanities Council	84,737	132,140	83,300	--	79,135
Cultural Heritage Center	30,263	29,400	29,400	--	27,930
Lewis & Clark Bicentennial Commiss.	--	235,445	--	--	--
Heritage Trust Fund	745,811	944,000	900,000	--	900,000
Total--Historical Society	\$ 986,392	\$ 1,460,985	\$ 1,132,700	\$ --	\$ 1,127,065
State Library					
Grants to Libraries	4,263,319	3,982,415	4,181,543	2,788,533	3,983,329
Total--Education	\$ 2,745,689,998	\$ 2,767,940,025	\$ 2,790,270,231	\$ 404,087,229	\$ 2,782,411,557
Public Safety					
Department of Corrections					
Conservation Camp	2,247,250	2,202,300	2,202,300	--	2,202,300
Community Corrections	15,288,112	13,416,690	13,559,220	--	13,099,572
Community Re-entry Grant	--	30,000	30,000	--	30,000
Total--Department of Corrections	\$ 17,535,362	\$ 15,648,990	\$ 15,791,520	\$ --	\$ 15,331,872
Juvenile Justice Authority					
Delinquency Prevention Formula Grants	6,000,000	4,900,000	6,000,000	--	5,414,487
Juv. Justice Delinquency Prevent. Grant	1,231,301	1,006,209	1,006,209	--	1,006,209
Juv. Justice Delinquency Trust Fund	490,556	500,000	350,000	--	350,000
Juvenile Accountability Block Grant	2,333,083	2,591,550	2,591,550	--	2,591,550
Juvenile Justice Authority Con't.					
Outcomes Evaluation	--	--	--	500,000	--
Management Information System	130,385	--	--	--	--
Intervention/Graduated Sanctions Grants	4,119,917	4,119,917	4,119,917	500,000	4,119,917
Community Corrections	4,363,872	4,363,872	4,363,872	--	4,363,872

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Case Management	4,997,516	4,997,516	4,997,516	--	4,997,516
Intake & Assessment	4,803,111	3,614,623	4,068,613	1,300,000	4,068,613
Purchase-of-Service	6,483,481	7,795,467	8,564,314	--	8,564,314
Community Vendor Payments	1,965,940	--	--	--	--
Education Grants	46,275	55,000	55,000	--	55,000
Juvenile Detention Facilities	2,668,637	2,600,000	2,600,000	--	2,600,000
Total--Juvenile Justice Authority	\$ 39,634,074	\$ 36,544,154	\$ 38,716,991	\$ 2,300,000	\$ 38,131,478
Adjutant General					
Hazardous Materials (HMEP) Grant	187,230	176,651	176,039	--	176,039
Emergency Mgmt. Disaster Fed. Fund	38,961,289	14,459,586	13,815,794	--	13,815,794
State Emergency Fund	274,479	--	--	--	--
Terrorism Conseq. Mgmt. Fed. Fund	98,890	35,000	31,220	--	31,220
Emerg. Mgmt. Performance Fed. Fund	1,154,296	1,016,427	700,000	--	700,000
Ice Storm Disaster Relief	313,175	4,861,936	967,176	--	680,300
Operating Expenditures	57,756	25,000	14,083	--	14,083
Total--Adjutant General	\$ 41,047,115	\$ 20,574,600	\$ 15,704,312	\$ --	\$ 15,417,436
Kansas Bureau of Investigation					
Federal Aid Payments	1,531,038	1,888,304	1,491,793	--	1,491,793
Sentencing Commission					
Criminal Justice & Law Enforce. Grants	2,711,157	5,598,269	3,622,050	--	340,000
Total--Public Safety	\$ 102,458,746	\$ 80,254,317	\$ 75,326,666	\$ 2,300,000	\$ 70,712,579
Agriculture & Natural Resources					
State Conservation Commission					
Aid to Conservation Districts	1,827,676	1,043,400	1,043,900	--	1,043,900
Watershed Planning	4,774	676,451	633,500	70,500	351,500
Multipurpose Small Lakes	230,000	--	--	1,412,548	--
Total--State Conservation Commiss.	\$ 2,062,450	\$ 1,719,851	\$ 1,677,400	\$ 1,483,048	\$ 1,395,400
Health & Environment--Environment					
Air Pollution Control Program Aid	943,027	1,154,656	1,154,656	--	1,154,656
Waste Management Aid	1,466,478	1,880,000	1,360,000	--	1,360,000
Nonpoint Source Pollution Program Aid	1,178,971	706,900	689,900	--	689,900
LEPP Aid	1,789,764	1,630,236	1,630,236	--	1,630,236
Brownfields Revolving Loan Program	--	100,000	--	--	250,000
Water System Revolving Fund	9,325,000	--	--	--	--
Miscellaneous Aid Programs	48,000	--	--	169,764	--
Total--KDHE--Environment	\$ 14,751,240	\$ 5,471,792	\$ 4,834,792	\$ 169,764	\$ 5,084,792
Department of Wildlife & Parks					
Land and Water Conservation Grants	148,542	200,000	500,000	--	500,000
Shooting Range Development	139,094	150,000	--	--	--
National Recreational Trails Grant	903,669	820,000	820,000	--	820,000
Outdoor Wildlife Learning Sites	38,650	40,000	40,000	--	40,000
Community Lakes Assistance Program	215,645	225,000	225,000	--	225,000
Total--Dept. of Wildlife & Parks	\$ 1,445,600	\$ 1,435,000	\$ 1,585,000	\$ --	\$ 1,585,000
Total--Ag. & Natural Resources	18,259,290	8,626,643	8,097,192	1,652,812	8,065,192
Transportation					
Kansas Department of Transportation					
Connecting Links Payments	2,989,132	3,360,000	3,360,000	--	3,360,000
Kansas Department of Transportation Con't.					
County Equalization Aid Adjustment	2,500,000	2,500,000	2,500,000	--	2,500,000
Special City and County Highway Aid	150,424,132	149,521,533	153,584,222	--	153,584,222
Federal Transit Administration	3,908,690	8,313,306	6,243,333	--	6,243,333
Federal Highway Safety	1,491,657	2,339,000	2,707,000	--	2,707,000

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Rail Administration	320	--	--	--	--
Metropolitan Transportation Planning	1,490,476	1,122,600	1,238,260	--	1,238,260
Coordinated Public Transportation--Fed.	872,850	--	--	--	--
Rail Grants	2,000,000	1,900,000	1,285,000	--	1,285,000
State Coordinated Public Transportation	7,228,363	6,512,891	5,731,862	--	5,731,862
Aviation Grants	2,730,023	3,000,000	3,000,000	--	3,000,000
Other Miscellaneous State Aid	342,343	--	--	--	--
Total--Dept. of Transportation	\$ 175,977,986	\$ 178,569,330	\$ 179,649,677	\$ --	\$ 179,649,677
Total--Transportation	\$ 175,977,986	\$ 178,569,330	\$ 179,649,677	\$ --	\$ 179,649,677
Total--Aid to Local Governments	\$3,360,191,678	\$3,312,889,645	\$3,400,465,434	\$ 410,596,431	\$3,278,009,662

Schedule 4.2--Expenditures from the State General Fund for Aid to Local Governments

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Department of Administration					
Grants to Public Broadcasting Stations	339,645	376,673	381,254	56,390	374,949
Total--General Government	\$ 339,645	\$ 376,673	\$ 381,254	\$ 56,390	\$ 374,949
Human Resources					
Social & Rehabilitation Services					
Office of Prevention	156,174	--	--	--	--
Children & Family Services Grants	733,245	859,154	1,459,677	--	1,459,677
Adoption Independent Living Grants	399	--	--	--	--
Children's Cabinet Grants	--	211,800	211,800	--	211,800
Com. Devel. Disab. Support Grants	7,575,863	9,891,344	12,292,289	--	10,739,744
Community Mental Health Centers	10,233,297	10,233,297	10,233,297	--	10,233,297
Independent Living Center Grants	11,155	6,781	46,031	--	46,031
Mental Health Grants	18,949,803	24,484,219	30,502,456	2,000,000	28,780,996
Substance Abuse Treatment	381,385	--	--	--	--
Rehabilitation Services Grants	505,377	737,621	838,812	--	706,144
Services for the Blind	642	--	--	--	--
Total--SRS	\$ 38,547,340	\$ 46,424,216	\$ 55,584,362	\$ 2,000,000	\$ 52,177,689
Department on Aging					
Administration	12,000	37,000	37,000	--	--
Nutrition Grants	2,316,847	2,181,960	2,270,510	--	2,270,510
Total--Department on Aging	\$ 2,328,847	\$ 2,218,960	\$ 2,307,510	\$ --	\$ 2,270,510
Health & Environment--Health					
General Health Programs	5,336,681	5,145,090	5,192,635	--	5,629,975
Primary Health Project	1,520,840	1,520,840	1,520,840	--	1,520,840
Family Planning	98,573	98,880	98,880	--	98,880
Teen Pregnancy Prevention	562,732	563,312	563,312	--	613,357
Pregnancy Maintenance	300,000	75,000	--	--	--
Infant & Toddler Program	1,992,000	1,871,305	1,992,000	500,000	1,871,305
SIDS Program Network Grant	25,000	25,000	25,000	--	25,000
Total--KDHE--Health	\$ 9,835,826	\$ 9,299,427	\$ 9,392,667	\$ 500,000	\$ 9,759,357
Department of Human Resources					
State Employment Programs	325,895	519,268	329,430	--	226,785
Total--Human Resources	\$ 51,037,908	\$ 58,461,871	\$ 67,613,969	\$ 2,500,000	\$ 64,434,341
Education					
Department of Education					
General State Aid	1,810,731,343	1,792,480,000	1,768,910,456	608,508,110	2,027,579,845
Supplemental State Aid	116,569,122	148,427,000	131,158,860	(21,064,000)	155,956,000
Bond & Interest Aid	40,007,915	--	--	--	--
KPERS Employer Contribution	98,391,841	116,747,986	132,713,140	8,224,923	138,940,758
Special Education Services Aid	242,678,561	249,791,845	250,046,836	(250,046,836)	--
Reward Outstanding Schools	--	--	--	8,000,000	--
Health Insurance	--	--	--	37,145,000	--
Discretionary Grants	--	--	--	25,000	130,000
Juvenile Detention Grants	5,170,024	5,484,483	5,599,393	910,175	5,599,393
Teaching Excellence Scholarships	65,265	56,000	56,000	1,379,000	56,000
Deaf-Blind Program Aid	107,250	107,350	107,350	--	107,350
In-Service Education Aid	2,592,096	2,600,000	2,600,000	4,900,000	--
School Safety Hotline	15,340	10,000	10,000	--	10,000
School Food Assistance	2,365,896	2,365,896	2,365,896	--	2,365,896

Schedule 4.2--Expenditures from the State General Fund for Aid to Local Governments

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Department of Education Con't.					
Mentor Teachers	890,800	--	--	2,500,000	--
Parent Education	4,236,478	4,639,500	4,639,500	(4,639,500)	4,639,500
Total--Department of Education	\$2,323,821,931	\$2,322,710,060	\$2,298,207,431	\$ 395,841,872	\$2,335,384,742
Board of Regents					
Washburn Operating Grant	10,561,191	10,102,336	12,737,930	79,455	10,102,336
Postsecondary Aid for Vocational Ed.	20,083,890	19,486,488	20,345,458	4,300,000	15,299,515
Adult Basic Education	1,100,000	1,048,998	1,091,750	375,395	1,048,998
Technical Equipment	450,000	431,116	446,625	--	424,077
Performance Funding	--	--	13,761,325	--	--
Community College Operating Grant	85,174,486	80,958,169	108,378,652	638,809	80,958,169
Total--Board of Regents	\$ 117,369,567	\$ 112,027,107	\$ 156,761,740	\$ 5,393,659	\$ 107,833,095
Pittsburg State University					
Miscellaneous Aid	3,300	--	--	--	--
Kansas Arts Commission					
Arts Grants	1,314,363	1,175,348	1,237,412	63,165	1,156,448
Historical Society					
Heritage Funds	30,263	73,400	29,400	--	27,930
Lewis & Clark Bicentennial	--	240,445	--	--	--
Kansas Humanities Council	84,737	127,140	83,300	--	79,135
Total--Historical Society	\$ 115,000	\$ 440,985	\$ 112,700	\$ --	\$ 107,065
State Library					
Grants to Libraries	3,871,935	3,517,815	3,716,943	2,788,533	3,518,729
Total--Education	\$2,446,496,096	\$2,439,871,315	\$2,460,036,226	\$ 404,087,229	\$2,448,000,079
Public Safety					
Department of Corrections					
Conservation Camp	2,247,250	2,202,300	2,202,300	--	2,202,300
Community Corrections	15,279,612	13,416,690	13,559,220	--	13,099,572
Total--Department of Corrections	\$ 17,526,862	\$ 15,618,990	\$ 15,761,520	\$ --	\$ 15,301,872
Juvenile Justice Authority					
Management Information System	130,385	--	--	--	--
Intervention/Graduated Sanctions Grants	4,119,917	4,119,917	4,119,917	500,000	4,119,917
Incentive Block Grants	44,803	--	--	--	--
Community Corrections	4,363,872	4,363,872	4,363,872	--	4,363,872
Case Management	4,997,516	4,797,516	4,797,516	--	4,797,516
Intake & Assessment	2,803,111	415,732	2,068,613	--	483,100
Purchase-of-Service	3,792,623	3,255,490	3,223,026	--	3,223,026
Community Vendor Payments	1,965,940	--	--	--	--
Total--Juvenile Justice Authority	\$ 22,218,167	\$ 16,952,527	\$ 18,572,944	\$ 500,000	\$ 16,987,431
Adjutant General					
Operating Expenditures	57,756	25,000	14,083	--	14,083
Disaster Relief-Ice Storm	313,175	4,861,936	967,176	--	680,300
Total--Adjutant General	\$ 370,931	\$ 4,886,936	\$ 981,259	\$ --	\$ 694,383
Total--Public Safety	\$ 40,115,960	\$ 37,458,453	\$ 35,315,723	\$ 500,000	\$ 32,983,686
Agriculture & Natural Resources					
Conservation Commission					
Aid to Conservation Districts	788,776	--	--	--	--
Total--Ag. & Natural Resources	\$ 788,776	\$ --	\$ --	\$ --	\$ --

Schedule 4.2--Expenditures from the State General Fund for Aid to Local Governments

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Transportation					
Kansas Department of Transportation					
Special County & City Highway Aid	--	--	11,200,000	--	--
Total--Transportation	\$ --	\$ --	\$ 11,200,000	\$ --	\$ --
Total--Aid to Local Governments	\$2,538,778,385	\$2,536,168,312	\$2,574,547,172	\$ 407,143,619	\$2,545,793,055

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Department of Administration					
Canceled Warrant Payments	130,496	139,610	139,610	--	139,610
Earned Interest on Federal Funds	438,660	700,000	800,000	--	800,000
Public TV Digital Conversion Debt	380,238	450,000	479,282	--	479,282
Grants to Public Broadcasting Stations	1,831,612	1,581,296	1,576,715	296,046	1,485,122
Public Broadcasting Capital Projects	--	114,099	--	--	--
Miscellaneous	1,726	--	--	--	--
Total--Department of Administration	\$ 2,782,732	\$ 2,985,005	\$ 2,995,607	\$ 296,046	\$ 2,904,014
Kansas Corporation Commission					
Utility Related Grants	275,705	--	--	--	--
Board of Indigents' Defense Services					
Legal Services for Prisoners	400	--	--	--	--
Health Care Stabilization					
Health Care Stabilization Fund	23,020,774	25,656,317	25,656,317	--	25,656,317
Department of Commerce & Housing					
Trade Show Assistance	278,649	132,000	110,000	--	38,852
KIT and KIR Programs	3,496,073	3,600,000	3,380,760	--	3,186,366
IMPACT	7,760,000	7,715,000	8,565,000	--	8,565,000
Certified Development Companies	400,000	342,000	342,000	--	304,500
Travel Information Centers	1,781	--	--	--	--
Housing Assistance Program	7,878,748	30,100,000	32,000,000	--	32,000,000
Attraction Development Grants	1,090,669	804,000	680,925	--	526,882
State Housing Fund	--	866,000	866,000	--	866,000
Eisenhower Museum Grant	199,380	188,325	--	--	--
Greyhound Tourism Grants	50,824	53,103	53,103	--	53,103
Economic Opportunity Initiatives Fund	4,842,500	3,581,658	3,081,788	--	2,975,000
Main Street Development	294,390	216,000	206,574	--	206,574
Agriculture Products Development	100,374	525,129	599,000	--	599,000
Existing Industry Expansion Program	724,144	745,470	440,255	--	423,246
Claims	2,126	--	--	--	--
Total--Dept. of Com. & Housing	\$ 27,119,658	\$ 48,868,685	\$ 50,325,405	\$ --	\$ 49,744,523
Kansas Technology Enterprise Corporation					
Innovative Research Grants	57,000	--	--	--	--
Applied Research Matching Grants	748,016	1,649,473	1,428,683	450,000	1,354,699
Graduate Intern Program	30,000	--	--	--	--
Center of Excellence Grants	4,350,000	3,374,387	2,936,256	615,959	2,656,214
MAMTC	2,960,870	3,682,074	3,576,538	292,477	3,576,538
EPSCoR	2,284,921	3,062,167	2,664,575	284,041	2,664,575
Special Projects	36,387	--	--	--	--
Commercialization Grants	1,420,000	1,593,356	1,386,474	600,000	1,317,151
Total--KTEC	\$ 11,887,194	\$ 13,361,457	\$ 11,992,526	\$ 2,242,477	\$ 11,569,177
Kansas Lottery					
Royalty Payments	115,500	--	--	--	--
Prize Money & Commission Payments	29,050,944	39,013,237	40,244,957	--	40,244,957
Total--Kansas Lottery	\$ 29,166,444	\$ 39,013,237	\$ 40,244,957	\$ --	\$ 40,244,957
Kansas Racing & Gaming Commission					
Horse Breeding Development	473,571	473,000	473,000	--	473,000

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Greyhound Breeding Development	458,252	396,000	396,000	--	396,000
Kansas Racing & Gaming Commission Con't.					
County Fair Benefit Funds	918,907	773,000	773,000	--	773,000
Total--Racing & Gaming Comm.	\$ 1,850,730	\$ 1,642,000	\$ 1,642,000	\$ --	\$ 1,642,000
Department of Revenue					
KS Qualified Ethyl Producer Fund	2,617,473	3,500,000	3,500,000	--	3,500,000
Other Assistance	474	--	--	--	--
Total--Department of Revenue	\$ 2,617,947	\$ 3,500,000	\$ 3,500,000	\$ --	\$ 3,500,000
Banking Department					
Claims	17,500	--	--	--	--
Attorney General					
Tort Claims	974,177	1,000,000	1,000,000	--	1,000,000
Victims of Crime Fund	682,686	1,250,000	1,250,000	--	1,250,000
Crime Victims Compensation	2,279,055	1,500,000	1,500,000	--	1,500,000
Total--Attorney General	\$ 3,935,918	\$ 3,750,000	\$ 3,750,000	\$ --	\$ 3,750,000
Human Rights Comission					
Claims	2,500	--	--	--	--
Insurance Department					
Workers Compensation	3,268,073	3,000,000	3,500,000	--	2,500,000
Treasurer					
Unclaimed Property	8,456,827	9,000,000	9,200,000	--	9,200,000
Judiciary					
Client Protection Fund	42,664	--	--	--	--
Dispute Resolution Fund	--	4,700	--	--	--
Access to Justice Fund	1,029,134	1,063,302	1,120,066	--	990,606
Total--Judiciary	\$ 1,071,798	\$ 1,068,002	\$ 1,120,066	\$ --	\$ 990,606
Total--General Government	\$ 115,474,200	\$ 151,844,703	\$ 153,926,878	\$ 2,538,523	\$ 151,701,594
Human Resources					
Social & Rehabilitation Services					
Prevention Grants	1,044,320	--	--	--	--
Child Care Grants	1,190,342	--	--	--	--
Children's Cabinet Grants	2,758,171	--	--	--	--
Adoption Contract	28,156,398	33,561,332	35,311,017	--	34,421,790
Permanent Guardianship	134,846	250,000	250,000	--	250,000
Adoption Support	17,098,665	17,881,472	17,881,472	--	17,881,472
Independent Living Grants--Adoption	111,014	1,118,155	1,283,836	--	1,283,836
Dicretionary Grants for Children	507,540	2,600,000	2,600,000	--	2,600,000
Early Head Start	2,643,500	--	--	--	--
Family Preservation	10,554,275	9,593,118	11,449,572	1,520,000	9,964,083
Foster Care Contract	91,940,259	88,003,683	94,324,669	1,200,000	87,192,502
Grants for Children and Families	5,732,906	3,375,728	3,389,506	--	3,389,506
Juvenile Justice Authority Services	12,062,179	9,522,000	9,522,000	--	9,522,000
Alcohol and Drug Abuse Programs	7,244,078	19,892,514	20,428,143	--	20,428,143
HCBS/DD Waiver	189,467,567	192,216,298	195,204,826	10,189,000	205,172,612
Head Injured Waiver	3,883,033	5,916,504	5,962,500	--	5,962,500
Community Support Grants	7,854,503	7,628,967	7,628,108	--	3,628,108
Indpendent Living Support	866,722	--	--	--	--
Intermediate Care Facilities--MR	23,031,794	19,948,470	18,948,470	1,350,000	16,953,622

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
HealthWave	43,187,925	45,925,940	46,254,590	12,025,000	56,991,390
Nursing Facilities/Mental Health	14,174,179	13,656,360	14,291,000	--	13,100,000
Social & Rehabilitation Services Con't.					
HCBS/Physically Disabled Waiver	60,528,213	57,102,769	61,155,777	5,000,000	58,185,610
Regular Medical Assistance	824,590,018	919,165,057	996,189,042	76,195,578	1,041,068,083
Technology Assistance Waiver	121,642	154,000	97,000	57,000	211,000
Mental Health Grants	12,426,267	--	--	--	--
HCBS Autism Waiver	--	--	--	1,000,000	--
Services for the Blind	39,958	76,616	88,226	--	75,554
Child Care Assistance	50,815,600	55,359,259	61,141,777	--	61,141,777
Child Support Pass-Through	69,673	100,000	100,000	--	100,000
Disability Determination Services	3,464,857	3,826,466	3,826,466	--	3,826,466
TAF Employment Preparation	8,046,247	10,687,599	12,042,333	--	12,042,333
Food Stamps Employment	8,993	19,800	23,040	--	23,040
Funeral Assistance	460,245	--	--	--	--
General Assistance	5,972,720	6,900,000	8,017,890	--	7,305,261
Low Income Energy Assistance	8,798,169	13,545,135	11,635,935	--	11,635,935
Refugee Assistance	284,923	25,200	26,100	--	26,100
Temporary Assistance to Families	49,031,578	54,598,877	57,493,124	--	59,756,160
Vocational Rehabilitation Program	15,904,677	14,576,702	14,702,314	--	14,702,314
Adult Protective Services	353,317	379,274	422,628	--	422,628
Miscellaneous Grants and Claims	488,490	--	--	--	--
Total--SRS	\$ 1,505,049,803	\$ 1,607,607,295	\$ 1,711,691,361	\$ 108,536,578	\$ 1,759,263,825
State Hospitals					
Claims	14,180	7,700	6,500	--	6,500
Subtotal--SRS	\$ 1,505,063,983	\$ 1,607,614,995	\$ 1,711,697,861	\$ 108,536,578	\$ 1,759,270,325
Department on Aging					
Administration	29,750	4,000	--	--	--
Targeted Case Management	4,535,516	5,043,620	5,236,200	--	5,236,200
Senior Care Act	7,865,402	7,256,678	7,901,715	694,800	6,434,359
Senior Pharmacy Assistance Program	797,000	1,200,000	1,200,000	--	1,200,000
Adult Care Homes	298,201,922	301,771,205	325,611,728	6,008,872	322,000,000
Older Americans Act	4,276,176	4,785,964	4,785,964	--	4,785,964
HCBS/FE	58,223,782	54,274,570	54,274,570	20,727,076	54,274,570
Total--Department on Aging	\$ 373,929,548	\$ 374,336,037	\$ 399,010,177	\$ 27,430,748	\$ 393,931,093
Health & Environment--Health					
Women, Infants, & Children Program	32,699,034	30,000,000	30,000,000	--	30,000,000
Smoking Prevention Grants	500,000	500,000	500,000	8,148,000	500,000
Claims	12,798	--	--	--	--
Small Hospital Grant Funds	--	953,552	--	--	--
Total--KDHE--Health	\$ 33,211,832	\$ 31,453,552	\$ 30,500,000	\$ 8,148,000	\$ 30,500,000
Department of Human Resources					
Employment Security Benefits	341,567,095	335,750,000	265,750,000	--	265,750,000
Employment Training	207,626	210,000	210,000	--	210,000
Other Miscellaneous Grants	409,655	370,000	170,000	--	170,000
Total--Human Resources	\$ 342,184,376	\$ 336,330,000	\$ 266,130,000	\$ --	\$ 266,130,000
Commission on Veterans' Affairs					
Claims	438	338	338	--	338
Total--Human Resources	\$ 2,254,390,177	\$ 2,349,734,922	\$ 2,407,338,376	\$ 144,115,326	\$ 2,449,831,756

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Education					
Department of Education					
School Food Assistance	28,132,111	28,429,590	28,729,590	--	28,729,590
Department of Education Con't.					
Natl. Board Certification Grant to ESU	90,000	--	--	--	--
Future Teacher Academy	65,000	--	--	--	--
Agriculture in the Classroom	35,000	35,000	35,000	(35,000)	--
Challenger Project	50,000	--	--	--	--
Sports Hall of Fame	50,000	--	--	--	--
Special Education	434,111	447,650	457,650	--	457,650
Environmental Education	30,000	--	--	--	--
Teaching Excellence Scholarships	55,200	54,000	54,000	46,000	54,000
Optometric Assoc. Vision Study	300,000	300,000	300,000	--	300,000
Communities in Schools	50,000	50,000	50,000	--	50,000
Driver Education	13,706	15,000	15,000	--	15,000
Elementary & Secondary Ed. Prog.	896,593	870,000	600,000	--	600,000
Goals 2000	20,500	--	--	--	--
Ed. Research & Innovative Prog.	381,000	1,132,000	1,132,000	--	1,132,000
Education Scholarship	--	--	--	1,500,000	--
Discretionary Grants	--	--	--	355,000	--
Total--Department of Education	\$ 30,603,221	\$ 31,333,240	\$ 31,373,240	\$ 1,866,000	\$ 31,338,240
Board of Regents					
State Scholarships	1,344,635	1,294,400	1,344,097	--	1,268,199
Comprehensive Grants Program	11,000,000	11,132,197	11,559,988	1,000,000	11,765,441
Vocational Scholarships	133,500	123,904	128,750	--	126,275
Scholarships for Osteopathic Education	390,000	480,000	480,000	--	480,000
Minority Scholarships	374,928	356,522	370,237	--	335,213
Minority Fellowship Program	56,000	68,000	68,000	--	68,000
Nursing Scholarships	477,370	468,830	478,563	--	473,592
Kansas Work Study	29,115	517,846	538,951	--	528,172
Teachers Scholarship Program	448,412	418,832	433,049	--	396,744
ROTC Reimbursement Program	192,166	184,641	192,166	--	186,401
Optometry Education Program	164,995	120,465	124,968	--	123,818
National Guard Ed. Assistance	--	463,970	229,620	243,342	475,028
KUMC Medical Scholar/Loan Program	--	--	2,166,764	885,996	--
Other Student Financial Assistance	8,680	5,000	5,000	--	5,000
Total--Board of Regents	\$ 14,619,801	\$ 15,634,607	\$ 18,120,153	\$ 2,129,338	\$ 16,231,883
Emporia State University					
Off-Campus Work Study	28,473	34,103	34,103	--	34,103
Basic Opportunity Federal Grants	3,367,613	3,451,803	3,451,803	--	3,451,803
Other Student Financial Assistance	1,533,130	1,635,338	1,628,472	--	1,628,472
Total--Emporia State University	\$ 4,929,216	\$ 5,121,244	\$ 5,114,378	\$ --	\$ 5,114,378
Fort Hays State University					
Education Opportunity Grants	3,945,865	3,945,865	3,945,865	--	3,945,865
Other Student Financial Assistance	1,317,398	1,816,508	1,816,508	--	1,816,508
Total--Fort Hays State University	\$ 5,263,263	\$ 5,762,373	\$ 5,762,373	\$ --	\$ 5,762,373
Kansas State University					
Student Financial Assistance	76,359,352	97,982,538	97,982,538	--	97,982,538
KSU--Veterinary Medical Center					
Student Financial Assistance	18,178	--	--	--	--

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Kansas State University--ESARP					
Student Financial Assistance	1,602,339	--	--	--	--
Pittsburg State University					
Other Student Financial Assistance	6,239,164	5,698,691	5,698,691	--	5,698,691
University of Kansas					
Student Financial Assistance	95,929,658	94,000,000	94,000,000	--	94,000,000
KU Medical Center					
Medical Scholarships	1,774,684	3,146,854	400,000	--	2,566,764
Wichita Resident Stipends	2,811,964	2,832,589	2,832,589	--	2,832,589
Topeka Residency Program	374,116	374,116	374,116	--	374,116
Other Student Financial Assistance	2,575,596	1,390,369	1,366,336	--	1,366,336
Total--KU Medical Center	\$ 7,536,360	\$ 7,743,928	\$ 4,973,041	\$ --	\$ 7,139,805
Wichita State University					
Student Financial Assistance	13,684,951	12,606,676	12,606,676	--	12,606,676
Subtotal--Regents	\$ 226,182,282	\$ 244,550,057	\$ 244,257,850	\$ 2,129,338	\$ 244,536,344
Kansas Arts Commission					
Arts Grants	31,000	31,000	31,000	--	31,000
Historical Society					
Historic Preservation Grants	1,210	--	--	--	--
State Library					
Grants to Libraries	393,542	386,623	386,623	--	386,623
Total--Education	\$ 257,211,255	\$ 276,300,920	\$ 276,048,713	\$ 3,995,338	\$ 276,292,207
Public Safety					
Correctional Institutions					
Claims	7,392	--	--	--	--
Juvenile Justice Authority					
Purchase of Service Assistance	8,986,036	8,785,928	9,156,099	523,283	9,156,099
Adjutant General					
Operating Expenditures	2,638	--	--	--	--
Claims	23,153	4,519	4,519	--	4,519
Grants	1,119,066	66,666	--	--	--
Total--Adjutant General	\$ 1,144,857	\$ 71,185	\$ 4,519	\$ --	\$ 4,519
Emergency Medical Services Board					
Oper. of EMS Regional Councils	77,260	77,500	77,500	--	77,500
Operating Expenditures	240	--	--	--	--
Rural Health Options Grant	2,601	4,500	--	--	--
Total--Emergency Medical Services	\$ 80,101	\$ 82,000	\$ 77,500	\$ --	\$ 77,500
Fire Marshal					
Purchase of Detection Equipment	26,820	25,000	25,000	--	25,000
Grants, Gifts, Donations	17,500	35,350	--	--	--
Hazardous Materials	--	250,000	250,000	--	250,000
Total--Fire Marshal	\$ 44,320	\$ 310,350	\$ 275,000	\$ --	\$ 275,000
Highway Patrol					
Claims	1,914	--	--	--	--
Kansas Bureau of Investigation					
Claims	630	--	--	--	--

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
Total--Public Safety	\$ 10,265,250	\$ 9,249,463	\$ 9,513,118	\$ 523,283	\$ 9,513,118
Agriculture & Natural Resources					
Department of Agriculture					
Other Assistance	4,833	--	--	--	--
Animal Health Department					
Indemnification Payments	23,850	--	--	--	--
State Fair					
Claims	300	291	291	--	291
State Conservation Commission					
Riparian Wetland Program	73,060	394,918	206,499	--	206,499
Water Resource Land Treatment	6,468,651	4,046,158	3,554,310	404,423	3,420,816
Water Rights Purchase	--	--	69,433	--	--
Buffer Initiative	81,809	307,971	307,471	38,663	307,471
Non-Point Source Pollution	399,775	2,431,123	2,141,328	500,000	2,141,328
Total--State Conservation Commiss.	\$ 7,023,295	\$ 7,180,170	\$ 6,279,041	\$ 943,086	\$ 6,076,114
Health & Environment--Environment					
One-Stop Environment Network	--	483,696	--	--	--
Department of Wildlife & Parks					
Other Assistance Grants	171,543	--	--	--	--
Total--Ag. & Natural Resources	\$ 7,223,821	\$ 7,664,157	\$ 6,279,332	\$ 943,086	\$ 6,076,405
Transportation					
Department of Transportation					
Claims	602,396	400,000	400,000	--	400,000
Rail Grant	1,394,353	1,000,000	1,000,000	--	1,000,000
Total--Department of Transportation	\$ 1,996,749	\$ 1,400,000	\$ 1,400,000	\$ --	\$ 1,400,000
Total--Transportation	\$ 1,996,749	\$ 1,400,000	\$ 1,400,000	\$ --	\$ 1,400,000
Total--Other Asst.,Grants & Benefits	\$ 2,646,561,452	\$ 2,796,194,165	\$ 2,854,506,417	\$ 152,115,556	\$ 2,894,815,080

Schedule 5.2--Expenditures from the State General Fund for Other Assistance, Grants, & Benefits by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Department of Administration					
Public TV Digital Conversion Debt	380,238	450,000	479,282	--	479,282
Grants to Public Broadcasting Stations	1,831,612	1,581,296	1,576,715	296,046	1,485,122
Miscellaneous	1,228	--	--	--	--
Total--Department of Administration	\$ 2,213,078	\$ 2,031,296	\$ 2,055,997	\$ 296,046	\$ 1,964,404
Board of Indigents' Defense Services					
Claims	400	--	--	--	--
Department of Commerce & Housing					
Eisenhower Museum Grant	199,380	188,325	--	--	--
Human Rights Comission					
Claims	2,500	--	--	--	--
Department of Revenue					
Claims	283	--	--	--	--
Total--General Government	\$ 2,415,641	\$ 2,219,621	\$ 2,055,997	\$ 296,046	\$ 1,964,404
Human Resources					
Social & Rehabilitation Services					
Prevention Grants	96,077	--	--	--	--
Adoption Contract	15,349,323	15,670,018	16,871,993	--	16,261,271
Adoption Support	8,377,510	8,459,816	8,459,816	--	8,459,816
Independent Living Grants--Adoption	22,203	167,600	220,800	--	220,800
Family Preservation	3,045,555	--	1,243,770	1,520,000	267,909
Foster Care Contract	37,785,517	33,337,435	38,139,332	480,000	33,235,967
JJA Programs	775,113	--	--	--	--
Grants for Children & Families	2,103,604	1,708,136	1,766,859	--	1,260,629
Alcohol and Drug Abuse Programs	2,621,729	2,281,735	2,357,716	--	2,357,716
HCBS/DD Waiver	1,334,693	24,842,697	78,036,472	4,407,320	74,242,406
Head Injured Waiver	548,525	1,349,383	2,370,000	--	2,346,253
Community Support Grants	4,720,494	21,800	21,800	--	--
Independent Living Support	247,314	--	--	--	--
Intermediate Care Facilities--MR	7,062,499	7,992,353	7,593,953	538,515	5,118,252
HealthWave	10,665,023	11,175,340	11,266,968	4,091,526	13,685,963
Nursing Facilities/Mental Health	7,571,642	9,727,425	9,738,589	--	8,927,650
HCBS/Physically Disabled Waiver	457,292	6,217,009	24,329,975	2,000,000	19,615,404
Regular Medical Assistance	270,206,874	311,627,281	341,425,717	28,408,149	352,112,379
HCBS Autism Waiver	--	--	--	1,000,000	--
Technology Assistance Waiver	48,414	38,855	38,855	14,576	60,595
Mental Health Grants	8,921,279	--	--	--	--
Child Care Assistance	14,505,077	14,162,624	15,671,022	--	15,113,822
Disability Determination	11,724	10,440	10,440	--	10,440
Food Stamps Employment Preparation	4,484	9,900	11,520	--	11,520
Funeral Assistance	363,315	--	--	--	--
General Assistance	5,960,000	6,900,000	8,017,890	--	7,305,261
Services for the Blind	4,922	13,202	14,363	--	13,307
Temporary Assistance to Families	30,239,120	29,821,027	30,293,070	--	29,821,028
Vocational Rehabilitation Programs	3,363,383	3,134,971	3,232,695	--	3,232,695
Adult Protective Services	200,471	215,212	239,475	--	239,799
Miscellaneous Grants & Claims	217,362	--	--	--	--
Total--SRS	\$ 436,830,538	\$ 488,884,259	\$ 601,373,090	\$ 42,460,086	\$ 593,920,882

Schedule 5.2--Expenditures from the State General Fund for Other Assistance, Grants, & Benefits by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
State Hospitals					
Claims	11,721	3,295	3,320	--	3,320
Subtotal--SRS	\$ 436,842,259	\$ 488,887,554	\$ 601,376,410	\$ 42,460,086	\$ 593,924,202
Department on Aging					
Administration	25,000	--	--	--	--
Targeted Case Management	1,808,863	2,017,448	2,094,480	--	2,060,445
Senior Care Act	7,865,402	7,256,678	7,901,715	694,800	6,434,359
Adult Care Homes	118,849,913	120,708,482	130,244,691	2,403,549	126,707,000
HCBS/FE	5,020,806	3,062,845	21,709,828	8,290,830	21,357,043
Total--Department on Aging	\$ 133,569,984	\$ 133,045,453	\$ 161,950,714	\$ 11,389,179	\$ 156,558,847
Health & Environment--Health					
Claims	3,069	--	--	--	--
Smoking Prevention Grants	--	--	--	2,202,000	--
Total--KDHE--Health	3,069	--	--	2,202,000	--
Total--Human Resources	\$ 570,415,312	\$ 621,933,007	\$ 763,327,124	\$ 56,051,265	\$ 750,483,049
Education					
Department of Education					
School Food Assistance	144,590	144,590	144,590	--	144,590
Natl. Board Certification Grant to ESU	90,000	--	--	--	--
Future Teacher Academy	65,000	--	--	--	--
Agriculture in the Classroom	35,000	35,000	35,000	(35,000)	--
Challenger Project	50,000	--	--	--	--
Sports Hall of Fame	50,000	--	--	--	--
Special Education	2,605	2,650	2,650	--	2,650
Environmental Education	30,000	--	--	--	--
Teaching Excellence Scholarships	54,000	54,000	54,000	46,000	54,000
Education Scholarship	--	--	--	1,500,000	--
Discretionary Grants	--	--	--	355,000	--
Total--Department of Education	\$ 521,195	\$ 236,240	\$ 236,240	\$ 1,866,000	\$ 201,240
Board of Regents					
State Scholarships	1,268,517	1,219,400	1,269,097	--	1,193,199
Comprehensive Grants Program	10,750,000	10,496,634	10,924,425	1,000,000	10,379,878
Vocational Scholarships	125,000	118,904	123,750	--	121,275
Minority Scholarships	359,569	336,522	350,237	--	315,213
Minority Fellowship Program	56,000	--	--	--	--
Nursing Scholarships	248,563	238,830	248,563	--	243,592
Kansas Work Study	29,115	517,846	538,951	--	528,172
Teachers Scholarship Program	374,277	348,832	363,049	--	326,744
ROTC Reimbursement Program	192,166	184,641	192,166	--	186,401
National Guard Ed. Assistance	--	220,628	229,620	--	225,028
KUMC Medical Scholar/Loan Program	--	--	2,166,764	885,996	--
Optometry Education Program	115,000	110,497	115,000	--	113,850
Other Assistance	8,680	--	--	--	--
Total--Board of Regents	\$ 13,526,887	\$ 13,792,734	\$ 16,521,622	\$ 1,885,996	\$ 13,633,352
Emporia State University					
Other Assistance	1,705	1,705	1,705	--	1,705
Fort Hays State University					
Other Student Assistance	1,650	--	--	--	--
Kansas State University					
Other Assistance	27,748	--	--	--	--

Schedule 5.2--Expenditures from the State General Fund for Other Assistance, Grants, & Benefits by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
KSU Veterinary Medical Center					
Other Student Financial Assistance	1,454	--	--	--	--
Pittsburg State University					
Other Student Financial Assistance	635,537	443,311	443,311	--	443,311
University of Kansas					
Other Student Financial Assistance	331,605	--	--	--	--
KU Medical Center					
Medical Scholarships	1,808,564	2,166,764	--	--	2,166,764
Wichita Resident Stipends	2,546,443	2,832,589	2,832,589	--	2,832,589
Topeka Residency Program	374,116	374,116	374,116	--	374,116
Other Student Financial Assistance	--	943,409	943,409	--	943,409
Total--KU Medical Center	\$ 4,729,123	\$ 6,316,878	\$ 4,150,114	\$ --	\$ 6,316,878
Wichita State University					
Student Financial Assistance	18,094	15,492	15,492	--	15,492
Subtotal--Regents	\$ 19,273,803	\$ 20,570,120	\$ 21,132,244	\$ 1,885,996	\$ 20,410,738
Kansas Arts Commission					
Arts Grants	--	15,500	15,500	--	15,500
State Library					
Grants to Libraries	5,775	5,775	5,775	--	5,775
Total--Education	\$ 19,800,773	\$ 20,827,635	\$ 21,389,759	\$ 3,751,996	\$ 20,633,253
Public Safety					
Correctional Institutions					
Claims	7,392	--	--	--	--
Juvenile Justice Authority					
Purchase of Service Assistance	8,382,878	8,785,928	9,156,099	523,283	9,156,099
Adjutant General					
Operating Expenditures	2,001	--	--	--	--
Claims	5,519	4,519	4,519	--	4,519
Disaster Relief	3,710	--	--	--	--
Ice Storm Disaster	86,756	16,666	--	--	--
Total--Adjutant General	\$ 97,986	\$ 21,185	\$ 4,519	\$ --	\$ 4,519
Emergency Medical Services Board					
Regional Council Grants	77,500	--	--	--	--
Highway Patrol					
Claims	871	--	--	--	--
Kansas Bureau of Investigation					
Other Assistance	630	--	--	--	--
Total--Public Safety	\$ 8,567,257	\$ 8,807,113	\$ 9,160,618	\$ 523,283	\$ 9,160,618
Agriculture & Natural Resources					
State Conservation Commission					
Water Resource Cost-Share	5,192,622	--	--	--	--
Kansas Department of Wildlife & Parks					
Claims	145	--	--	--	--
Total--Ag. & Natural Resources	\$ 5,192,767	\$ --	\$ --	\$ --	\$ --
Total--Other Asst., Grants & Benefits	\$ 606,391,750	\$ 653,787,376	\$ 795,933,498	\$ 60,622,590	\$ 782,241,324

Schedule 6.1--Expenditures from All Funding Sources for Capital Improvements by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Base Budget	FY 2004 Enhance. Pkg.	FY 2004 Gov. Rec.
General Government					
Department of Administration	2,363,902	4,266,157	3,981,752	13,660,278	3,981,752
Department of Commerce & Housing	41,672	--	--	--	--
Insurance Department	261,189	150,000	160,000	--	160,000
Judiciary	--	114,400	251,149	--	114,400
Total--General Government	\$ 2,666,763	\$ 4,530,557	\$ 4,392,901	\$ 13,660,278	\$ 4,256,152
Human Resources					
Social & Rehabilitation Services	3,773,076	4,528,392	6,480,891	--	6,480,891
Kansas Neurological Institute	939,205	--	--	--	--
Larned State Hospital	898,405	--	--	--	--
Osawatomie State Hospital	1,115,678	97,004	--	--	--
Parsons State Hospital & Training Center	509,145	60,763	--	--	--
Rainbow Mental Health Facility	110,142	6,667	--	--	--
Subtotal--SRS	\$ 7,345,651	\$ 4,692,826	\$ 6,480,891	\$ --	\$ 6,480,891
Department of Human Resources	22,274	494,588	383,550	--	383,550
Commission on Veterans' Affairs	3,276,202	9,276,733	8,927,795	1,547,375	7,266,640
Total--Human Resources	\$ 10,644,127	\$ 14,464,147	\$ 15,792,236	\$ 1,547,375	\$ 14,131,081
Education					
School for the Blind	253,707	146,558	123,241	--	123,241
School for the Deaf	603,827	1,100,662	165,000	497,923	564,944
Subtotal--Department of Ed.	\$ 857,534	\$ 1,247,220	\$ 288,241	\$ 497,923	\$ 688,185
Board of Regents	9,004,325	9,360,000	19,805,000	8,000,000	19,805,000
Emporia State University	3,898,712	1,973,927	706,156	348,318	706,156
Fort Hays State University	2,262,464	1,743,032	510,000	239,850	510,000
Kansas State University	11,537,503	7,875,913	9,437,794	1,960,136	11,137,920
Kansas State University--ESARP	1,844,542	17,449,712	4,150,000	--	4,150,000
Kansas State University--Vet. Med.	49,116	--	--	700,000	700,000
Pittsburg State University	3,863,086	16,123,763	1,960,000	2,697,000	3,727,000
University of Kansas	52,445,255	2,919,165	5,535,414	6,928,000	8,335,414
University of Kansas Medical Center	10,619,344	7,787,335	1,100,000	17,346,112	3,912,000
Wichita State University	4,518,330	2,684,851	630,000	490,586	630,000
Subtotal--Regents	\$ 100,042,677	\$ 67,917,698	\$ 43,834,364	\$ 38,710,002	\$ 53,613,490
Historical Society	361,072	269,891	49,000	1,009,922	46,550
Total--Education	\$ 101,261,283	\$ 69,434,809	\$ 44,171,605	\$ 40,217,847	\$ 54,348,225
Public Safety					
Department of Corrections	9,760,030	14,975,879	12,938,503	--	12,938,503
El Dorado Correctional Facility	66,994	15,157	--	--	--
Ellsworth Correctional Facility	770,087	153,000	--	--	--
Hutchinson Correctional Facility	883,729	1,174,555	--	--	218,382
Lansing Correctional Facility	780,828	741,869	--	--	--
Larned Correctional Mental Health Facility	56,731	42,532	--	--	--
Norton Correctional Facility	207,626	65,078	--	1,445,544	--
Topeka Correctional Facility	1,461,603	154,401	--	--	--
Winfield Correctional Facility	142,211	156,952	--	--	--
Subtotal--Corrections	\$ 14,129,839	\$ 17,479,423	\$ 12,938,503	\$ 1,445,544	\$ 13,156,885
Juvenile Justice Authority	9,569,883	5,011,456	3,100,000	2,122,359	3,030,000
Atchison Juvenile Correctional Facility	201,483	--	--	--	--
Beloit Juvenile Correctional Facility	215,815	--	--	--	--
Topeka Juvenile Correctional Facility	851,993	27,333	--	--	--
Subtotal--Juvenile Justice	\$ 10,839,174	\$ 5,038,789	\$ 3,100,000	\$ 2,122,359	\$ 3,030,000

Schedule 6.1--Expenditures from All Funding Sources for Capital Improvements by Agency

	<u>FY 2002 Actual</u>	<u>FY 2003 Gov. Estimate</u>	<u>FY 2004 Base Budget</u>	<u>FY 2004 Enhance. Pkg.</u>	<u>FY 2004 Gov. Rec.</u>
Public Safety Cont'd					
Adjutant General	1,912,400	175,000	215,000	360,000	215,000
Highway Patrol	459,123	806,522	772,940	--	772,940
Kansas Bureau of Investigation	255,236	205,000	210,000	95,000	210,000
Total--Public Safety	\$ 27,595,772	\$ 23,704,734	\$ 17,236,443	\$ 4,022,903	\$ 17,384,825
Agriculture & Natural Resources					
Kansas State Fair	1,131,753	170,500	731,500	6,000	731,500
Department of Wildlife & Parks	6,704,734	12,042,216	6,794,710	--	6,554,710
Total--Agriculture & Natural Resources	\$ 7,836,487	\$ 12,212,716	\$ 7,526,210	\$ 6,000	\$ 7,286,210
Transportation					
Kansas Department of Transportation	743,473,173	1,078,130,805	1,028,964,027	--	1,025,445,847
Total--Transportation	\$ 743,473,173	\$ 1,078,130,805	\$ 1,028,964,027	\$ --	\$ 1,025,445,847
Total Expenditures	\$ 893,477,605	\$ 1,202,477,768	\$ 1,118,083,422	\$ 59,454,403	\$ 1,122,852,340

Schedule 6.2--Expenditures from the State General Fund for Capital Improvements by Agency

	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Gov. Estimate</u>	<u>FY 2004</u> <u>Base Budget</u>	<u>FY 2004</u> <u>Enhance. Pkg.</u>	<u>FY 2004</u> <u>Gov. Rec.</u>
General Government					
Department of Administration	2,257,075	3,360,786	3,690,000	13,660,278	3,690,000
Judiciary	--	114,400	251,149	--	114,400
Total--General Government	\$ 2,257,075	\$ 3,475,186	\$ 3,941,149	\$ 13,660,278	\$ 3,804,400
Human Resources					
Larned State Hospital	3,899	--	--	--	--
Osawatomie State Hospital	593	--	--	--	--
Subtotal--SRS	\$ 4,492	\$ --	\$ --	\$ --	\$ --
Department of Human Resources	--	4,250	10,200	--	10,200
Total--Human Resources	\$ 4,492	\$ 4,250	\$ 10,200	\$ --	\$ 10,200
Education					
School for the Deaf	124	--	--	--	--
Subtotal--Department of Ed.	\$ 124	\$ --	\$ --	\$ --	\$ --
Board of Regents	4,325	--	--	--	--
Emporia State University	--	--	--	348,318	--
Fort Hays State University	68,208	--	--	239,850	--
Kansas State University	286,011	189,446	189,446	--	189,446
Kansas State University--ESARP	183,374	--	--	--	--
Kansas State University--Vet. Med.	2,356	--	--	--	--
Pittsburg State University	127,473	--	--	930,000	--
University of Kansas	1,458,997	--	--	4,128,000	--
University of Kansas Medical Center	163,230	--	--	14,534,112	--
Wichita State University	3,106	--	--	490,586	--
Subtotal--Regents	\$ 2,297,080	\$ 189,446	\$ 189,446	\$ 20,670,866	\$ 189,446
Historical Society	130,967	47,089	49,000	1,009,922	46,550
Total--Education	\$ 2,428,171	\$ 236,535	\$ 238,446	\$ 21,680,788	\$ 235,996
Public Safety					
Department of Corrections	6,548,697	6,686,228	7,027,113	--	7,027,113
Ellsworth Correctional Facility	77,327	15,320	--	--	--
Hutchinson Correctional Facility	--	83,694	--	--	218,382
Norton Correctional Facility	--	--	--	1,445,544	--
Subtotal--Corrections	\$ 6,626,024	\$ 6,785,242	\$ 7,027,113	\$ 1,445,544	\$ 7,245,495
Adjutant General	8,706	175,000	215,000	360,000	215,000
Kansas Bureau of Investigation	219,907	205,000	210,000	95,000	210,000
Total--Public Safety	\$ 6,854,637	\$ 7,165,242	\$ 7,452,113	\$ 1,900,544	\$ 7,670,495
Agriculture & Natural Resources					
Kansas State Fair	--	--	--	6,000	--
Department of Wildlife & Parks	348,995	34,872	--	--	--
Total--Agriculture & Natural Resources	\$ 348,995	\$ 34,872	\$ --	\$ 6,000	\$ --
Transportation					
Kansas Department of Transportation	94,288,021	--	128,000,000	--	--
Total--Transportation	\$ 94,288,021	\$ --	\$ 128,000,000	\$ --	\$ --
Total Expenditures	\$ 106,181,391	\$ 10,916,085	\$ 139,641,908	\$ 37,247,610	\$ 11,721,091

Schedule 7—Federal Receipts by Agency contains federal formula grants and reimbursements to state agencies participating in federally-sponsored programs. The schedule reflects only the amount of federal funding received, not the amount expended. The reason for not presenting a schedule of federal funds expenditures is that, in some cases, they are mingled with state funds so their identity as federal funds is not maintained. An example would be the Department of Transportation's State Highway Fund, which combines federal matching funds with state dollars in a single fund. When expenditures are made from the State Highway Fund, therefore, it is no longer possible to determine whether the funds being spent are federal or state funds.

Schedule 7--Federal Receipts by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Gov. Rec.
General Government			
Department of Administration	245,195	248,000	248,000
Kansas Corporation Commission	1,431,897	2,242,146	1,169,548
Kansas Human Rights Commission	317,119	336,500	336,000
Department of Commerce & Housing	57,505,954	73,852,732	73,513,910
Kansas Technology Enterprise Corp.	2,889,324	--	--
Department of Revenue	21,239	50,000	60,016
Attorney General	8,515,223	8,892,518	9,235,098
Insurance Department	809,135	60,000	--
Judiciary	126,112	112,202	129,656
Total--General Government	\$ 71,861,198	\$ 85,794,098	\$ 84,692,228
Human Resources			
Social & Rehabilitation Services	1,484,213,151	1,867,475,327	1,719,102,965
Kansas Neurological Institute	358,258	357,156	357,156
Department on Aging	11,889,497	13,081,552	12,981,209
Health & Environment	89,233,334	103,024,672	77,026,170
Department of Human Resources	157,215,900	111,570,561	57,741,015
Commission on Veterans' Affairs	3,047,553	12,041,771	8,806,445
Total--Human Resources	\$ 1,745,957,693	\$ 2,107,551,039	\$ 1,876,014,960
Education			
Department of Education	288,327,087	320,533,168	323,888,682
Board of Regents	10,909,487	13,581,376	12,249,889
Emporia State University	5,554,815	5,709,041	5,709,041
Fort Hays State University	6,713,919	6,596,502	6,596,502
Kansas State University	94,273,268	95,149,864	95,149,864
KSU Veterinary Medical Center	56,797	73,959	73,959
Kansas State University--ESARP	36,468,608	23,714,487	21,747,860
Pittsburg State University	6,376,105	5,738,201	5,728,584
University of Kansas	74,857,813	7,280,000	9,680,000
KU Medical Center	39,258,820	39,253,800	39,754,000
Wichita State University	18,080,369	17,860,000	17,860,000
Kansas Arts Commission	473,000	527,300	527,300
Historical Society	542,503	625,000	600,000
State Library	1,563,057	1,544,774	1,571,747
Total--Education	\$ 583,455,648	\$ 538,187,472	\$ 541,137,428
Public Safety			
Department of Corrections	8,214,081	8,900,775	5,880,565
Hutchinson Correctional Facility	41,403	--	--
Topeka Correctional Facility	75,935	43,374	--
Juvenile Justice Authority	4,244,583	5,525,260	5,456,713
Atchison Juvenile Correctional Facility	--	29,404	28,000
Beloit Juvenile Correctional Facility	18,700	11,000	11,000
Adjutant General	59,277,348	33,013,198	32,155,731
Emergency Medical Services Board	141,423	100,000	100,000
Fire Marshal	2,500	--	--
Highway Patrol	2,443,964	2,341,070	2,411,668
Kansas Bureau of Investigation	4,578,850	5,875,658	4,337,316
Sentencing Commission	6,213,138	9,935,068	1,401,852
Total--Public Safety	\$ 85,251,925	\$ 65,774,807	\$ 51,782,845

Schedule 7--Federal Receipts by Agency

	FY 2002 Actual	FY 2003 Gov. Estimate	FY 2004 Gov. Rec.
Agriculture & Natural Resources			
Department of Agriculture	3,017,819	4,169,075	2,287,727
Animal Health Department	--	489,207	267,995
State Conservation Commission	96,500	288,302	293,195
Kansas Water Office	121,731	201,819	--
Department of Wildlife & Parks	9,273,178	8,641,484	9,519,500
Total--Agriculture & Natural Resources	\$ 12,509,228	\$ 13,789,887	\$ 12,368,417
Transportation			
Kansas Department of Transportation	350,302,099	274,685,000	304,404,000
Total--Transportation	\$ 350,302,099	\$ 274,685,000	\$ 304,404,000
Statewide Total	\$ 2,849,337,791	\$ 3,085,782,303	\$ 2,870,399,878

Schedule 8—Current Year Adjustments reconciles the differences between the approved FY 2003 budget, as published in the *Comparison Report* (August 2002) by the Division of the Budget, and the Governor's estimate of revised expenditures for FY 2003, as published in this report. The purpose of the schedule is to track the changes that have occurred since the 2002 Legislature approved the FY 2003 budget.

Since the *Comparison Report* was published, a number of changes have occurred. Revised expenditures reflected in the Governor's recommendations include reappropriations of expenditures from FY 2002 to FY 2003. These reappropriations represent funds approved to be spent prior to FY 2003 under authority granted in legislation. Other changes that have occurred include actions taken by the State Finance Council, actions accomplished through Executive Directive authority of the Governor, internal transfers between a central office and its institutions or between institutions, and recommendations by the Governor to reflect updated information on caseloads or institutional populations, changes in expenditure patterns, new or revised policy directives, or changes in federal grants.

The most significant changes since the 2002 Legislature adjourned is the imposition by the Governor of State General Fund reductions under the Allotment System. Allotment reductions of 2.0 percent were applied to most agencies in August 2002 and another round of reductions of 3.9 percent were applied to most agencies in November 2002.

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
General Government		
Department of Administration		
August Allotment Reduction	(894,241)	(894,241)
November Allotment Reduction	(1,039,484)	(1,039,484)
Out-of-State Travel Reduction	(22,655)	(22,655)
Miscellaneous Operating Expenditures	316,805	491,487
Savings Incentive Expenditures	154,920	154,920
Ongoing Capital Improvements	1,635,541	2,410,597
Federal Cash Management Payment	--	(294,472)
Total--Department of Administration	\$150,886	\$806,152
Kansas Corporation Commission		
Salaries & Wages Adjustment	--	(33,070)
Miscellaneous Operating Expenditures	--	203,422
Total--Kansas Corporation Commission	--	\$170,352
Citizens' Utility Ratepayer Board		
Consulting Fees Adjustments	--	\$41,063
Kansas Human Rights Commission		
August Allotment Reduction	(29,835)	(29,835)
November Allotment Reduction	(57,194)	(57,194)
Out-of-State Travel Reduction	(1,361)	(1,361)
Savings Incentive Expenditures	66,474	66,474
Total--Kansas Human Rights Commission	(\$21,916)	(\$21,916)
Board of Indigents' Defense Services		
Reappropriated Assigned Counsel Expenditures	(89,464)	(89,464)
Supplemental Funding for Death Penalty Defense	702,934	702,934
Supplemental Funding for Assigned Counsel	550,000	550,000
Increase Fee Fund Expenditures	--	104,985
Total--Board of Indigents' Defense Services	\$1,163,470	\$1,268,455
Health Care Stabilization Fund Board of Governors		
Salaries & Wages Adjustments	--	(1,137)
Claims & Administrative Expenditures	--	1,876,804
Total--Health Care Stabilization Fund	--	\$1,875,667
KPERS		
Revised Investment Fee Expenditures	--	(3,901,143)
Revised Imaging Project Expenditures	--	(852,141)
Total--KPERS	--	(\$4,753,284)
Department of Commerce & Housing		
August Allotment Reduction	(4,000)	(391,699)
November Allotment Reduction	(7,675)	(7,675)
Training Equipment Grant	--	180,000
Tourism Advertising	--	303,806
Operating Expenditures Carry-Forward	--	461,073
Sale of Olathe Travel Information Center	--	800,000
Comm. Development Block Grant--Revolving Loan	--	(2,000,000)
Comm. Development Block Grant	--	2,588,844
Federal Housing Assistance Grants	--	(12,745,000)
State Housing Trust Fund	--	1,971,900
Miscellaneous Operating Expenditures	--	1,936,866
Total--Department of Commerce & Housing	(\$11,675)	(\$6,901,885)
Kansas Technology Enterprise Corp.		
August Allotment Reduction	--	(231,938)
Salaries & Wages Adjustments	--	(132,530)

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Kansas Technology Enterprise Corp. Con't.		
Automated Evaluation Process	--	15,349
Mid-America Manufacturing Technology Center Grant Administration	--	843,436
	--	751,427
Total--Kansas Technology Enterprise Corp.	--	\$1,245,744
Kansas, Inc.		
August Allotment Reduction	--	(5,953)
Miscellaneous Operating Expenditures	--	108,588
Total--Kansas, Inc.	--	\$102,635
Kansas Lottery		
Salaries & Wages Adjustments	--	37,058
Other Operating Expenditures	--	908,576
Cost of Sales	--	(86,173,163)
Total--Kansas Lottery	--	(\$85,227,529)
Kansas Racing & Gaming Commission		
Salaries & Wages Adjustments	--	(82,646)
Miscellaneous Operating Expenditures	--	(70,083)
Other Operating Expenditures	--	(5,000)
Total--Kansas Racing & Gaming Commission	--	(\$157,729)
Department of Revenue		
August Allotment Reduction	(682,329)	(682,329)
November Allotment Reduction	(1,308,109)	(1,308,109)
Out-of-State Travel Reduction	(29,130)	(29,130)
Miscellaneous Operating Expenditures	(835,124)	(655,124)
Reduction in Expenditures from Fee Funds	--	(2,307,507)
Total--Department of Revenue	(\$2,854,692)	(\$4,982,199)
Board of Tax Appeals		
August Allotment Reduction	(40,965)	(40,965)
November Allotment Reduction	(78,405)	(78,405)
Out-of-State Travel Reduction	(1,070)	(1,070)
Savings Incentive Expenditures	167,937	167,937
Reduce Board from Five Members to Three	(100,000)	(100,000)
Total--Board of Tax Appeals	(\$52,503)	(\$52,503)
Banking Department		
Salaries & Wages Adjustments	--	(178,965)
Miscellaneous Agency Adjustment	--	(65,688)
Total--Banking Department	--	(\$244,653)
Board of Barbering		
Salaries & Wages Adjustments	--	1,381
Other Operating Expenditures	--	(5,515)
Eliminate Special Projects Position	--	(14,990)
Total--Board of Barbering	--	(\$19,124)
Board of Cosmetology		
Salaries & Wages Adjustments	--	(41,219)
Other Operating Expenditures	--	(59,590)
Total--Board of Cosmetology	--	(\$100,809)
Department of Credit Unions		
Salaries & Wages Adjustments	--	(\$23,178)
Other Operating Expenditures	--	(\$22,888)
Total--Department of Credit Unions	--	(\$46,066)
Kansas Dental Board		
Other Operating Expenditures	--	(\$1,631)

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Governmental Ethics Commission		
August Allotment Reduction	(9,311)	(9,311)
November Allotment Reduction	(17,863)	(17,863)
Out-of-State Travel Reduction	(66)	(66)
Miscellaneous Operating Expenditures	3,575	3,574
Total--Governmental Ethics Commission	(\$23,665)	(\$23,666)
Board of Healing Arts		
Salaries & Wages Adjustments	--	(2,285)
Other Operating Expenditures	--	(23,995)
Total--Board of Healing Arts	--	(\$26,280)
Hearing Aid Board of Examiners		
Salaries & Wages Adjustments	--	(8,256)
Other Operating Expenditures	--	5,541
Total--Hearing Aid Board of Examiners	--	(\$2,715)
Board of Nursing		
Savings Incentive Expenditures	--	62,815
Board of Examiners in Optometry		
Salaries & Wages Adjustments	--	7,731
Miscellaneous Operating Expenditures	--	13,741
Total--Board of Examiners in Optometry	--	\$21,472
Board of Pharmacy		
Salaries & Wages Adjustments	--	10,176
Real Estate Appraisal Board		
Shift from Expense to Non-expense	--	(48,600)
Office of the Securities Commissioner		
Other Operating Expenditures	--	19,976
Board of Veterinary Examiners		
Savings Incentive Expenditures	--	5,437
Office of the Governor		
August Allotment Reduction	(112,089)	(112,089)
November Allotment Reduction	(83,160)	(83,160)
Out-of-State Travel Reduction	(6,052)	(6,052)
Miscellaneous Operating Expenditures	521,770	521,770
Move Victim Services Program to Governor's Office	--	3,830,548
Total--Office of the Governor	\$320,469	\$4,151,017
Office of the Lieutenant Governor		
August Allotment Reduction	(7,346)	(7,346)
November Allotment Reduction	(5,405)	(5,405)
Out-of-State Travel Reduction	(1,536)	(1,536)
Miscellaneous Operating Expenditures	26,095	26,095
Total--Office of the Lieutenant Governor	\$11,808	\$11,808
Attorney General		
August Allotment Reduction	(113,898)	(113,898)
November Allotment Reduction	(218,150)	(218,150)
Out-of-State Travel Reduction	(10,147)	(10,147)
Decreased Funding from Miscellaneous Fee Funds	--	(81,796)
Colorado Water Litigation Carry-Forward	202,120	202,120
Nebraska Water Litigation Carry-Forward	86,591	86,591
Litigation Costs Carry-Forward	30,893	30,893
Operating Expenditures Carry-Forward	97,087	97,086
Move Victim Services Program to Governor's Office	--	(3,830,548)
Total--Attorney General	\$74,496	(\$3,837,849)

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Insurance Department		
Salaries & Wages Adjustments	--	(299,999)
Other Operating Expenditures	--	(589,993)
Total--Insurance Department	--	(\$889,992)
Secretary of State		
August Allotment Reduction	(34,711)	(34,711)
November Allotment Reduction	(66,474)	(66,474)
Out-of-State Travel Reduction	(3,273)	(3,273)
Total--Secretary of State	(\$104,458)	(\$104,458)
State Treasurer		
August Allotment Reduction	(32,649)	(32,649)
November Allotment Reduction	(62,560)	(43,049,928)
Out-of-State Travel Reduction	(2,233)	(2,233)
Salaries & Wages Adjustments	(27,767)	(28,578)
Miscellaneous Operating Expenditures	41,169	41,169
Adjustment to Aid to Local Governments	--	694,343
Total--State Treasurer	(\$84,040)	(\$42,377,876)
Legislative Coordinating Council		
Miscellaneous Operating Expenditures	19,405	19,405
Legislature		
Miscellaneous Operating Expenditures	(602,304)	(602,304)
Increase Fee Fund Expenditures	--	36,953
Total--Legislature	(\$602,304)	(\$565,351)
Legislative Research Department		
Miscellaneous Operating Expenditures	164,654	164,654
Legislative Division of Post Audit		
Miscellaneous Operating Expenditures	68,960	68,960
Revisor of Statutes		
Miscellaneous Operating Expenditures	88,892	88,892
Judiciary		
Salaries & Wages Adjustments	--	3,515,549
Miscellaneous Operating Expenditures	12,198	12,198
Savings Incentive Expenditures	12,198	12,198
Total--Judiciary	\$24,396	\$3,539,945
Judicial Council		
August Allotment Reduction	(3,953)	(3,953)
November Allotment Reduction	(7,585)	(7,585)
Miscellaneous Operating Expenditures	293	(2,308)
Total--Judicial Council	(\$11,245)	(\$13,846)
Total--General Government	(\$1,679,062)	(\$136,725,336)
Human Resources		
Social & Rehabilitation Services		
August Allotment Reduction	(5,985,072)	(5,985,072)
November Allotment Reduction	(24,612,494)	(47,545,167)
Out-of-State Travel Reduction	(35,788)	(35,788)
Miscellaneous Adjustments	523,010	(4,929,209)
State Operations Changes	1,687,546	(4,810,048)
Temporary Assistance to Families Caseload	--	1,098,877
General Assistance Caseload	(100,000)	(100,000)
Nursing Facilities for Mental Health Caseload	(545,231)	968,860
Medical Caseload	18,085,335	56,184,231
Federal Funds in Mental Health Grants	(2,336,027)	--

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Social & Rehabilitation Services Con't.		
Replace Funeral Assistance reduction	470,000	470,000
Foster Care Caseload	(1,779,779)	(1,094,152)
Adoption Caseload	385,240	505,635
Allotment Applied to State Hospitals	200,000	200,000
Adjust Childcare Caseload	--	(1,907,638)
Child Care Grants	--	2,880,000
Reduction in Fee Fund Expenditures	--	(9,722,872)
Enhanced Assistance and Work Programs	310,199	2,431,788
Reappropriation in Child Welfare	1,971,690	1,971,690
Reappropriation of HCBS Disability Waivers	2,584,758	2,584,758
Additional Federal Energy Assistance	--	2,074,933
Intermediate Care Facilities for Mental Retardation	(2,543,634)	(6,384,624)
Alcohol and Drug Rehabilitation Assistance	(30,883)	(2,321,709)
Community Developmental Disability Support Grants	--	(7,563,615)
MMIS Contracts	1,591,414	13,382,680
Independent Living Adoption Grants	(139,119)	(108,722)
Use Intergovernmental Transfer in HCBS Waivers	(4,000,000)	--
Pend Medical Claims	(6,200,000)	(15,500,000)
Parental Fee Expenditure Authority	--	1,746,000
Total--Social & Rehabilitation Services	(\$20,498,835)	(\$21,509,164)
Kansas Neurological Institute		
August Allotment Reduction	(200,000)	(200,000)
November Allotment Reduction	(422,000)	(422,000)
Systemwide Funding Transfer	--	64,300
Total--Kansas Neurological Institute	(\$622,000)	(\$557,700)
Larned State Hospital		
November Allotment Reduction	(462,715)	(462,715)
Miscellaneous Adjustment	208,540	208,540
SPTP Transfer	2,127,106	2,127,106
Reinstate Statewide Reductions	160,892	160,892
One-time Fee Fund Expenditures	(1,267,370)	--
Systemwide Funding Transfer	853,504	1,580,195
Cancellation of Two Months of School Contract	(97,200)	(228,500)
Total--Larned State Hospital	\$1,522,757	\$3,385,518
Osawatomie State Hospital		
November Allotment Reduction	(792,802)	(292,802)
Miscellaneous Operating Expenditures	(186,519)	(789,781)
Delay Downsizing	170,250	700,000
Reinstate Statewide Reductions	98,680	98,680
Layoffs	(160,202)	(160,202)
One-time Fee Fund Expenditures	(43,145)	--
Total--Osawatomie State Hospital	(\$913,738)	(\$444,105)
Parsons State Hospital and Training Center		
November Allotment Reduction	(308,565)	(308,565)
Miscellaneous Adjustments	(152,196)	(151,345)
Total--Parsons State Hospital and Training Center	(\$460,761)	(\$459,910)
Rainbow Mental Health Facility		
November Allotment Reduction	(26,199)	(26,199)
Miscellaneous Adjustments	(55,234)	74,303
Total--Rainbow Mental Health Facility	(\$81,433)	\$48,104
Department on Aging		
August Allotment Reduction	(412,177)	(412,177)
November Allotment Reduction	(5,695,182)	(12,815,267)

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Department on Aging Con't.		
Out-of-State Travel Reduction	(4,370)	(4,370)
Salaries & Wages Adjustments	(217,288)	(431,162)
Other Operating Expenditures	79,924	79,924
Miscellaneous Operating Expenditures	114,390	1,184,182
Senior Care Act and Nutrition Adjustments	625,523	(4,924,552)
Total--Department on Aging	(\$5,509,180)	(\$17,323,422)
Health and Environment--Health		
August Allotment Reduction	(420,130)	(420,130)
November Allotment Reduction	(903,603)	(1,098,667)
Out-of-State Travel Reduction	(19,497)	(19,497)
Other Operating Expenditures	50,429	--
Reappropriated Vital Statistics Database Funds	200,000	200,000
Federal Homeland Security Funds	--	11,827,313
Revised Debt Service Payments	4,936	4,936
HRSA Federal Grant Funds	--	953,552
Funeral Assistance Program	--	470,000
Total--Health and Environment--Health	(\$1,087,865)	\$11,917,507
Department of Human Resources		
August Allotment Reduction	(53,548)	(53,548)
November Allotment Reduction	(102,548)	(102,548)
Out-of-State Travel Reduction	(5,102)	(5,102)
Miscellaneous Operating Expenditures	--	4,218,269
Savings Incentive Expenditures	72,586	72,586
Ongoing Capital Improvements	--	56,840
Welfare-to-Work Reappropriation	581,937	581,937
Unemployment Insurance Benefits	--	94,440,000
Total--Department of Human Resources	\$493,325	\$99,208,434
Commission on Veterans' Affairs		
August Allotment Reduction	(91,294)	(91,294)
November Allotment Reduction	(175,089)	(382,252)
Out-of-State Travel Reduction	(2,160)	(2,160)
Salaries & Wages Adjustments	--	461,878
Other Operating Expenditures	--	72,302
Miscellaneous Operating Expenditures	(685)	(878,026)
Ongoing Capital Improvements	--	(594,418)
KVH Planned Reappropriation Spent	(215,134)	(215,134)
Total--Commission on Veterans' Affairs	(\$484,362)	(\$1,629,104)
Kansas Guardianship Program		
August Allotment Reduction	(21,230)	(21,230)
November Allotment Reduction	(40,686)	(40,686)
Out-of-State Travel Reduction	(1,276)	(1,276)
Total--Guardianship Program	(\$63,192)	(\$63,192)
Total--Human Resources	(\$27,705,284)	\$72,572,966
Education		
Department of Education		
August Allotment Reduction	(17,423,474)	(17,423,474)
November Allotment Reduction	(349,182)	(349,182)
Out-of-State Travel Reduction	(15,501)	(15,501)
Miscellaneous Operating Expenditures	185,297	318,995
School Finance Adjustments	26,636,070	26,636,070
Miscellaneous Aid Program Expenditures	2,650,115	2,650,115
Special Education Excess Costs to 85.0 Percent	(254,991)	(254,991)

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Department of Education Con't.		
KBI Background Checks	--	440,000
Additional Federal and Other Grants	--	41,915,264
Total--Department of Education	\$11,428,334	\$53,917,296
School for the Blind		
August Allotment Reduction	(33,106)	(33,106)
Out-of-State Travel Reduction	(3,785)	(3,785)
Miscellaneous Operating Expenditures	--	74,064
Ongoing Capital Improvements	--	87,123
Total--School for the Blind	(\$36,891)	\$124,296
School for the Deaf		
August Allotment Reduction	(53,593)	(53,593)
Out-of-State Travel Reduction	(2,222)	(2,222)
Miscellaneous Operating Expenditures	--	44,889
Ongoing Capital Improvements	--	467,985
Increased Local Service Reimb. Fund	--	152,436
Increased Special Bequest Fund	--	50,134
Increased Special Workshops	--	48,499
Total--School for the Deaf	(\$55,815)	\$708,128
Board of Regents		
August Allotment Reduction	(1,021,288)	(1,021,288)
November Allotment Reduction	(5,290,910)	(5,290,910)
Out-of-State Travel Reduction	(3,783)	(3,783)
Miscellaneous Operating Expenditures	230,672	236,330
Faculty of Distinction Transfer Adjustment	(466,542)	(466,542)
Transfer Out for Building Repair	--	(10,000,000)
Technical Adjustment	(345,000)	(345,000)
Federal Funding Increase	--	1,608,520
Total--Board of Regents	(\$6,896,851)	(\$15,282,673)
Emporia State University		
August Allotment Reduction	(230,234)	(230,234)
November Allotment Reduction	(1,190,797)	(1,190,797)
Out-of-State Travel Reduction	(45,271)	(45,271)
Ongoing Capital Improvements	--	1,162,583
Faculty of Distinction Transfer	13,160	13,160
Miscellaneous Operating Expenditures	3,583	3,583
Tuition Increase	--	1,095,292
Restricted Use Funding Increase	--	2,213,420
Total--Emporia State University	(\$1,449,559)	\$3,021,736
Fort Hays State University		
August Allotment Reduction	(237,844)	(237,844)
November Allotment Reduction	(1,229,871)	(1,229,871)
Out-of-State Travel Reduction	(65,335)	(65,335)
Miscellaneous Operating Expenditures	5,636	5,636
Ongoing Capital Improvements	--	938,032
Faculty of Distinction Transfer	2,380	2,380
Tuition Increase	--	822,460
Restricted Use Funding Increase	--	3,728,053
Total--Fort Hays State University	(\$1,525,034)	\$3,963,511
Kansas State University		
August Allotment Reduction	(796,458)	(796,458)
November Allotment Reduction	(4,116,759)	(4,116,759)
Out-of-State Travel Reduction	(176,274)	(176,274)

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Kansas State University Con't.		
Faculty of Distinction Transfer	78,984	78,984
Tuition Increase	--	12,587,263
Restricted Use Funding Increase	--	22,144,650
Total--Kansas State University	(\$5,010,507)	\$29,721,406
KSU--Veterinary Medical Center		
August Allotment Reduction	(75,032)	(75,032)
November Allotment Reduction	(388,460)	(388,460)
Out-of-State Travel Reduction	(9,140)	(9,140)
Faculty of Distinction Transfer	13,595	13,595
Tuition Increase	--	808,707
General Use Funding Increase	--	3,229,055
Total--KSU--Veterinary Medical Center	(\$459,037)	\$3,578,725
Kansas State University--ESARP		
August Allotment Reduction	(365,824)	(365,824)
November Allotment Reduction	(1,893,331)	(1,893,331)
Out-of-State Travel Reduction	(61,071)	(61,071)
Ongoing Capital Improvements	--	13,291,274
Federal Grants Increase	--	78,161
Total--Kansas State University--ESARP	(\$2,320,226)	\$11,049,209
Pittsburg State University		
August Allotment Reduction	(250,490)	(250,490)
November Allotment Reduction	(1,297,099)	(1,297,099)
Out-of-State Travel Reduction	(24,301)	(24,301)
Miscellaneous Operating Expenditures	5,077	5,077
Tuition Increase	--	1,033,973
Total--Pittsburg State University	(\$1,566,813)	(\$532,840)
University of Kansas		
August Allotment Reduction	(1,033,056)	(1,033,056)
November Allotment Reduction	(5,340,655)	(5,340,655)
Out-of-State Travel Reduction	(144,538)	(144,538)
Ongoing Capital Improvements	--	7,793,143
Faculty of Distinction Transfer	179,762	179,762
Tuition Increase	--	15,970,775
Total--University of Kansas	(\$6,338,487)	\$17,425,431
KU Medical Center--Education		
August Allotment Reduction	(782,674)	(782,674)
November Allotment Reduction	(4,051,933)	(4,051,933)
Out-of-State Travel Reduction	(42,452)	(42,452)
Ongoing Capital Improvements	--	6,843,095
Miscellaneous Operating Expenditures	2,461	2,461
Faculty of Distinction Transfer	57,747	57,747
Tuition Increase	--	1,773,516
Restricted Fees Increase	--	6,349,989
Total--KU Medical Center--Education	(\$4,816,851)	\$10,149,749
Wichita State University		
August Allotment Reduction	(493,404)	(493,404)
November Allotment Reduction	(2,555,345)	(2,555,345)
Out-of-State Travel Reduction	(200)	(200)
Faculty of Distinction Transfer	38,164	38,164
Restricted Use Funding Increase	--	7,349,884
Tuition Increase	--	2,642,653
Total--Wichita State University	(\$3,010,785)	\$6,981,752

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Kansas Arts Commission		
August Allotment Reduction	(32,386)	(32,386)
Out-of-State Travel Reduction	(1,986)	(1,986)
November Allotment Reduction	(62,064)	(62,064)
Federal Funding Increase	--	92,509
Total--Kansas Arts Commission	(\$96,436)	(\$3,927)
Historical Society		
August Allotment Reduction	(123,991)	(123,991)
November Allotment Reduction	(237,754)	(237,754)
Out-of-State Travel Reduction	(4,067)	(4,067)
Miscellaneous Operating Expenditures	(524)	10,713
New Federal Funds for Renovation	--	222,802
Total--Historical Society	\$ (366,336)	\$ (132,297)
State Library		
August Allotment Reduction	(105,479)	(105,479)
November Allotment Reduction	(202,261)	(202,261)
Out-of-State Travel Reduction	(3,381)	(3,381)
Miscellaneous Operating Expenditures	--	(3,674)
Total--State Library	\$ (311,121)	\$ (314,795)
Total--Education	(\$22,832,415)	\$124,374,707
Public Safety		
Department of Corrections		
August Allotment Reduction	(3,247,794)	(3,247,794)
November Allotment Reduction	(5,383,172)	(5,042,125)
Ongoing Capital Improvements	--	726,235
Negative Shift from FY 2002	(589)	(589)
Revised Correctional Industries Expenditures	--	(458,874)
Food Service Contract Supplemental	1,304,259	1,304,259
Medical Contract Supplemental	2,692,595	2,692,595
Total--Department of Corrections	(\$4,634,701)	(\$4,026,293)
El Dorado Correctional Facility		
August Allotment Reduction	(103,771)	(103,771)
November Allotment Reduction	(505,000)	(413,000)
Ongoing Capital Improvements	--	15,157
Internal Corrections Systemwide Transfer	23,000	23,000
Total--El Dorado Correctional Facility	(\$585,771)	(\$478,614)
Ellsworth Correctional Facility		
August Allotment Reduction	(52,523)	(52,523)
November Allotment Reduction	(209,000)	(209,000)
Other Operating Expenditures	15,488	15,488
Ongoing Capital Improvements	--	137,680
Increase in General Fee Fund Receipts	--	11,131
Total--Ellsworth Correctional Facility	(\$246,035)	(\$97,224)
Hutchinson Correctional Facility		
August Allotment Reduction	(121,784)	(121,784)
November Allotment Reduction	(486,000)	(486,000)
Ongoing Capital Improvements	--	1,090,861
Internal Corrections Systemwide Transfer	46,500	46,500
No-Limit Fee Fund Expenditure Revision	--	(23,567)
Savings Incentive Expenditures	1,053	1,053
Total--Hutchinson Correctional Facility	(\$560,231)	\$507,063
Lansing Correctional Facility		
August Allotment Reduction	(462,942)	(462,942)

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Lansing Correctional Facility Con't.		
November Allotment Reduction	(672,250)	(672,250)
Savings Incentive Expenditures	30	30
Ongoing Capital Improvements	--	741,869
Internal Corrections Systemwide Transfer	(113,500)	(113,500)
No-Limit Fee Fund Expenditure Revision	--	71,000
Total--Lansing Correctional Facility	(\$1,248,662)	(\$435,793)
Larned Correctional Mental Health Facility		
August Allotment Reduction	(171,394)	(171,394)
November Allotment Reduction	(155,000)	(155,000)
Savings Incentive Expenditures	3,072	3,072
Ongoing Capital Improvements	--	42,532
Transfer from Central Office	27,500	27,500
General Fee Fund Expenditures	--	132,000
Total--Larned Correctional Mental Health Facility	(\$295,822)	(\$121,290)
Norton Correctional Facility		
August Allotment Reduction	(60,311)	(60,311)
November Allotment Reduction	(241,000)	(241,000)
Savings Incentive Expenditures	19,241	19,241
Ongoing Capital Improvements	--	65,078
Transfer from Central Office	16,500	16,500
Increase in General Fee Fund Receipts	--	22,829
Total--Norton Correctional Facility	(\$265,570)	(\$177,663)
Topeka Correctional Facility		
August Allotment Reduction	(53,976)	(53,976)
November Allotment Reduction	(448,750)	(222,750)
Savings Incentive Expenditures	1,472	1,472
Ongoing Capital Improvements	--	154,401
Expenditures for Housing Federal Female Inmates	--	447,813
No-Limit Fee Fund Expenditure Revision	--	4,650
Total--Topeka Correctional Facility	(\$501,254)	\$331,610
Winfield Correctional Facility		
August Allotment Reduction	(49,139)	(49,139)
November Allotment Reduction	(196,000)	(196,000)
Ongoing Capital Improvements	--	156,952
General Fee Fund Expenditures	--	40,175
Total--Winfield Correctional Facility	(\$245,139)	(\$48,012)
Juvenile Justice Authority		
August Allotment Reduction	(635,606)	(635,606)
November Allotment Reduction	(2,150,588)	(2,150,588)
Out-of-State Travel Reduction	(3,494)	(3,494)
Savings Incentive Expenditures	99,776	99,776
State Institutions Bldg. Fund Plan and Projects Adjust.	--	13,871
State Institutions Bldg. Fund Planning Needs Adjust.	--	2,093
State Instit. Bldg. Fund Construct. and Remod. Adjust.	--	1,553,640
State Instit. Bldg. Fund Debt Service Adjust.	--	475,896
New PSE II (Juv. Acct. Incent. Block Grant)	--	78,809
Reduce State Instit. Bldg. Fund Expenditures	--	(747,268)
Reduce Juvenile Detention Facilities Fund	--	(82,958)
Increase Juvenile Justice Fee Fund Expenditures	--	130,000
Increase Title XIX Expenditures	--	1,901,948
Decrease Title IV-E Expenditures	--	(1,568,011)
Decrease Juv. Justice Delinquency Prevention	--	(212,135)
Byrne Grant	--	493,496

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Juvenile Justice Authority Con't.		
Increase Juv. Acct. Incent. Block Grant Expenditures	--	11,532
Increase Juv Delinquency trust fund expenditures	--	250,000
Going Home Grant	--	1,000,000
Increase Shrinkage Rate	(88,544)	(88,544)
Total--Juvenile Justice Authority	(\$2,778,456)	\$522,457
Atchison Juvenile Correctional Facility		
August Allotment Reduction	(125,291)	(125,291)
November Allotment Reduction	(25,000)	(25,000)
Out-of-State Travel Reduction	(851)	(851)
Savings Incentive Expenditures	46,548	46,548
State Institutions Bldg. Fund Adjust.	--	14,406
Increase Fee Fund Expenditures	--	10,327
Increase Title I Expenditures	--	1,823
Increase Juvenile Justice Fee Fund Expenditures	--	31,854
Reduce State Instit. Bldg. Fund Expenditures	--	(14,406)
Total--Atchison Juvenile Correctional Facility	(\$104,594)	(\$60,590)
Beloit Juvenile Correctional Facility		
August Allotment Reduction	(105,380)	(105,380)
Out-of-State Travel Reduction	(1,642)	(1,642)
Savings Incentive Expenditures	1,200	1,200
Operating Expenditures Carry-Forward	93,978	93,978
Reduce Fee Fund Expenditures	--	(6,720)
Decrease Title I Expenditures	--	(12,877)
Increase Juv. Justice Fed. Fund Expenditures	--	17,872
Total--Beloit Juvenile Correctional Facility	(\$11,844)	(\$13,569)
Larned Juvenile Correctional Facility		
August Allotment Reduction	(105,668)	(105,668)
November Allotment Reduction	(115,000)	(115,000)
Out-of-State Travel Reduction	(1,428)	(1,428)
Savings Incentive Expenditures	1,279	1,279
Fee Fund Increase	--	7,408
Federal Funds Increase	--	3,055
Total--Larned Juvenile Correctional Facility	(\$220,817)	(\$210,354)
Topeka Juvenile Correctional Facility		
August Allotment Reduction	(248,027)	(248,027)
November Allotment Reduction	(50,000)	(50,000)
Savings Incentive Expenditures	2,874	2,874
State Institutions Bldg. Fund Adjust.	--	27,333
Federal Funds Increase	--	11,434
Total--Topeka Juvenile Correctional Facility	(\$295,153)	(\$256,386)
Adjutant General		
August Allotment Reduction	(200,312)	(200,312)
November Allotment Reduction	(383,494)	(383,494)
Out-of-State Travel Reduction	(3,308)	(3,308)
Miscellaneous Operating Expenditures	--	9,280,089
Reduction in Matching dollars for McConnell Airbase	(18,750)	(18,750)
Total--Adjutant General	(\$605,864)	\$8,674,225
Ombudsman for Corrections		
August Allotment Reduction	(3,566)	(3,566)
November Allotment Reduction	(6,843)	(6,843)
Miscellaneous Operating Expenditures	--	1,839
Operating Expenditures Carry-Forward	3,144	3,144
Total--Ombudsman for Corrections	(\$7,265)	(\$5,426)

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Emergency Medical Services Board		
August Allotment Reduction	(640)	(640)
Operating Expenditures Carry-Forward	640	640
Federal Grants Adjust.	--	(443)
Rural Health Options Grant	--	50,098
Total--Emergency Medical Services Board	--	\$49,655
State Fire Marshal		
Salaries & Wages Adjustments	--	51,318
Other Operating Expenditures	--	77,289
Total--State Fire Marshal	--	\$128,607
Highway Patrol		
August Allotment Reduction	(535,744)	(535,744)
November Allotment Reduction	(1,026,901)	(1,026,901)
Out-of-State Travel Reduction	(27,646)	(27,646)
Salaries & Wages Adjustments	--	(677,464)
Other Operating Expenditures	--	(73,314)
Reduction in Vehicle Purchases	--	(917,456)
Capital Improvements Reduction	--	(178,195)
Move Highway Patrol to Highway Fund	(12,085,011)	--
Shrinkage to 4.0 Percent for Last 4 months	--	1,026,901
Debt Service for Fleet Facility	--	240,470
Total--Highway Patrol	(\$13,675,302)	(\$2,169,349)
Kansas Bureau of Investigation		
August Allotment Reduction	(258,293)	(258,293)
November Allotment Reduction	(494,565)	(494,565)
Out-of-State Travel Reduction	(26,716)	(26,716)
Savings Incentive Expenditures	41,595	41,596
New Federal Grants	--	1,636,389
Total--Kansas Bureau of Investigation	(\$737,979)	\$898,411
Kansas Parole Board		
August Allotment Reduction	(10,707)	(10,707)
November Allotment Reduction	(20,470)	(20,470)
Out-of-State Travel Reduction	(1,917)	(1,917)
Savings Incentive Expenditures	292	292
Operating Expenditures Carry-Forward	4,665	4,665
Total--Kansas Parole Board	(\$28,137)	(\$28,137)
Kansas Sentencing Commission		
August Allotment Reduction	(9,136)	(9,136)
November Allotment Reduction	(17,490)	(17,490)
Out-of-State Travel Reduction	(1,026)	(1,026)
Miscellaneous Operating Expenditures	255	27,466
Federal Fund Receipt Increase	--	2,078,469
Total--Kansas Sentencing Commission	(\$27,397)	\$2,078,283
Total--Public Safety	(\$27,075,993)	\$5,061,611
Agriculture & Natural Resources		
Department of Agriculture		
August Allotment Reduction	(199,483)	(199,483)
November Allotment Reduction	(382,498)	(98,254)
Out-of-State Travel Reduction	(6,870)	(6,870)
Fee Funds Reduction	--	(297,113)
Federal Funds Increase	--	744,193
State Water Plan Increase	--	9,052
Total--Department of Agriculture	(\$588,851)	\$151,525

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Animal Health Department		
August Allotment Reduction	(12,187)	(12,187)
November Allotment Reduction	(23,325)	(23,325)
Out-of-State Travel Reduction	(1,505)	(1,505)
Federal Funds Increase	--	530,052
Total--Animal Health Department	(\$37,017)	\$493,035
State Conservation Commission		
August Allotment Reduction	(11,923)	(11,923)
November Allotment Reduction	(22,835)	(22,835)
Out-of-State Travel Reduction	(1,073)	(1,073)
Reappropriated Water Plan Funds	--	1,066,375
Total--State Conservation Commission	(\$35,831)	\$1,030,544
Health & Environment--Environment		
August Allotment Reduction	(152,937)	(169,144)
November Allotment Reduction	(195,231)	(195,231)
Inter-Division Adjustment	(50,429)	(100,000)
Brownfields/One Stop Federal Funds	--	583,696
Agency Fee Fund Reductions	--	(985,943)
Total--Health & Environment--Environment	(\$398,597)	(\$866,622)
Kansas State Fair		
August Allotment Reduction	(6,000)	(6,000)
Other Operating Expenditures	--	168,365
Demand Transfer converted to Revenue Transfer	(294,000)	(294,000)
Total--Kansas State Fair	(\$300,000)	(\$131,635)
Kansas Water Office		
August Allotment Reduction	(28,072)	(28,072)
November Allotment Reduction	(53,853)	(53,853)
Out-of-State Travel Reduction	(267)	(267)
Salaries & Wages Adjustments	(37,501)	(36,122)
Other Operating Expenditures	20,863	20,863
Miscellaneous Operating Expenditures	--	(260,815)
Debt Service on Water Storage	--	1,113,922
Total--Kansas Water Office	(\$98,830)	\$755,656
Department of Wildlife & Parks		
August Allotment Reduction	(67,828)	(67,828)
November Allotment Reduction	(130,041)	(100,041)
Out-of-State Travel Reduction	(2,740)	(2,740)
Ongoing Capital Improvements	58,020	6,287,866
Total--Department of Wildlife & Parks	(\$142,589)	\$6,117,257
Total--Agriculture & Natural Resources	(\$1,601,715)	\$7,549,760
Transportation		
Kansas Department of Transportation		
Salaries & Wages Increase	--	906,898
Other Operating Expenditures	--	(27,213,442)
Aid Reductions	--	(2,658,087)
Ongoing Capital Improvements	--	101,504,736
Bond Proceeds Offset to Reportable Expenditures	--	195,981,008
Total--Kansas Department of Transportation	--	\$268,521,113
Total--Transportation	--	\$268,521,113
Savings from Death & Disability Moratorium	(5,265,070)	(6,123,070)
Statewide Total	(\$86,159,539)	\$335,231,751

Schedule 9—Authorized Positions by Agency reflects the total number of positions in each state agency. The purpose of this schedule is to provide information regarding the size of the state workforce by agency. Total positions are divided into full-time equivalent (FTE) positions and non-FTE unclassified permanent positions. If only one row of numbers appears in the table, the agency has only FTE positions and no non-FTE unclassified permanent ones. FTE positions are permanent full-time or regular part-time positions equated to full-time. The number of FTE positions for each agency is typically constrained by a limitation included in appropriation bills; however, positions in legislative and judicial agencies along with several agencies of the executive branch, such as Regents institutions, are not constrained by a limitation. Similarly, non-FTE permanent unclassified positions are not subject to a position limitation. The “non-FTE unclassified permanent” label is intended to reflect the fact that these are permanent positions that should properly be counted as part of the state workforce, although they are treated as unclassified temporary positions in the SHARP personnel and payroll system.

Schedule 9--Authorized Positions by Agency

	<u>FY 2002 Actual</u>	<u>FY 2003 Gov. Estimate</u>	<u>FY 2004 Base Budget</u>	<u>FY 2004 Enhance. Pkg.</u>	<u>FY 2004 Gov. Rec.</u>
General Government					
Department of Administration					
FTE Positions	879.0	882.2	882.2	10.0	887.2
Non-FTE Unclassified Permanent Positions	17.8	23.1	23.1	--	23.1
Total--Department of Administration	896.8	905.3	905.3	10.0	910.3
Kansas Corporation Commission					
FTE Positions	210.0	210.0	210.0	4.0	212.0
Non-FTE Unclassified Permanent Positions	5.5	5.5	5.5	--	5.5
Total--Kansas Corporation Commission	215.5	215.5	215.5	4.0	217.5
Citizens' Utility Ratepayer Board	4.0	5.0	5.0	--	5.0
Kansas Human Rights Commission	37.0	37.0	37.0	--	36.0
Board of Indigents' Defense Services					
FTE Positions	165.5	165.0	165.0	--	165.0
Non-FTE Unclassified Permanent Positions	1.0	1.0	1.0	--	1.0
Total--Board of Indigents' Defense Serv.	166.5	166.0	166.0	--	166.0
Health Care Stabilization Board of Gov.	16.0	16.0	16.0	--	16.0
KPERS	85.0	85.0	85.0	--	85.0
Department of Commerce & Housing					
FTE Positions	149.0	148.0	148.0	--	147.5
Non-FTE Unclassified Permanent Positions	4.0	3.0	3.0	--	4.0
Total--Dept. of Commerce & Housing	153.0	151.0	151.0	--	151.5
Kansas Technology Enterprise Corp.					
FTE Positions	29.0	30.0	27.0	--	27.0
Non-FTE Unclassified Permanent Positions	1.0	--	--	--	--
Total--KTEC	30.0	30.0	27.0	--	27.0
Kansas, Inc.					
FTE Positions	4.0	4.0	4.0	2.0	--
Non-FTE Unclassified Permanent Positions	1.0	1.0	1.0	--	--
Total--Kansas, Inc.	5.0	5.0	5.0	2.0	--
Kansas Lottery	86.0	87.0	87.0	--	87.0
Kansas Racing & Gaming Commission	64.0	64.0	64.0	3.0	67.0
Department of Revenue					
FTE Positions	1,196.0	1,195.5	1,195.5	--	1,157.5
Non-FTE Unclassified Permanent Positions	--	3.5	3.5	--	3.5
Total--Department of Revenue	1,196.0	1,199.0	1,199.0	--	1,161.0
Board of Tax Appeals	31.0	27.0	28.0	--	26.0
Abstracters' Board of Examiners	--	--	--	--	--
Board of Accountancy	3.0	3.0	3.0	--	3.0
Banking Department					
FTE Positions	85.0	85.0	85.0	--	85.0
Non-FTE Unclassified Permanent Positions	1.0	1.0	1.0	--	1.0
Total--Banking Department	86.0	86.0	86.0	--	86.0

Schedule 9--Authorized Positions by Agency

	<u>FY 2002 Actual</u>	<u>FY 2003 Gov. Estimate</u>	<u>FY 2004 Base Budget</u>	<u>FY 2004 Enhance. Pkg.</u>	<u>FY 2004 Gov. Rec.</u>
Board of Barbering	1.5	1.5	1.5	--	1.5
Board of Barbering Con't.					
Non-FTE Unclassified Permanent Positions	0.5	--	0.5	--	--
Total--Board of Barbering	2.0	1.5	2.0	--	1.5
Behavioral Sciences Regulatory Board	8.0	8.0	8.0	--	8.0
Board of Cosmetology	12.0	12.0	12.0	--	12.0
Department of Credit Unions	13.0	13.0	13.0	--	13.0
Kansas Dental Board	2.5	2.5	2.5	--	2.5
Governmental Ethics Commission					
FTE Positions	9.0	9.0	9.0	--	9.0
Non-FTE Unclassified Permanent Positions	0.5	0.5	0.5	--	0.5
Total--Governmental Ethics Commiss.	9.5	9.5	9.5	--	9.5
Board of Healing Arts	29.0	29.0	29.0	1.0	29.0
Hearing Aid Board of Examiners	0.4	0.4	0.4	--	0.4
Board of Mortuary Arts	3.0	3.0	3.0	--	3.0
Board of Nursing	22.0	22.0	22.0	--	22.0
Board of Examiners in Optometry					
FTE Positions	0.8	0.8	0.8	--	0.8
Non-FTE Unclassified Permanent Positions	1.0	1.0	1.0	--	1.0
Total--Board of Optometry	1.8	1.8	1.8	--	1.8
Board of Pharmacy	6.0	7.0	6.0	1.0	7.0
Kansas Real Estate Appraisal Board	3.0	3.0	3.0	--	3.0
Kansas Real Estate Commission	13.0	13.0	13.0	--	13.0
Office of the Securities Commissioner	27.8	27.8	27.8	--	27.8
Board of Technical Professions	6.0	6.0	6.0	--	6.0
Board of Veterinary Examiners	3.0	3.0	3.0	--	3.0
Office of the Governor	29.0	32.0	28.0	--	34.0
Office of the Lieutenant Governor	3.0	3.0	3.0	--	3.0
Attorney General					
FTE Positions	95.0	95.0	95.0	--	95.0
Non-FTE Unclassified Permanent Positions	14.0	18.0	18.0	--	18.0
Total--Attorney General	109.0	113.0	113.0	--	113.0
Insurance Department					
FTE Positions	157.0	157.0	157.0	--	157.0
Non-FTE Unclassified Permanent Positions	4.5	3.5	3.5	--	3.5
Total--Insurance Department	161.5	160.5	160.5	--	160.5
Secretary of State	56.0	56.0	56.0	--	56.0
State Treasurer	55.5	55.5	55.5	--	55.5

Schedule 9--Authorized Positions by Agency

	<u>FY 2002 Actual</u>	<u>FY 2003 Gov. Estimate</u>	<u>FY 2004 Base Budget</u>	<u>FY 2004 Enhance. Pkg.</u>	<u>FY 2004 Gov. Rec.</u>
Legislative Coordinating Council	13.0	13.0	13.0	--	13.0
Legislature	33.0	33.0	33.0	--	33.0
Legislative Research Department	37.0	37.0	37.0	--	37.0
Legislative Division of Post Audit	21.0	21.0	21.0	--	21.0
Revisor of Statutes	26.0	26.0	26.0	--	26.0
Judiciary	1,813.0	1,816.3	1,819.3	25.0	1,819.3
Judicial Council	4.0	4.0	4.0	--	4.0
Total--FTE Positions	5,546.00	5,553.50	5,549.50	46.00	5,521.00
Total--Non-FTE Unclassified Perm. Pos.	51.8	61.1	61.6	--	61.1
Total--General Government	5,597.8	5,614.6	5,611.1	46.0	5,582.1
Human Resources					
Social & Rehabilitation Services					
FTE Positions	4,041.0	3,981.5	3,981.5	--	3,981.5
Non-FTE Unclassified Permanent Positions	67.7	72.0	72.0	--	72.0
Total--Social & Rehabilitation Services	4,108.7	4,053.5	4,053.5	--	4,053.5
Kansas Neurological Institute					
FTE Positions	655.5	589.5	653.5	--	530.0
Non-FTE Unclassified Permanent Positions	1.0	1.0	1.0	--	1.0
Total--Kansas Neurological Institute	656.5	590.5	654.5	--	531.0
Larned State Hospital					
FTE Positions	725.8	699.8	792.8	--	663.0
Non-FTE Unclassified Permanent Positions	--	8.0	8.0	--	8.0
Total--Larned State Hospital	725.8	707.8	800.8	--	671.0
Osawatomie State Hospital	477.4	413.9	549.4	--	436.3
Parsons St. Hospital & Training Center					
FTE Positions	513.5	455.1	513.5	--	424.2
Non-FTE Unclassified Permanent Positions	0.9	0.9	0.9	--	0.9
Total--Parsons State Hosp. & Train. Ctr.	514.4	456.0	514.3	--	425.1
Rainbow Mental Health Facility	126.8	112.3	--	--	112.3
Subtotal--FTE Positions	6,540.0	6,252.1	6,490.7	--	6,147.3
Subtotal--Non-FTE Unclass. Perm. Pos.	69.6	81.9	81.9	--	81.9
Subtotal--SRS	6,609.6	6,334.0	6,572.5	--	6,229.2
Department on Aging					
FTE Positions	157.0	157.0	157.0	--	233.0
Non-FTE Unclassified Permanent Positions	4.0	4.0	4.0	--	4.0
Total--Department on Aging	161.0	161.0	161.0	--	237.0
Health & Environment--Health					
FTE Positions	513.0	513.0	511.0	4.0	392.5
Non-FTE Unclassified Permanent Positions	71.0	40.4	40.8	23.0	40.8
Total--Department of Health	584.0	553.4	551.8	27.0	433.3

Schedule 9--Authorized Positions by Agency

	<u>FY 2002 Actual</u>	<u>FY 2003 Gov. Estimate</u>	<u>FY 2004 Base Budget</u>	<u>FY 2004 Enhance. Pkg.</u>	<u>FY 2004 Gov. Rec.</u>
Department of Human Resources					
FTE Positions	963.4	940.4	941.4	--	940.4
Non-FTE Unclassified Permanent Positions	44.0	44.0	44.0	--	44.0
Total--Department of Human Resources	1,007.4	984.4	985.4	--	984.4
Commission on Veterans' Affairs					
FTE Positions	558.8	558.8	558.8	1.0	558.8
Non-FTE Unclassified Permanent Positions	4.5	4.5	4.5	--	4.5
Total--Veterans' Affairs	563.3	563.3	563.3	1.0	563.3
Kansas Guardianship Program					
	13.0	12.0	13.0	2.0	12.0
Total--FTE Positions	8,745.2	8,433.3	8,671.9	7.0	8,284.0
Total--Non-FTE Unclassified Perm. Pos.	193.1	174.8	175.2	23.0	175.2
Total--Human Resources	8,938.3	8,608.1	8,847.0	30.0	8,459.2
Education					
Department of Education					
FTE Positions	190.5	208.3	208.3	--	208.3
Non-FTE Unclassified Permanent Positions	33.0	37.7	35.7	--	35.7
Total--Department of Education	223.5	246.0	244.0	--	244.0
School for the Blind					
	93.5	93.5	93.5	--	89.5
School for the Deaf					
FTE Positions	161.2	161.2	161.2	--	157.2
Non-FTE Unclassified Permanent Positions	12.3	12.3	12.3	--	12.3
Total--School for the Deaf	173.5	173.5	173.5	--	169.5
Subtotal--FTE Positions	445.20	463.00	463.00	--	455.00
Subtotal--Non-FTE Unclass. Perm. Pos.	45.3	50.0	48.0	--	48.0
Subtotal--Board of Education	490.5	513.0	511.0	--	503.0
Board of Regents					
FTE Positions	43.0	54.0	54.0	--	54.0
Non-FTE Unclassified Permanent Positions	3.0	1.0	1.0	--	1.0
Total--Board of Regents	46.0	55.0	55.0	--	55.0
Emporia State University					
FTE Positions	742.3	742.3	742.3	--	742.3
Non-FTE Unclassified Permanent Positions	32.8	32.8	32.8	--	32.8
Total--Emporia State University	775.1	775.1	775.1	--	775.1
Fort Hays State University					
FTE Positions	705.6	705.6	705.6	--	705.6
Non-FTE Unclassified Permanent Positions	18.0	18.0	18.0	--	18.0
Total--Fort Hays State University	723.6	723.6	723.6	--	723.6
Kansas State University					
	3,201.2	3,162.9	3,162.9	--	3,162.9
KSU--Veterinary Medical Center					
	259.2	271.9	271.9	--	271.9
Kansas State University--ESARP					
FTE Positions	1,430.2	1,395.7	1,395.7	--	1,395.7
Non-FTE Unclassified Permanent Positions	--	2.4	2.4	--	2.4
Total--Kansas State University--ESARP	1,430.2	1,398.1	1,398.1	--	1,398.1

Schedule 9--Authorized Positions by Agency

	<u>FY 2002 Actual</u>	<u>FY 2003 Gov. Estimate</u>	<u>FY 2004 Base Budget</u>	<u>FY 2004 Enhance. Pkg.</u>	<u>FY 2004 Gov. Rec.</u>
Pittsburg State University					
FTE Positions	806.2	789.7	789.7	--	789.7
Non-FTE Unclassified Permanent Positions	--	17.6	17.6	--	17.6
Total--Pittsburg State University	806.2	807.3	807.3	--	807.3
University of Kansas					
FTE Positions	4,180.3	4,180.3	4,180.3	--	4,180.3
Non-FTE Unclassified Permanent Positions	392.2	392.2	392.2	--	392.2
Total--University of Kansas	4,572.5	4,572.5	4,572.5	--	4,572.5
KU Medical Center					
	2,352.3	2,283.8	2,283.8	--	2,283.8
Wichita State University					
FTE Positions	1,667.6	1,667.6	1,667.6	--	1,667.6
Wichita State University Con't.					
Non-FTE Unclassified Permanent Positions	137.5	68.7	68.7	--	68.7
Total--Wichita State University	1,805.1	1,736.3	1,736.3	--	1,736.3
Subtotal--FTE Positions					
	15,387.9	15,253.8	15,253.8	--	15,253.8
Subtotal--Non-FTE Unclass. Perm. Pos.					
	583.5	532.7	532.7	--	532.7
Subtotal--Regents					
	15,971.4	15,786.5	15,786.5	--	15,786.5
Kansas Arts Commission					
	8.0	8.0	8.0	--	8.0
Historical Society					
FTE Positions	136.5	136.5	136.5	--	136.5
Non-FTE Unclassified Permanent Positions	3.5	3.5	3.5	--	3.5
Total--Historical Society	140.0	140.0	140.0	--	140.0
State Library					
	27.0	27.0	27.0	--	27.0
Total--FTE Positions					
	16,004.6	15,888.3	15,888.3	--	15,880.3
Total--Non-FTE Unclassified Perm. Pos.					
	632.3	586.2	584.2	--	584.2
Total--Education					
	16,636.9	16,474.5	16,472.5	--	16,464.5
Public Safety					
Department of Corrections					
FTE Positions	319.0	319.0	319.0	--	319.0
Non-FTE Unclassified Permanent Positions	21.0	21.0	21.0	--	21.0
Total--Department of Corrections	340.0	340.0	340.0	--	340.0
El Dorado Correctional Facility					
FTE Positions	466.5	466.5	466.5	--	466.5
Non-FTE Unclassified Permanent Positions	--	--	1.0	--	--
Total--El Dorado Correctional Facility	466.5	466.5	467.5	--	466.5
Ellsworth Correctional Facility					
FTE Positions	223.0	223.0	223.0	--	223.0
Non-FTE Unclassified Permanent Positions	1.0	1.0	1.0	--	1.0
Total--Ellsworth Correctional Facility	224.0	224.0	224.0	--	224.0
Hutchinson Correctional Facility					
FTE Positions	513.0	513.0	513.0	--	513.0
Non-FTE Unclassified Permanent Positions	0.5	0.5	--	--	0.5

Schedule 9--Authorized Positions by Agency

	<u>FY 2002 Actual</u>	<u>FY 2003 Gov. Estimate</u>	<u>FY 2004 Base Budget</u>	<u>FY 2004 Enhance. Pkg.</u>	<u>FY 2004 Gov. Rec.</u>
Total--Hutchinson Correctional Facility	513.5	513.5	513.0	--	513.5
Lansing Correctional Facility	710.0	710.0	710.0	2.0	710.0
Larned Correctional MH Facility	186.0	186.0	186.0	--	186.0
Norton Correctional Facility					
FTE Postions	266.0	266.0	266.0	--	266.0
Non-FTE Unclassified Permanent Postions	1.0	1.0	1.0	--	1.0
Total--Norton Correctional Facility	267.0	267.0	267.0	--	267.0
Topeka Correctional Facility					
FTE Positions	248.0	248.0	248.0	--	248.0
Non-FTE Unclassified Permanent Positions	3.0	3.0	3.0	--	3.0
Total--Topeka Correctional Facility	251.0	251.0	251.0	--	251.0
Winfield Correctional Facility					
FTE Positions	201.0	201.0	201.0	--	201.0
Non-FTE Unclassified Permanent Positions	2.0	2.0	2.0	--	2.0
Total--Winfield Correctional Facility	203.0	203.0	203.0	--	203.0
Subtotal--FTE Positions	3,132.5	3,132.5	3,132.5	2.0	3,132.5
Subtotal--Non-FTE Unclass. Perm. Pos.	28.5	28.5	29.0	--	28.5
Subtotal--Corrections	3,161.0	3,161.0	3,161.5	2.0	3,161.0
Juvenile Justice Authority					
FTE Positions	38.0	39.0	39.0	--	39.0
Non-FTE Unclassified Permanent Positions	9.0	14.0	14.0	--	14.0
Total--Juvenile Justice Authority	47.0	53.0	53.0	--	53.0
Atchison Juvenile Correctional Facility	119.0	119.0	119.0	10.0	119.0
Beloit Juvenile Correctional Facility	104.0	103.0	103.0	--	103.0
Larned Juvenile Correctional Facility					
FTE Positions	129.0	148.0	148.0	10.0	148.0
Non-FTE Unclassified Permanent Positions	8.0	15.0	15.0	--	15.0
Total--Larned Juvenile Correctional Facility	137.0	163.0	163.0	10.0	163.0
Topeka Juvenile Correctional Facility	226.0	226.0	451.0	--	394.0
Subtotal--FTE Positions	616.0	635.0	860.0	20.0	803.0
Subtotal--Non-FTE Unclass. Perm. Pos.	17.0	29.0	29.0	--	29.0
Subtotal--Juvenile Justice	633.0	664.0	889.0	20.0	832.0
Adjutant General					
FTE Positions	215.0	215.0	215.0	7.0	215.0
Non-FTE Unclassified Permanent Positions	115.8	102.0	102.0	--	102.0
Total--Adjutant General	330.8	317.0	317.0	7.0	317.0
Ombudsman for Corrections	3.5	3.5	3.5	--	--
Emergency Medical Services Board					
FTE Positions	13.0	13.0	13.0	--	13.0

Schedule 9--Authorized Positions by Agency

	<u>FY 2002 Actual</u>	<u>FY 2003 Gov. Estimate</u>	<u>FY 2004 Base Budget</u>	<u>FY 2004 Enhance. Pkg.</u>	<u>FY 2004 Gov. Rec.</u>
Non-FTE Unclassified Permanent Positions	2.0	1.0	--	--	1.0
Total--Emergency Medical Services	15.0	14.0	13.0	--	14.0
State Fire Marshal					
FTE Positions	46.0	46.0	46.0	30.0	46.0
Non-FTE Unclassified Permanent Positions	1.0	1.0	1.0	--	1.0
Total--State Fire Marshal	47.0	47.0	47.0	30.0	47.0
Highway Patrol					
FTE Positions	823.8	823.8	823.8	--	861.8
Non-FTE Unclassified Permanent Positions	61.3	61.3	61.3	--	61.3
Total--Highway Patrol	885.1	885.1	885.1	--	923.1
Kansas Bureau of Investigation					
FTE Positions	200.0	201.0	201.0	--	201.0
Non-FTE Unclassified Permanent Positions	85.5	89.0	76.5	--	76.5
Total--Kansas Bureau of Investigation	285.5	290.0	277.5	--	277.5
Kansas Parole Board	4.0	4.0	3.8	--	3.0
Kansas Sentencing Commission					
FTE Positions	10.0	10.0	10.0	2.0	9.0
Non-FTE Unclassified Permanent Positions	2.0	2.0	2.0	--	2.0
Total--Kansas Sentencing Commission	12.0	12.0	12.0	2.0	11.0
Total--FTE Positions	5,063.8	5,083.8	5,308.6	61.0	5,284.3
Total--Non-FTE Unclassified Perm. Pos.	313.1	313.8	300.8	--	301.3
Total--Public Safety	5,376.9	5,397.6	5,609.4	61.0	5,585.6
Agriculture & Natural Resources					
Department of Agriculture					
FTE Positions	300.7	297.5	300.5	1.0	300.5
Non-FTE Unclassified Permanent Positions	17.0	17.0	16.0	1.0	16.0
Total--Department of Agriculture	317.7	314.5	316.5	2.0	316.5
Animal Health Department	31.0	31.0	31.0	2.0	31.0
State Conservation Commission					
FTE Positions	14.5	15.5	15.5	--	15.5
Non-FTE Unclassified Permanent Positions	1.0	1.0	1.0	--	1.0
Total--State Conservation Commission	15.5	16.5	16.5	--	16.5
Health and Environment--Environment					
FTE Positions	488.0	488.0	484.0	--	484.0
Non-FTE Unclassified Permanent Positions	29.0	27.0	27.0	--	27.0
Total--Health & Environment--Environment	517.0	515.0	511.0	--	511.0
Kansas State Fair					
FTE Positions	22.0	23.0	22.0	1.0	23.0
Non-FTE Unclassified Permanent Positions	1.0	1.0	1.0	--	1.0
Total--Kansas State Fair	23.0	24.0	23.0	1.0	24.0
Kansas Water Office					
FTE Positions	22.5	22.5	22.5	--	22.5
Non-FTE Unclassified Permanent Positions	0.5	0.5	0.5	--	0.5

Schedule 9--Authorized Positions by Agency

	<u>FY 2002 Actual</u>	<u>FY 2003 Gov. Estimate</u>	<u>FY 2004 Base Budget</u>	<u>FY 2004 Enhance. Pkg.</u>	<u>FY 2004 Gov. Rec.</u>
Total--Kansas Water Office	23.0	23.0	23.0	--	23.0
Department of Wildlife & Parks	406.5	406.5	406.5	--	406.5
Total--FTE Positions	1,285.2	1,284.0	1,282.0	4.0	1,283.0
Total--Non-FTE Unclassified Perm. Pos.	48.5	46.5	45.5	1.0	45.5
Total--Agriculture & Natural Resources	1,333.7	1,330.5	1,327.5	5.0	1,328.5
Transportation					
Kansas Department of Transportation					
FTE Positions	3,247.5	3,247.5	3,247.5	--	3,247.5
Non-FTE Unclassified Permanent Positions	3.0	3.0	3.0	--	3.0
Total--Kansas Dept.of Transportation	3,250.5	3,250.5	3,250.5	--	3,250.5
Total--FTE Positions	39,892.3	39,490.4	39,947.8	118.0	39,500.1
Total--Non-FTE Unclassified Perm. Pos.	1,241.8	1,185.4	1,170.3	24.0	1,170.3
Total Positions	41,134.1	40,675.8	41,118.1	142.0	40,670.4

Statutory Budget

The portion of the state budget financed from the State General Fund is subject to an ending balance requirement. State law requires that the budget submitted by the Governor and the budget approved by the Legislature leave an ending balance of at least 7.5 percent of expenditures for the forthcoming fiscal year. After functioning in accordance with this statute for a number of years, the 2002 Legislature lowered the balance requirement to 5.0 percent for FY 2003. This action was one of several taken to approve a budget in response to declining revenues. However, because the reduced level is applicable only to FY 2003, the Governor is required to submit a budget based on an ending balance of the original 7.5 percent for FY 2004.

Therefore, to satisfy the requirements of KSA 75-6701, the Governor in this section submits a complete budget with an ending balance of 7.5 percent for the State General Fund for FY 2004. The summary table on this page presents State General Fund revenues, expenditures, and balances based on the requirements of current law.

The schedule on the following pages presents a budget, by agency, each of which is reduced by 21.1 percent. This percentage represents the reduction necessary to produce the required ending balance. The base upon which the reduction is made is the FY 2004 Governor's recommendations presented earlier in this volume. The designated percentage has not been applied to school finance in the budget of the Department of Education or the Board of Regents and

its institutions in keeping with Governor's policy to protect these parts of the budget.

State General Fund Summary		
<i>(Dollars in Millions)</i>		
	<u>Gov. Rec. FY 2003</u>	<u>Statutory FY 2004</u>
Beginning Balance	\$ 12.1	\$ 0.4
Revenues	4,346.6	4,493.5
Total Available	\$ 4,358.7	\$ 4,493.9
Gov. Rec. Expenditures	4,358.3	4,493.4
Reduction to Reach Balance	--	(313.1)
Total Expenditures	\$ 4,358.3	\$ 4,180.3
Ending Balance	\$ 0.4	\$ 313.6
<i>As a Percentage of Expenditures</i>	<i>0.0%</i>	<i>7.5%</i>

Totals may not add because of rounding.

Although this budget is required to be submitted by law, the Governor does not regard it as representative of her budget proposals or priorities. The budget recommendations she submits to the Legislature for consideration and approval are those contained in the preceding pages of this volume as well as Volume 2 of *The Governor's Budget Report*. For purposes of tracking legislative adjustments and eventually reporting an approved budget, the Governor's true recommendations, not this "statutory budget," will be used as the point of reference.

Reductions Required to Meet 7.5 Percent Ending Balance

	<u>FY 2004</u> <u>Gov. Rec.</u>	<u>Reduction</u> <u>Amount</u>	<u>Statutory</u> <u>Budget Scenario</u>
General Government			
Department of Administration	19,312,708	(4,065,674)	15,247,034
Kansas Human Rights Commission	1,333,830	(280,795)	1,053,035
Board of Indigents' Defense Services	14,218,312	(2,993,211)	11,225,101
Department of Commerce & Housing	--	--	--
Department of Revenue	25,213,302	(5,307,855)	19,905,447
Board of Tax Appeals	1,232,493	(259,462)	973,031
Governmental Ethics Commission	435,699	(91,723)	343,976
Office of the Governor	1,599,031	(336,625)	1,262,406
Office of the Lieutenant Governor	112,093	(23,598)	88,495
Attorney General	4,200,785	(884,341)	3,316,444
Secretary of State	834,707	(175,721)	658,986
State Treasurer	--	--	--
Legislative Coordinating Council	687,365	(144,703)	542,662
Legislature	12,449,270	(2,620,796)	9,828,474
Legislative Research Department	2,440,921	(513,858)	1,927,063
Legislative Division of Post Audit	1,752,139	(368,857)	1,383,282
Revisor of Statutes	2,385,856	(502,266)	1,883,590
Judiciary	80,941,470	(17,039,641)	63,901,829
Judicial Council	--	--	--
Total--General Government	\$ 169,149,981	\$ (35,609,125)	\$ 133,540,856
Human Resources			
Social & Rehabilitation Services	739,066,871	(155,586,918)	583,479,953
Kansas Neurological Institute	9,765,684	(2,055,853)	7,709,831
Larned State Hospital	25,527,686	(5,374,039)	20,153,647
Osawatomie State Hospital	8,225,647	(1,731,647)	6,494,000
Parsons State Hospital & Training Center	6,866,864	(1,445,599)	5,421,265
Rainbow Mental Health Facility	3,867,158	(814,107)	3,053,051
Subtotal--SRS	\$ 793,319,910	\$ (167,008,162)	\$ 626,311,748
Department on Aging	163,476,317	(34,414,716)	129,061,601
Health and Environment--Health	26,225,281	(5,520,895)	20,704,386
Department of Human Resources	1,891,612	(398,218)	1,493,394
Commission on Veterans' Affairs	4,723,604	(994,404)	3,729,200
Kansas Guardianship Program	1,000,506	(210,625)	789,881
Total--Human Resources	\$ 990,637,230	\$ (208,547,020)	\$ 782,090,210

Reductions Required to Meet 7.5 Percent Ending Balance

	<u>FY 2004</u> <u>Gov. Rec.</u>	<u>Reduction</u> <u>Amount</u>	<u>Statutory</u> <u>Budget Scenario</u>
Education			
Department of Education	2,344,505,609	--	2,344,505,609
School for the Blind	4,223,738	(889,173)	3,334,565
School for the Deaf	6,836,148	(1,439,133)	5,397,015
Subtotal--Department of Ed.	\$ 2,355,565,495	\$ (2,328,306)	\$ 2,353,237,189
Board of Regents	124,380,626	--	124,380,626
Emporia State University	29,231,556	--	29,231,556
Fort Hays State University	30,179,531	--	30,179,531
Kansas State University	101,091,282	--	101,091,282
KSU--Veterinary Medical Center	9,545,175	--	9,545,175
Kansas State University--ESARP	46,456,360	--	46,456,360
Pittsburg State University	31,826,710	--	31,826,710
University of Kansas	131,222,584	--	131,222,584
University of Kansas Medical Center	99,479,412	--	99,479,412
Wichita State University	62,738,280	--	62,738,280
Subtotal--Regents	\$ 666,151,516	--	\$ 666,151,516
Kansas Arts Commission	1,503,950	(316,609)	1,187,341
Historical Society	5,553,906	(1,169,197)	4,384,709
State Library	4,917,857	(1,035,298)	3,882,559
Total--Education	\$ 3,033,692,724	\$ (4,849,409)	\$ 3,028,843,315
Public Safety			
Department of Corrections	82,618,271	(17,392,637)	65,225,634
El Dorado Correctional Facility	20,692,920	(4,356,233)	16,336,687
Ellsworth Correctional Facility	10,500,274	(2,210,497)	8,289,777
Hutchinson Correctional Facility	24,366,899	(5,129,672)	19,237,227
Lansing Correctional Facility	32,369,719	(6,814,410)	25,555,309
Larned Correctional Mental Health Facility	7,907,013	(1,664,569)	6,242,444
Norton Correctional Facility	12,166,215	(2,561,208)	9,605,007
Topeka Correctional Facility	10,198,848	(2,147,042)	8,051,806
Winfield Correctional Facility	9,799,665	(2,063,006)	7,736,659
Subtotal--Corrections	\$ 210,619,824	\$ (44,339,275)	\$ 166,280,549
Juvenile Justice Authority	29,395,758	(6,188,338)	23,207,420

Reductions Required to Meet 7.5 Percent Ending Balance

	<u>FY 2004</u> <u>Gov. Rec.</u>	<u>Reduction</u> <u>Amount</u>	<u>Statutory</u> <u>Budget Scenario</u>
Atchison Juvenile Correctional Facility	5,868,143	(1,235,350)	4,632,793
Beloit Juvenile Correctional Facility	4,873,945	(1,026,053)	3,847,892
Larned Juvenile Correctional Facility	7,229,161	(1,521,869)	5,707,292
Topeka Juvenile Correctional Facility	13,171,684	(2,772,877)	10,398,807
Subtotal--Juvenile Justice	\$ 60,538,691	\$ (12,744,487)	\$ 47,794,204
Adjutant General	5,172,022	(1,088,804)	4,083,218
Ombudsman for Corrections	--	--	--
Highway Patrol	--	--	--
Kansas Bureau of Investigation	11,835,195	(2,491,522)	9,343,673
Kansas Parole Board	486,102	(102,333)	383,769
Emergency Medical Services	--	--	--
Sentencing Commission	316,935	(66,721)	250,214
Total--Public Safety	\$ 288,968,769	\$ (60,833,142)	\$ 228,135,627
Agriculture & Natural Resources			
Department of Agriculture	9,406,284	(1,980,193)	7,426,091
Animal Health Department	574,087	(120,856)	453,231
State Conservation Commission	562,295	(118,373)	443,922
Kansas State Fair	538,103	(113,280)	424,823
Kansas Water Office	1,251,448	(263,452)	987,996
Department of Wildlife & Parks	3,159,583	(665,149)	2,494,434
Total--Agriculture & Natural Resources	\$ 15,491,800	\$ (3,261,304)	\$ 12,230,496
Transportation			
Kansas Department of Transportation	--	--	--
Total--Transportation	--	--	--
Total Expenditures	\$ 4,497,940,504	\$ (313,100,000)	\$ 4,184,840,504