

The Governor's
Budget
Report

Volume 1

**Descriptions
and
Budget Schedules**

Fiscal Year 2007



K A N S A S

OFFICE OF THE GOVERNOR

KATHLEEN SEBELIUS, GOVERNOR

January 9, 2006

Dear Fellow Kansans:

With the submission of this report, I present my budget recommendations for the fiscal years 2006 and 2007 for consideration by the 2006 Kansas Legislature.

Over the last three years, many financial challenges have been successfully dealt with and our state economy has steadily improved. As a result, the recommendations in this budget can be financed with existing funds while still leaving a 7.5 percent ending balance in our State General Fund as required by law.

My budget recommendations are based on the key principles of supporting and improving education, growing the Kansas economy, improving health care, keeping Kansans safe, and making state government more efficient.

If you would like additional information or if you have questions, I invite you to contact my office or the Division of the Budget.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Sebelius".

KATHLEEN SEBELIUS
Governor

Voters of Kansas

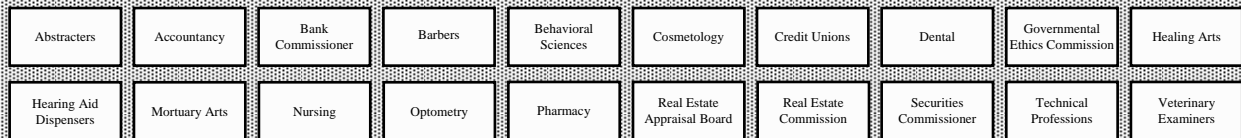
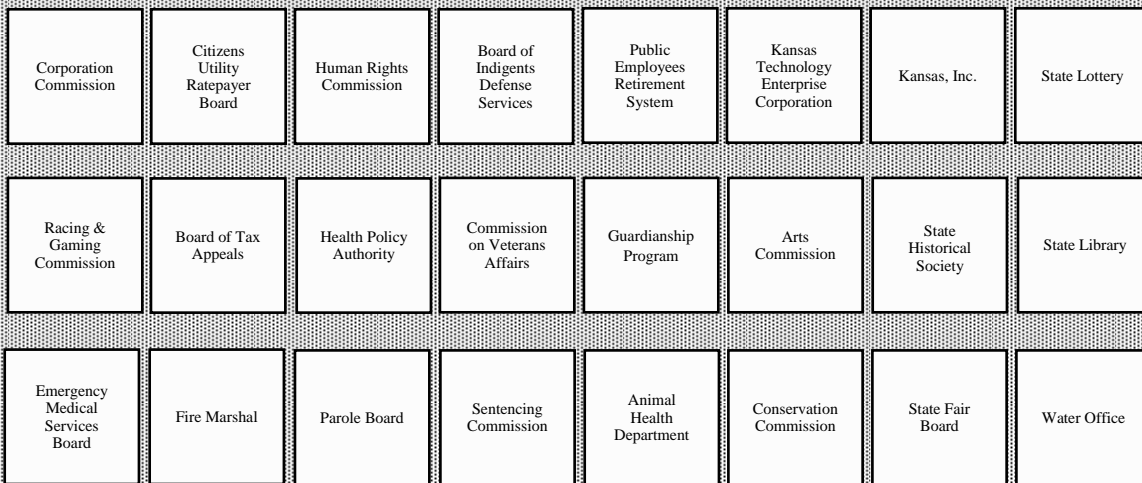
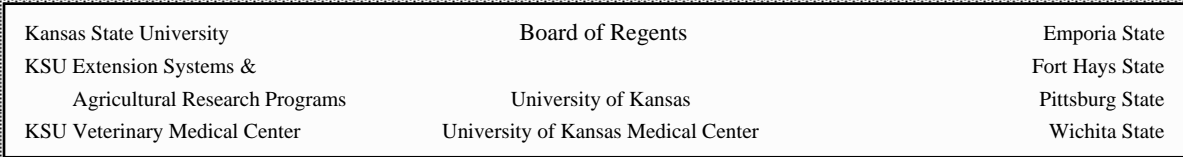
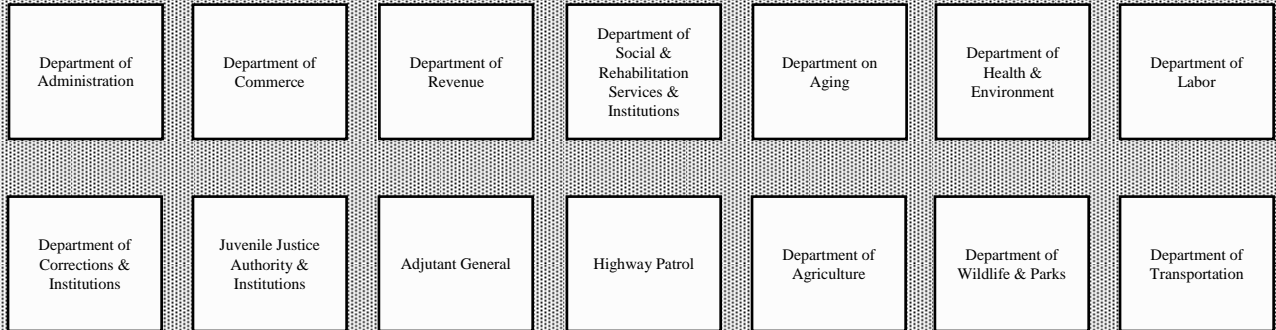
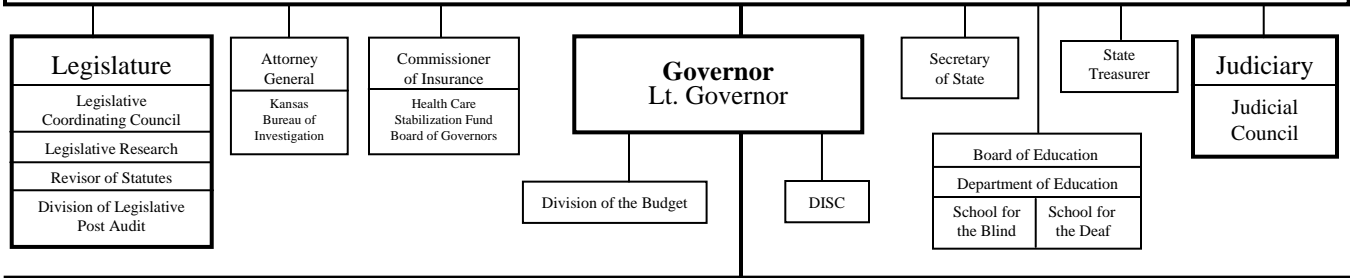


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Governor Kathleen Sebelius presents a revised FY 2006 budget and a new budget plan for FY 2007. The budget meets the 7.5 percent ending balance required by Kansas law and caps a successful four-year effort to stabilize the state's finances.

The Governor's budget is based on the guiding principles of her administration:

Support and improve Kansas schools;

Grow the Kansas economy and create jobs;

Improve health care;

Keep Kansans safe; and

Make state government more efficient.

currently approved. The revised budget from all funding sources grows by \$242.9 million chiefly because expected federal receipts have risen and some transportation capital improvement expenditures have shifted to FY 2006.

All Funding Sources Budget Totals

(Dollars in Millions)

	Amount	Percent Change
FY 2005 Actual Expenditures	\$ 10,585.5	--
FY 2006 Approved (May 2005)	11,582.8	9.4%
FY 2006 Revised Rec.	11,827.0	11.7%
FY 2007 Governor's Rec.	11,695.6	(1.1%)

State General Fund Budget Totals

(Dollars in Millions)

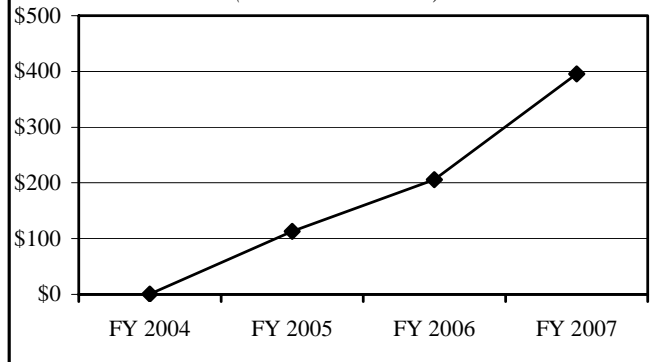
	Amount	Percent Change
FY 2005 Actual Expenditures	\$ 4,690.1	--
FY 2006 Approved (May 2005)	5,149.8	9.8%
Expenditures Shifting Forward	31.6	--
FY 2006 Approved with Shifts	5,181.5	10.5%
FY 2006 Revised Rec.	5,163.4	10.1%
FY 2007 Governor's Rec.	5,306.4	2.8%

FY 2007

Vital initiatives are maintained in FY 2007, targeted enhancements are proposed for priority areas, and a 7.5 percent ending balance is projected for the State

SGF Ending Balance As Proposed by Governor Sebelius in January Budget Submissions

(Dollars in Millions)

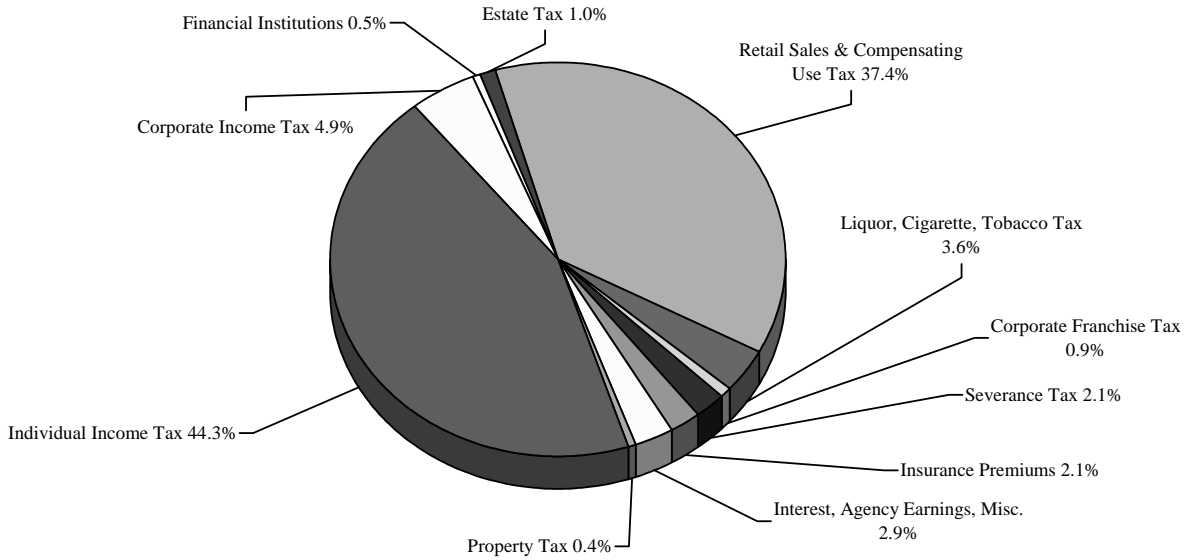


FY 2006

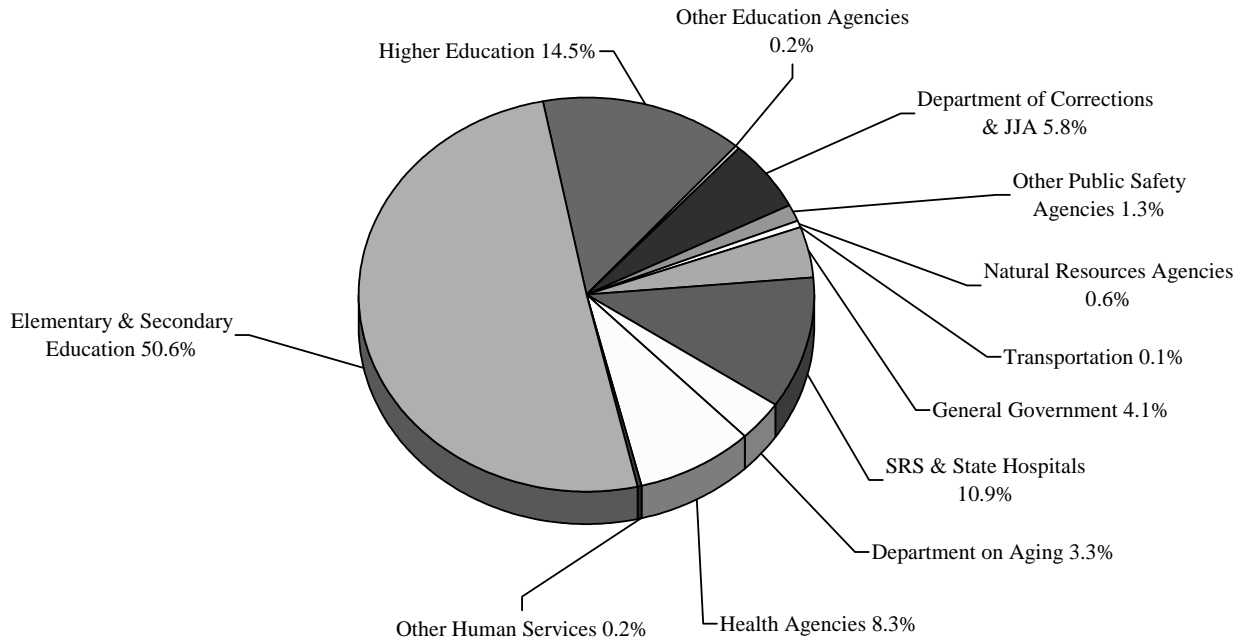
The revised budget presented for FY 2006 supports the initiatives that were included in the original FY 2006 budget approved by the Kansas Legislature. The recommendations incorporate the most recent estimates for social service caseloads and school finance formula costs. These recent estimates are lower than those used to build the original budget, allowing the revised FY 2006 budget for the State General Fund to be \$18.1 million below the budget as

General Fund. Recommended spending from the State General Fund in FY 2007 increases 2.8 percent over FY 2006, with slightly more than half of this increase devoted to funding the requirements of the current school finance law enacted by the 2005 Legislature, adding \$75.6 million over FY 2006 for special education services, LOB state aid, and KPERS—School costs.

Where State Dollars Come From
State General Fund
FY 2007



Where State Dollars Go
State General Fund
FY 2007



State General Fund Summary

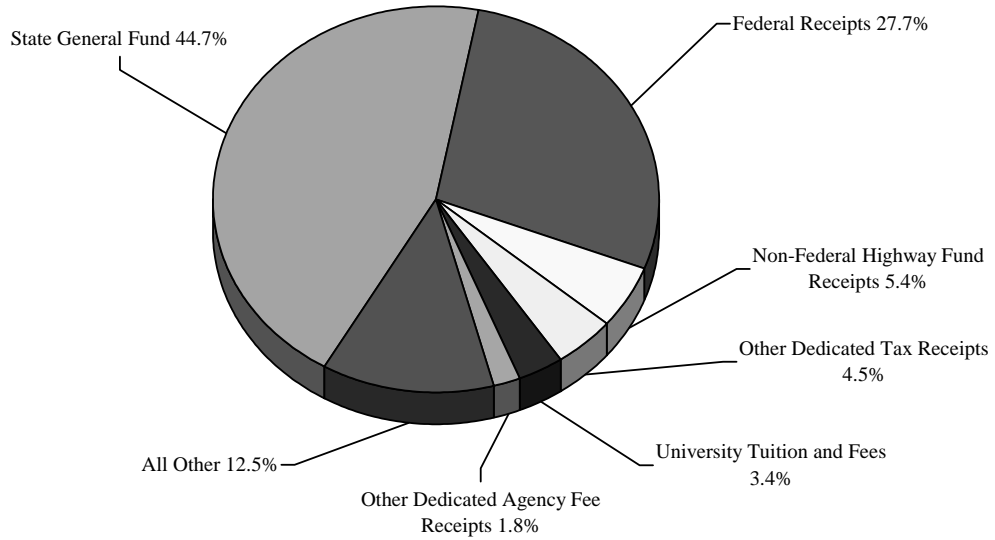
(Dollars in Millions)

	Actual FY 2003	Actual FY 2004	Actual FY 2005	Gov. Rec. FY 2006	Gov. Rec. FY 2007
Beginning Balance	\$ 12.1	\$ 122.7	\$ 327.5	\$ 478.7	\$ 476.8
Released Encumbrances	2.6	2.4	--	--	--
Revenue from Taxes	4,142.0	4,387.1	4,718.5	5,049.9	5,183.5
Interest	19.1	13.9	23.3	62.8	87.3
Agency Earnings	51.8	55.3	75.9	60.0	62.5
Federal Flexible Grant	45.8	45.7	--	--	--
Transfers:					
Special County/City Highway Fund	(5.0)	--	(10.1)	(10.1)	(10.1)
School Capital Improvement Aid	(46.9)	(49.9)	(53.0)	(56.2)	(59.2)
Water Plan Fund	(3.8)	(3.8)	(3.7)	(6.0)	(6.0)
State Fair	(0.2)	--	--	(0.2)	(0.3)
Regents Faculty of Distinction	--	(0.3)	(0.3)	(0.9)	(1.0)
Regents Research & Development Bonds	--	--	(3.1)	(0.2)	(9.6)
Highway Patrol	--	28.9	30.7	32.3	34.6
KEY Fund	3.9	9.9	1.7	2.3	--
KDOT Loan Payment	--	--	--	--	(32.5)
Colorado Water Settlement	--	--	19.4	--	--
27th Paycheck	--	--	--	32.7	--
All Other Transfers	<u>39.0</u>	<u>32.1</u>	<u>42.1</u>	<u>(5.0)</u>	<u>(24.1)</u>
Total Available	\$ 4,260.2	\$ 4,644.0	\$ 5,168.8	\$ 5,640.2	\$ 5,701.9
Expenditures					
Aid to K-12 Schools	2,104.3	2,165.7	2,314.9	2,586.7	2,661.9
Higher Education	670.0	673.6	706.1	749.3	771.9
SRS & Aging Caseloads	532.8	527.8	659.2	706.2	707.2
All Other Expenditures	830.4	949.3	1,009.9	1,121.2	1,160.5
Additional CTP Bonds	--	--	--	--	5.0
KPERS Rate Increase (State/School)	--	--	--	--	--
KPERS Bond Payment Increase	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	\$ 4,137.5	\$ 4,316.5	\$ 4,690.1	\$ 5,163.4	\$ 5,306.4
Ending Balance	\$ 122.7	\$ 327.5	\$ 478.7	\$ 476.8	\$ 395.5
<i>As Percentage of Expenditures</i>	<i>3.0%</i>	<i>7.6%</i>	<i>10.2%</i>	<i>9.2%</i>	<i>7.5%</i>

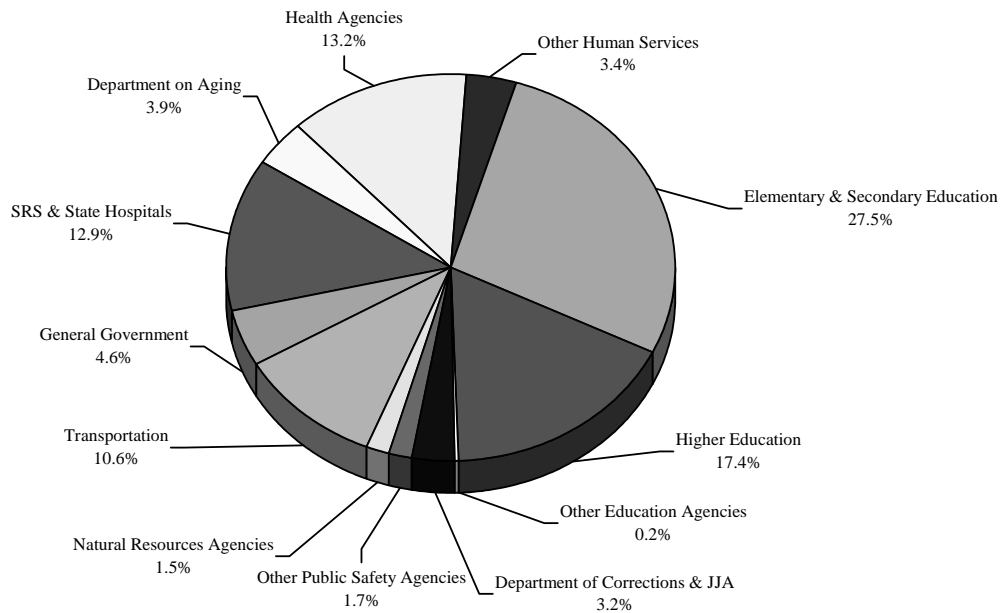
Totals may not add because of rounding.

Revenues for FY 2006 and FY 2007 reflect CRE of November 3, 2005, with Governor's revenue adjustments.

How the All Funds Budget Is Financed
 All Sources of Funding
 FY 2007



Where All Funds Go
 All Sources of Funding*
 FY 2007



* Excludes non-reportable expenditures.

Key Components of the Budget for FY 2007

Achieving Financial Stability. Through four successive budgets the Sebelius administration has guided the state back to financial stability, going from balances just above zero in the Governor's first budget to achieving the required 7.5 percent ending balance in the State General Fund in FY 2007.

Supporting Kansas Schools. In FY 2006, the state dramatically increased its investment in K-12 schools. This budget's recommendations continue that investment and add another \$75.6 million in FY 2007 to fund the school finance law fully.

Ensuring Quality Higher Education. The budget includes an operating grant increase of \$20.0 million for Regents universities, \$8.9 million for the final year of the Higher Education Reform Act (SB 345), \$1.0 million in new funds for vocational-technical schools, \$1.0 million more in student financial aid programs, and \$5.0 million to support a Cancer Center at the University of Kansas Medical Center.

Expanding Early Childhood Education. The waiting list for Early Headstart is eliminated in this budget, and pilot projects are begun to improve the quality of services available for four-year-old children.

Improving Health Care for Kansas Children. All children from birth through age five who currently do not have health insurance will be covered. All other children would be presumed eligible for Medicaid or HealthWave coverage when they seek medical care.

Promoting Job Growth. To continue the state's economic growth, the budget continues funding for the Economic Revitalization Plan, financing for the Bioscience Initiative, and support for the Governor's Military Council. This group will work to build upon the gains Kansas made under the latest round of the Base Realignment and Closure Commission.

Making Kansans Safer. The budget proposes GPS tracking of all second-time sex offenders, improved KBI databases for tracking other criminal offenders, enhancements for the Criminal Justice Information System, as well as more funds for the KBI's DNA registry.

Caring for the Elderly and Disabled. Home and Community-Based Service programs for the frail elderly and physically disabled already operate without waiting lists. In FY 2007, \$13.7 million is added to reduce the waiting list and improve provider reimbursement rates in HCBS programs for the developmentally disabled.

Supporting Our Military and Veterans. New funding is added to the Veterans Commission to hire additional veterans service representatives. Support for the Military Bill of Rights, including the Kansas Emergency Military Relief Fund to assist military families and to pay life insurance premiums for activated Guard members, is maintained.

Helping Kansans with Energy Costs. The state has realized greater oil and gas severance tax receipts than expected, so the Governor proposes using a portion of the receipts, \$5.0 million, for WARM Kansas, which will help Kansans save on energy costs via loans and grants for insulation and weatherization and will supplement federal funding for the Low Income Energy Assistance Program.

Funding Vital Services. The Governor's budget ensures that costs for medical services, nursing home care, foster care, and temporary assistance for families are fully funded. In FY 2007, more than 278,000 people are expected to receive medical services through state programs; more than 10,000 people are supported in nursing homes; almost 5,300 children will be in foster care; and 47,400 will receive support through temporary assistance for families.

Keeping Transportation Promises. To complete all promised road projects in the Comprehensive Transportation Plan (CTP), the budget includes additional bonding authority, as agreed when the CTP was restructured during the 2004 Session.

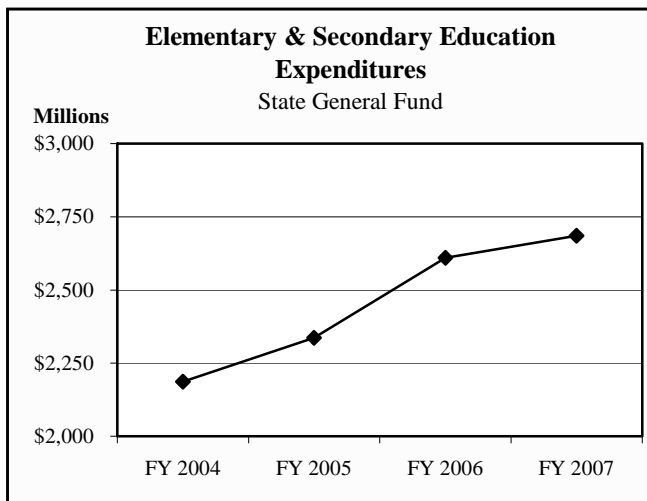
Recognizing Service. To ensure the state can continue to recruit highly qualified individuals, all state employees will receive a 2.5 percent general increase. Further funds are added to reclassify Department of Corrections officers and to implement a retention incentive for building trade workers.

Budget Principle: Support & Improve Kansas Schools

K-12 Schools. More than 50.0 percent of the State General Fund budget is dedicated to K-12 schools and funding the school finance formula. Over the past four years, investment in schools has increased each year, with the largest increase coming in FY 2006. Since FY 2003, \$482.4 million of new state money has been appropriated for Kansas public schools. The new investment covered the significant changes made to the finance formula during the 2005 regular and special sessions. In this budget, an additional \$75.6 million is included to meet fully the requirements of the school finance law.

The additional money for FY 2007 is budgeted to cover 92.0 percent of special education excess costs, pay the state's share of allowing local option budgets to rise to 29.0 percent of districts' general fund budgets, and to cover the ever-increasing employers' costs of KPERS for education system employees.

The graph below shows expenditures from the State General Fund since FY 2004 for all elementary and secondary education in the state, including the Department of Education, as well as the State Schools for the Deaf and Blind.

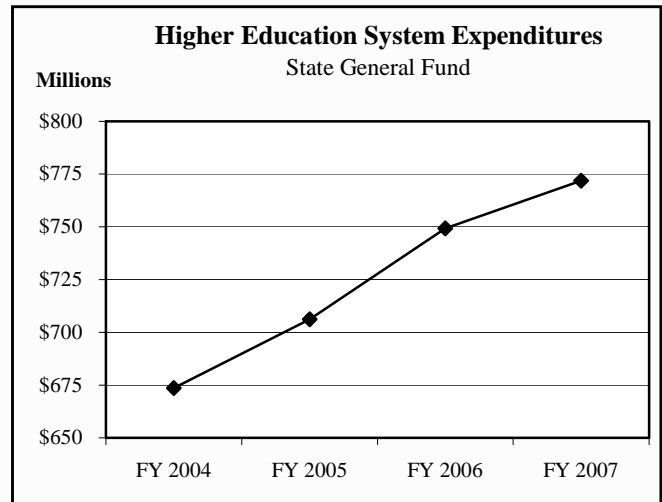


Universities, Colleges, and Vo-Tech Schools. The FY 2007 budget includes another \$8.9 million to complete the funding promise of higher education restructuring, sometimes called SB 345. The \$8.9 million will be shared by universities, community

colleges, and Washburn University. For the state's higher education system, a cumulative total of \$79.3 million has been added since FY 2003.

Budgets for Regents universities are funded through an operating grant in order to provide them with control of all their funding sources without restriction from the state. The FY 2007 budget includes a \$20.0 million increase for university operating grants. Although operating grants were instituted in FY 2002, they have been substantially increased in the last three years.

In addition, the FY 2007 recommendations include \$1.0 million to enhance technical college funding, \$1.0 million more for postsecondary student financial aid, \$5.0 million to begin support of a cancer center at the Kansas University Medical Center, and a \$200,000 increase for nursing scholarships to address the workforce shortage.



Early Childhood. The FY 2007 budget eliminates the waiting list for Early Headstart, and pilot projects are begun to enhance the quality of services available for four-year-old children. In the Department of Health and Environment, \$200,000 is added for the Infant-Toddler (Tiny-K) Program. In order for more children to receive quality daycare services, \$3.0 million is added to the SRS budget. \$1.3 million is added to the Commerce budget for after-school programs that enhance students' academic performance.

Budget Principle: Grow the Economy & Create Jobs

The Kansas economy is growing and expanding. As noted by the Consensus Estimating Group that met in November 2005, the state's economy is expected to continue growing at a relatively robust rate for FY 2006 and into FY 2007. A healthier overall employment picture and a modest recovery in the aviation manufacturing sector are expected to continue to boost consumer income and spending. The FY 2007 budget is based on the group's economic assumptions, a few of which are listed in the table below.

Kansas Economic Indicators

(Percentage Increase)

	CY 2005	CY 2006	CY 2007
Gross State Product	5.8%	5.2%	4.7%
Kansas Personal Income	5.9%	5.4%	5.1%
Inflation (CPI-U)	3.5%	2.8%	2.5%
Unemployment Rate*	5.4%	5.2%	5.1%

*Fiscal Year basis.

Reflecting the state's economy and steady job growth, tax receipts have been growing for the last two years and are forecast to continue growing in FY 2006 and FY 2007.

State General Fund Tax Receipts

(Dollars in Thousands)

	Receipts from Taxes	Percent Change
FY 2003	\$4,141,984	3.6%
FY 2004	4,387,130	5.9%
FY 2005	4,718,543	7.6%
FY 2006 (Estimate)	5,049,900	7.0%
FY 2007 (Estimate)	5,183,500	2.6%

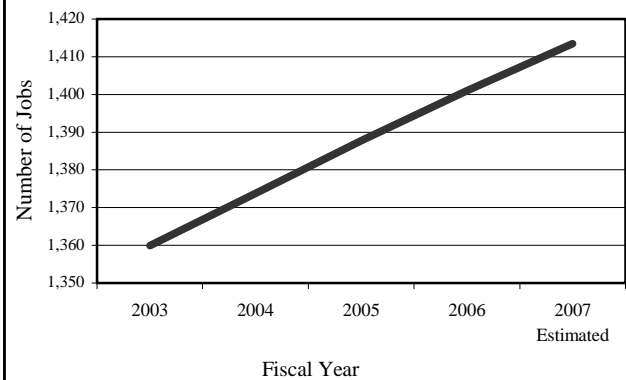
To further the state's economic growth, the Governor's FY 2007 budget continues funding for the

Department of Commerce, KTEC, the Economic Revitalization Act, the Bioscience Initiative, and monitoring of the federal Base Realignment and Closure Commission (BRAC).

Through November 2005, Kansas has experienced 21 straight months of job growth, as illustrated in the chart below. Most industry sectors have shown growth over the year, with the largest employment growth in professional and business services. Kansas employers have added more than 48,000 jobs in the last two years.

Kansas Employment Growth

(In Thousands)



The Governor also proposes to spur job creation in Kansas by eliminating the property tax on new business equipment.

Business owners need to invest in new equipment and technology to develop their ventures, but the current tax structure is a barrier to those investments. Because the state should encourage businesses to invest in new equipment and new technology to keep pace with rapid changes in the market, the Governor recommends the Legislature take action to exempt from property taxes all commercial and industrial machinery and equipment purchased after January 1, 2007. A 1997 report by Kansas, Inc. indicates that reducing this tax will create new jobs and boost state personal income.

Budget Principle: Improve Health Care

A commitment to improve Kansas health care is incorporated throughout the FY 2007 budget.

Cover All Children from Birth to Age Five. An estimated 15,000 children five years of age and under do not currently have health insurance. The Governor proposes using \$3.5 million from the State General Fund to provide health insurance to all children from birth to age five who do not have health insurance.

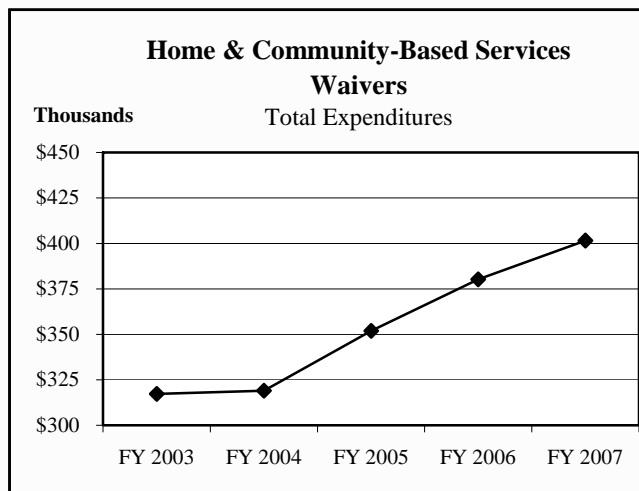
Presumptive Eligibility for All Children. The Governor proposes a change to the state's Medicaid plan so that all children over five years of age will be presumed eligible for Medicaid or HealthWave coverage when they seek services. Uninsured children will have access to immediate care and medical providers will have assurance that the services they provide will be reimbursed.

Health Policy and Finance. At the beginning of FY 2006 state health purchasing functions were consolidated within the Division of Health Policy and Finance of the Department of Administration. Legislation established a nine-member Health Authority to guide health policy and eventually assume management of the Division. As part of this budget, the Governor recommends that the Health Authority continue to provide policy guidance, but that the separation of the Health Authority to a new state agency be delayed until the beginning of FY 2008.

Business Health Partnership. Funding for the Business Health Partnership rises from \$500,000 to \$2.0 million. This increased financing provides a benefit for small businesses by supplementing the cost of insurance premiums for low-income employees. The price reduction for both the employer and employee makes it possible for more Kansans to obtain health insurance.

Low-Cost Prescriptions for Kansans. In FY 2006, an initiative was started to make low-cost generic drugs available at local participating pharmacies to uninsured low-income Kansans. For FY 2007, funding for Community Rx is recommended to double to \$400,000.

Enhanced HCBS Services. Home and Community-Based service programs for the frail elderly and for the physically disabled currently operate without any waiting lists. For FY 2007, \$13.7 million is added to the budget to reduce the waiting list and improve provider reimbursement rates in HCBS programs for the developmentally disabled.



Adult Dental Coverage for People on HCBS Waivers. Funds are included to begin adult dental coverage for those receiving services through Home and Community-Based Service waiver programs.

Primary Health Clinics. \$1.0 million in additional funds are recommended to subsidize the Kansas Association for the Medically Underserved health clinics.

Fully Fund Medicaid Caseloads. More than 278,000 Kansans receive medical benefits through the Medicaid program and over 10,000 Kansans rely on the Medicaid program to support nursing home stays. Though Medicaid costs have been rising, the FY 2007 budget again fully funds the Medicaid services for all those eligible.

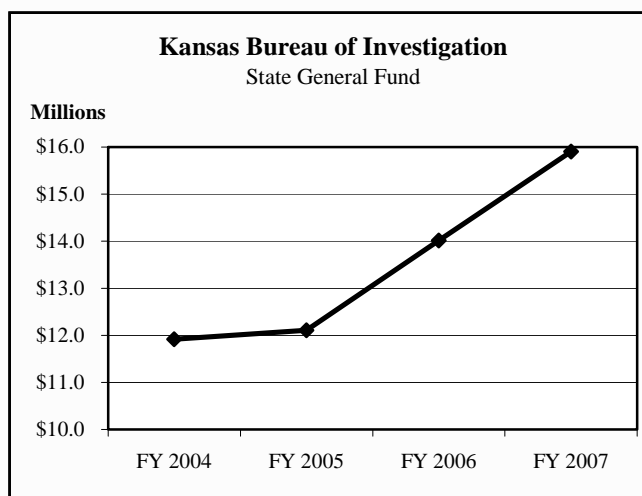
Children of State Employees. Federal rules do not allow state employee dependents to receive HealthWave benefits, but starting in January 2006, the state will pay 90.0 percent of the cost of health coverage for employees' children who otherwise would have been eligible for HealthWave.

Budget Principle: Keep Kansans Safe

The FY 2007 budget funds the vital ongoing services that protect Kansans. Maintaining strong public safety agencies has been a priority for the last four budgets.

Homeland Security. In FY 2007, the state expects to receive \$67.5 million in federal homeland security funds, a large portion of which will be passed on to local governments. The Governor’s Homeland Security Council coordinates the use of these funds. A key goal of the Governor and the Council is achieving emergency radio interoperability so that emergency workers across Kansas can readily communicate with each other.

GPS Tracking. The Governor recommends \$1.1 million in FY 2007 to use GPS devices to track all second-time sex offenders. This will place 225 sex offenders under 24-hour electronic surveillance and help ensure that the offenders comply with the conditions of their supervision.



KBI Enhancements. State General Fund support for the KBI proposed in the FY 2007 Governor’s budget is an increase of 31.4 percent from the amount the agency actually spent in FY 2005. In addition to

regular KBI operations, the increased funding supports work on the KBI’s DNA registry, new positions to update the KBI offender database, the Criminal Justice Information System, and the replacement of the agency’s Automated Fingerprint Identification System.

Criminal Justice Information System (CJIS). The Governor’s budget also proposes \$1.4 million across several state agencies to enhance CJIS. The system provides local and state law enforcement agencies with immediate criminal justice information.

Military and Veterans. The Governor’s budget recommendations continue assistance for the Kansas Military Bill of Rights and ongoing support to pay for life insurance premiums of active duty Kansas Guard members. An extra \$400,000 for maintenance and repair is included in the budget for both FY 2006 and FY 2007 to be used at military bases receiving more personnel as a result of military base realignment. New funding is added to the Veterans Commission budget so additional veterans service representatives can be hired and trained on federal benefit processes.

- Kansas Military Bill of Rights**

 - Pay Differential for Active Duty State Employees
 - Activation Payments
 - Tuition Assistance
 - In-State Tuition for Military Family Members
 - Tuition Refunds for Activated Students
 - Emergency Relief Fund for Military Families
 - State Income Tax Filing Extensions
 - Governor's Military Council
 - Free Hunting & Fishing Licenses for Guard Members

Budget Principle: Efficiency in Government

Efficiency Savings. Throughout her term of office, Governor Sebelius and her appointed agency heads have focused on making sure tax dollars spent by the state do not go toward unnecessary costs, but instead are devoted to services directly benefiting Kansans.

Through FY 2007, this redirected focus is expected to generate \$1.0 billion in savings that previously were spent in areas now eliminated, or was an area where the State of Kansas was not taking full advantage of its purchasing power or its power to collect debts.

In addition, the Department of Transportation restructured its debt, revised earnings assumptions that were made when the \$13.6 billion Comprehensive Transportation Plan was passed in 1999, as well as rescoped set-aside and maintenance programs. For the last five years of the ten-year construction program, those actions will save \$813.0 million.

Sebelius Administration Savings & Efficiency Projects*			
	<u>Annual Savings</u>	<u>One-Time Savings</u>	<u>Total Savings</u>
Administrative	3,191,431	27,715,543	40,602,285
Common Sense	1,145,138	10,687,444	15,685,427
Financial	7,010,239	58,550,564	81,446,161
Organizational	9,192,585	17,171,383	<u>52,184,097</u>
Total		\$ 189,917,970	
KDOT Savings	--	813,000,000	<u>813,000,000</u>
Grand Total		\$ 1,002,917,970	

**January 2003 to January 2007*

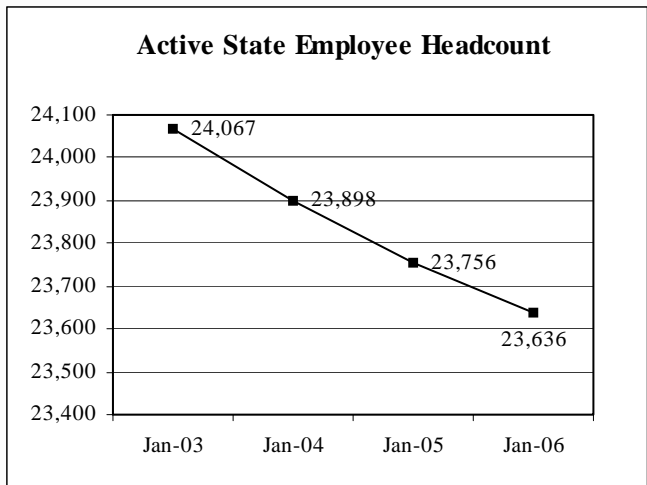
For further information refer to <http://da.state.ks.us/budget>.

Vehicles. By the beginning of FY 2007, the size of the state's basic fleet of cars and pickup trucks will have been reduced by over 20.0 percent since the Governor took office. In November 2003, the state had a basic fleet of 4,279 vehicles. At that time, the Governor asked for a careful examination of the fleet and an agency-by-agency review of vehicle usage. As a result of that effort, 677 vehicles were sold at auction

in February 2004. Since that time, agencies have continued to review the number vehicles they use. By the beginning of FY 2007, an additional 200 vehicles are expected to have been removed from the basic state fleet, bringing the size down to 3,402.

State Vehicle Fleet: Cars, Pickups/Vans	
Total vehicles in Fleet November 2003 (excludes trailers, large trucks, university fleets, KHP fleet)	4,279
Vehicles sold February 2004	677
Reductions to be completed by July 2006	<u>200</u>
FY 2007 Expected Fleet Size	3,402

State Employee Count. In the first pay period of January 2003 the actual headcount of active employees working for the state (excluding the Regents universities) was 24,067. By January 2006 that headcount had been reduced to 23,636. State government is operating with fewer employees at a time when virtually all other sectors of the Kansas economy are adding jobs.



Medicaid Inspector General. Following the recommendations of the legislative Special Committee on Medicaid Reform, the budget includes funds for an Inspector General to search aggressively for fraud and find methods to trim Medicaid costs.

State General Fund Balances

Ending Balance Requirements

Legislation that was enacted by the 1990 Legislature established a minimum ending balance. The legislation requires that when the Governor submits a budget to the Legislature and when the Legislature finally approves a budget, a State General Fund balance of at least 7.5 percent of expenditures must be projected at the end of the budget year. For five years, from FY 2002 through FY 2006, the Legislature has lowered or suspended this requirement and allowed for lower ending balances.

The table on this page depicts State General Fund receipts, expenditures, and actual year-end balances for the 15-year period from FY 1993 through FY 2007. In FY 2002, receipts to the State General Fund dropped by 6.9 percent from the previous year, leaving an extremely low actual ending balance of \$12.1 million. During FY 2003, even though Governor Graves implemented two emergency allotment reductions within three months, the state's fiscal condition remained very difficult. Governor Sebelius proposed her first budget in January 2003 and was able to recommend a budget that projected a positive ending balance just above zero. In the last three years, the recovery of the state's economy, budget reductions, and operating efficiencies have permitted Governor Sebelius to propose budgets with ever larger ending balances. In all three of those years, the final actual ending balance has been higher than the balance projected in the approved budget.

With the income forecast in the November Consensus Revenue Estimate, and with the expenditures recommended by the Governor for FY 2007, the projected balance in the State General Fund at the end of FY 2007 is \$395.5 million, or 7.5 percent of expenditures.

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 occasionally requires that actions be taken, such as adjusting the amount and timing of various large payments and transfers to ensure the State General Fund always has cash available. However, administrative actions alone are not always adequate to maintain a positive cashflow for the State General Fund.

State General Fund Balances				
<i>(Dollars in Millions)</i>				
Fiscal Year	Receipts	Expend.	Balances	Percent
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	4,245.6	4,137.5	122.7	3.0
2004	4,518.9	4,316.5	327.5	7.6
2005	4,841.3	4,690.1	478.7	10.2
2006	5,161.5	5,163.4	476.8	9.2
2007	5,225.1	5,306.4	395.5	7.5

For the last seven years, the state has temporarily borrowed from the balances of other funds by issuing certificates of indebtedness. As has been the practice in recent years, a \$450.0 million certificate was issued on the first day of FY 2006. The certificate must be repaid before the fiscal year closes. Without this deposit, the State General Fund would have had no idle cash by the end of September with which to make expenditures, such as for payroll and grants to local governments, including school districts.

State General Fund Consensus 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 2006 and FY 2007 as a base and adjusts them to reflect the recommendations of the Governor that affect State General Fund receipts. This section covers the revenue projected by the consensus estimating process. The next section will cover the adjustments proposed by the Governor for annual and one-time transfers and concludes with a table that adds the consensus numbers and the revenue adjustments to produce a new total for State General Fund revenues.

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. A common economic forecasting model is not used. The group reconvenes in November to

discuss and compare the individual 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 upon which both the Governor and the Legislature build the annual state budget. 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 2006, 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 shown at the bottom of the page presents the key economic indicators used to estimate State General Fund revenues for FY 2006 and FY 2007. The Kansas economy is expected to continue to grow at a relatively robust rate for the balance of FY 2006. Growth in nominal personal income during calendar years 2005 and 2006 are expected to fuel the overall economic growth rate. A healthy overall employment

Key Economic Indicators				
<i>(Dollars in Thousands)</i>				
	2004	2005	2006	2007
Consumer Price Index for All Urban Consumers	2.7 %	3.5 %	2.8 %	2.5 %
Real U.S. Gross Domestic Product	4.2	3.5	3.4	3.3
Nominal U.S. Gross Domestic Product	7.0	6.1	5.7	5.4
Nominal U.S. Personal Income	5.9	5.9	6.5	5.7
Corporate Profits before Taxes	12.5	35.6	--	3.0
Nominal Kansas Gross State Product	6.4	5.8	5.2	4.7
Nominal Kansas Personal Income:				
Dollars in Millions	\$84,810	\$89,800	\$94,600	\$99,400
<i>Percentage Change</i>	5.0	5.9 %	5.4 %	5.1 %
Nominal Kansas Disposable Income:				
Dollars in Millions	\$76,455	\$80,100	\$83,600	\$87,750
<i>Percentage Change</i>	5.5 %	4.8 %	4.4 %	5.0 %
Interest Rate for State General Fund (based on fiscal year)	1.2	2.3	3.6	4.5
Kansas Unemployment Rate (based on fiscal year)	5.7	5.4	5.2	5.1

picture and a modest recovery in the aviation manufacturing sector are expected in the short term to cause income tax withholding and consumer spending to grow at levels not seen since the late 1990s. Although economic growth is expected to continue throughout FY 2007, the rate of growth is forecast to decline. Kansas Gross State Product is expected to grow by 5.8 percent through calendar year 2005, 5.2 percent in 2006, and 4.7 percent in 2007.

Kansas Personal Income. KPI in 2004 grew by 5.0 percent over the 2003 level. In 2005, it is expected to grow by 5.9 percent, then decrease to 5.4 percent for 2006. In 2007, KPI is expected to drop yet again to 5.1 percent. Current estimates are that overall U.S. personal income growth will be 5.9 percent for 2005, 6.5 percent for 2006, and 5.7 percent for 2007.

Employment. The employment outlook for Kansas remains healthy for the forecast horizon. The overall Kansas unemployment rate, which was 5.4 percent in FY 2005, is expected to be 5.2 percent in FY 2006, and then drop to 5.1 percent in FY 2007.

According to the Kansas Department of Labor, September 2005 was the 19th consecutive month of year-over-year job growth in Kansas. In addition, the average annual number of Kansans employed in FY 2006 is expected to exceed 1.4 million for the first time in history.

Agriculture. Net farm income in Kansas decreased from \$1,959.1 million in 2003 to \$1,466.3 million in 2004. Experts indicated that the decrease is a result of increased production (input) costs. Higher energy costs remain a major concern for the agricultural sector, as does export capacity following the summer and fall hurricanes.

The All Farm Products Index of Prices received by Kansas farmers was 107 in September, compared with 104 a year ago. Kansas' 2005 wheat crop at 380 million bushels generated a 21.0 percent higher yield than the 2004 crop. High levels of corn, sorghum, and soybean production are expected to push the final 2005 total production of Kansas' four major grain crops to 1.09 billion bushels. In the livestock sector, beef prices through September were significantly ahead of the previous year, although fewer cattle had been marketed to date in 2005. Hog prices were lower, but remain profitable.

Oil & Gas. The average price per taxable barrel of Kansas crude oil is estimated to be \$55 in FY 2006 and \$50 in FY 2007. Gross oil production in Kansas, which had been declining steadily appears to be stabilizing at approximately 34.0 million barrels per year. It should be noted that one-half of all Kansas oil produced is not subject to severance taxation because of various statutory exemptions in that law.

Natural gas prices were at historically high levels during last summer and fall because of hurricanes and other market forces. The resulting estimate places the average price at \$7 per mcf for FY 2006. The price is expected to decline to \$6.25 per mcf in FY 2007.

Even in the face of these high prices, production is expected to continue to decline for the foreseeable future as natural gas reserves, especially those in the Hugoton field, are depleted. Natural gas production in FY 2005 of 394.0 million cubic feet represents a continuing decrease. The current forecast is for 360.0 million cubic feet for FY 2006 and 335.0 million cubic feet for FY 2007.

Inflation. The Consumer Price Index for all Urban consumers (CPI-U) is expected to increase by 3.5 percent in 2005. This jump is attributed to unexpected increases in energy prices and the resulting disruption in energy supplies. The national forecasts for 2006 and 2007 call for inflation to return to more moderate levels, 2.8 percent and 2.5 percent, respectively.

Interest Rates. The Pooled Money Investment Board is authorized to make investments in U.S. Treasury and agency securities; highly rated commercial paper; and repurchase agreements and certificates of deposit of Kansas banks. In FY 2005, the state earned 2.27 percent on its State General Fund portfolio. The average rate of return forecasted for FY 2006 is 3.57 percent. For FY 2007, the forecasted rate is expected to increase to 4.53 percent.

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.

In FY 2003, receipts to the State General Fund rebounded by 3.3 percent, bringing receipts to only slightly above the FY 2002 level. However, the receipts for FY 2004 eventually recovered and even exceeded FY 2001 levels. The following table presents a complete list of State General Fund receipts from FY 1975 through FY 2005.

Historical State General Fund Receipts <i>(Dollars in Millions)</i>		
<u>Fiscal Year</u>	<u>Actual Receipts</u>	<u>Year to Year % Change</u>
1975	\$627.6	N/A
1976	701.2	10.5 %
1977	776.5	9.7
1978	854.6	9.1
1979	1,006.8	15.1
1980	1,097.8	8.3
1981	1,226.5	10.5
1982	1,273.0	3.7
1983	1,363.6	6.6
1984	1,546.9	11.8
1985	1,658.5	6.7
1986	1,641.4	(1.0)
1987	1,778.5	7.7
1988	2,113.1	15.8
1989	2,228.3	5.2
1990	2,300.5	3.1
1991	2,382.3	3.4
1992	2,465.8	3.4
1993	2,932.0	15.9
1994	3,175.7	7.7
1995	3,218.8	1.3
1996	3,448.3	6.7
1997	3,683.8	6.4
1998	4,023.7	8.4
1999	3,978.4	(1.1)
2000	4,203.1	5.3
2001	4,415.0	4.8
2002	4,108.3	(7.5)
2003	4,245.6	3.2
2004	4,518.9	9.1
2005	4,841.3	6.7

FY 2006

The revised FY 2006 estimate of State General Fund receipts is \$5.158 billion, which is a \$221.0 million increase from the previous estimate made in June. At that time, an additional \$86.0 million was added to the previous estimate made in April. Given all these factors, the new estimate is \$307.0 million more than the April estimate. In addition, the revised estimate represents a 6.5 percent growth forecast over final FY 2005 receipts.

The estimate of total taxes was increased by \$214.7 million, while the estimate of “other revenue” was increased by \$6.3 million. Five tax sources accounted for \$208.9 million of the total increase, including individual income, corporation income, sales, compensating use, and severance.

The estimate for individual income taxes was increased by \$100.0 million. A number of factors contributed to this increase, including the increased KPI growth projection, significant growth in withholding tax receipts, and the fact that receipts through October were running \$46.0 million above the prior fiscal-year-to-date estimate. Final FY 2005 receipts for this source grew by 8.6 percent over the previous year and finished \$10.6 million above the final (June) estimate and \$53.9 million ahead of the April estimate. The revised FY 2006 forecast represents 8.8 percent growth above the actual FY 2005 figure.

The estimate for corporation income taxes was increased by \$50.0 million. Receipts from this tax source were almost \$29.0 million ahead of the prior fiscal-year-to-date estimate through October. The factors contributing to the recovery in receipts from this source, which are estimated to be \$260.0 million for FY 2006, include continued strong corporate profit forecasts for the balance of 2005, an overall rebound in the Kansas economy, and continued employment growth.

The sales and use tax estimates were each increased by \$15.0 million. These increases were based on strong fiscal-year-to-date receipts. The Department of Revenue reported that since October 1, 2005, more than 80 retailers have voluntarily registered to collect use taxes. This fact also contributed to the increase in the estimates.

The sales tax growth rate is expected to moderate over the winter for two reasons. First, the energy price increases are expected to temper individuals' purchasing power. Second, purchases of motor fuel and residential utility services are exempt from the sales tax.

The overall severance tax estimate was increased by \$28.9 million, with \$20.7 million from the revised natural gas estimate and \$8.2 million from the revision to the oil tax estimate. The change is attributable primarily to the high prices for both of these commodities.

The insurance premiums tax estimate was increased by \$6.0 million. Receipts from this source exceeded the final FY 2005 figure by more than \$4.8 million. The same trend is expected in FY 2006. Interest earnings also were increased because of higher expected interest rates and increased balances. The result was an increase of \$8.8 million in interest earnings.

On the negative side, the estimate for agency earnings was decreased by approximately \$6.2 million, and the estimates for the motor carrier property tax, the estate tax, and the corporation franchise tax were decreased by a combined total of \$4.0 million.

FY 2007

Receipts for FY 2007 are estimated to be \$5.218 billion, an increase of \$60.4 million, or 1.2 percent, when compared to the newly revised FY 2006 figure. The growth would have been \$52.7 million more; however, legislation enacted during 2004 reduces the share of sales and use taxes that will be received by the State General Fund beginning in FY 2007.

Factors of note that were considered in estimating FY 2007 receipts include the beginning loan payments to the State Highway Fund and other sources. These payments account for a \$32.5 million increase in transfers out of the State General Fund. In fact, the reduced growth rate in overall receipts from FY 2006 to FY 2007 is heavily influenced by the more than

\$100.0 million negative change in the net transfers forecast.

Severance tax receipts also are expected to decline by approximately \$20.0 million between FY 2006 and FY 2007. This decline is forecast because of slightly lower than expected prices of both oil and gas and decreased gas production.

The individual income tax forecast takes into consideration more modest growth in the economy and in KPI. Corporation income tax receipts are expected to remain at the same level in FY 2007 as forecast for FY 2006. This expected leveling-off is based in part on estimates of little or no growth in corporate profits during calendar year 2006. The table on the next page reflects revenue estimates, by source, for the State General Fund as agreed to by the Consensus Revenue Estimating Group.

FY 2008 & Beyond

Although no official estimate has yet been made for years beyond FY 2007, there are a number of provisions in statute that will reduce State General Fund receipts in FY 2008. Sales and use taxes dedicated to the Highway Fund will increase by \$115.5 million. Legislation enacted in 2002 that conforms the Kansas estate tax exemption threshold with the federal exemption threshold is expected to reduce receipts by \$8.5 million in FY 2008; by \$11.2 million in FY 2009; and by \$14.7 million in FY 2010. Legislation enacted in 2002 that also increased the tax credit for property taxes paid on commercial and industrial machinery and equipment is expected to reduce receipts by \$5.0 million in FY 2008; by \$5.8 million in FY 2009; and by \$6.7 million in FY 2010. Legislation enacted in 2005 will reduce the amount of water tax receipts deposited in the State General Fund by \$2.6 million in both FY 2008 and FY 2009 and by \$2.7 million in FY 2010. Legislation also enacted in 2005 will reduce severance tax receipts to the State General Fund by \$5.2 million in FY 2009 and \$7.5 million in FY 2010.

Consensus Revenue Estimate

(Dollars in Thousands)

	FY 2005 Actual		FY 2006 Estimate		FY 2007 Estimate	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	20,454	4.9	22,000	7.6	23,000	4.5
Motor Vehicle	1,801		25		--	
Ad Valorem	538		775		--	
Total	\$22,793		\$22,800		\$23,000	
Income Taxes:						
Individual	2,050,562	8.6	2,230,000	8.8	2,360,000	5.8
Corporation	226,072	60.1	260,000	15.0	260,000	--
Financial Inst.	22,063	(13.3)	23,000	4.2	24,000	4.3
Total	\$2,298,697	11.9 %	\$2,513,000	9.3 %	\$2,644,000	5.2 %
Estate/Inheritance	\$51,853	7.9	\$51,000	(1.6)	\$52,000	2.0
Excise Taxes:						
Retail Sales	1,647,663	2.2	1,715,000	4.1	1,729,000	0.8
Compensating Use	244,755	14.1	265,000	8.3	268,000	1.1
Cigarette	118,979	(0.7)	118,000	(0.8)	117,000	(0.8)
Tobacco Prod.	5,039	5.0	5,000	(0.8)	5,000	--
Cereal Malt Beverage	2,077	(4.1)	2,000	(3.7)	2,000	--
Liquor Gallonage	15,736	(0.7)	16,000	1.7	16,000	--
Liquor Enforcement	41,904	4.1	44,000	5.0	45,500	3.4
Liquor Drink	7,444	4.1	7,700	3.4	7,900	2.6
Corporate Franchise	47,095	28.0	45,000	(4.4)	46,000	2.2
Severance	103,390	22.2	131,100	26.8	111,800	(14.7)
Gas	75,415	14.2	93,400	23.8	77,600	(16.9)
Oil	27,975	50.5	37,700	34.8	34,200	(9.3)
Total	\$2,234,082	4.5 %	\$2,348,800	5.1 %	\$2,348,200	-- %
Other Taxes:						
Insurance Prem.	106,828	--	110,000	3.0	112,000	--
Miscellaneous	4,291	(2.2)	4,300	0.2	4,300	--
Total	\$111,119	(0.1) %	\$114,300	2.9 %	\$116,300	-- %
Total Taxes	\$4,718,544	7.6 %	\$5,049,900	7.0 %	\$5,183,500	2.6 %
Other Revenues:						
Interest	23,257	67.7	62,800	170.0	87,300	39.0
Net Transfers	23,562	N/A	(14,800)	N/A	(115,000)	N/A
Demand to Revenue	(82,915)	N/A	(73,674)	N/A	(79,114)	N/A
Other Transfers	106,477	N/A	58,874	N/A	(35,886)	N/A
Agency Earnings	75,908	(24.8)	60,000	(21.0)	62,500	4.2
Total Other Revenue	\$122,727	(6.7) %	\$108,000	(12.0) %	\$34,800	(67.8) %
Total Receipts	\$4,841,271	7.1 %	\$5,157,900	6.5 %	\$5,218,300	1.2 %

State General Fund Revenue Adjustments

While using the revenue estimates developed through the consensus process outlined in the previous section, the Governor also makes a few adjustments to State General Fund consensus revenues. Specifically, these adjustments are all revenue transfers. Because there are a substantial number of transfers that affect the State General Fund, they are enumerated in this section. No proposal that affects state tax receipts is included in these budget recommendations.

Statutory Transfers

Demand Transfers. Historically, there are two kinds of transfers from the State General Fund. A demand transfer is treated as an expenditure because it is “paid” from the State General Fund. It is based on a formula or authorization in substantive law. 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, the appropriation bill has limited the transfers or stopped the payments entirely.

Revenue Transfers. A revenue transfer, on the other hand, simply moves money directly out of the unencumbered balance of the State General Fund. Therefore, they are not counted as part of budgeted expenditures, because the funds are only “relocated” from the State General Fund to a special revenue fund and lose their identity as State General Fund dollars in the process.

During recent legislative sessions all demand transfers have been converted to revenue transfers but on a piecemeal basis. The 2001 Legislature converted the Special City and County Highway Fund. The 2002 Legislature converted 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 necessitated suspension of this transfer. Instead, transfers were made from the Highway Fund to the State General Fund to augment its balances during recent years of financial stress. Now provisions put in the law to pay back the Highway Fund will be activated starting in

FY 2007. The 2003 Legislature converted the State Fair Capital Improvements Fund and Kansas Partnership for Faculty of Distinction to revenue transfers in FY 2004.

The transfer to the KCC Abandoned Oil and Gas Well Fund has been a revenue transfer since its inception, so there was no need to convert it. An ongoing transfer from the State General Fund is also required to make debt payments on the Regents research and development bonds. The Highway Patrol is funded in part through an ongoing revenue transfer from the State Highway Fund of the Department of Transportation to the State General Fund. Monies are then appropriated from the State General Fund to the Patrol.

One-Time Transfers

In the current year, the Governor adjusts the anticipated transfer from the KEY Fund to the State General Fund by \$2.3 million. A transfer that was scheduled to have been made in FY 2005 of \$375,957 was not made until FY 2006, and additional revenues were realized by the fund, which the Governor recommends capturing for the benefit of the State General Fund.

Several adjustments are recommended to the transfers for KPERS, which receives money from the State General Fund for payments on bonds issued to pay a 13th check to retirees. The FY 2006 and FY 2007 bond payments are not projected to be as large as previously thought and may be reduced in both years.

In recent years, it has been recommended that large balances in fee funds be swept to the State General Fund. Because revenues to the State General Fund have kept closer pace with expenditure demands, it is not recommended that further fee fund amounts be transferred on any systematic basis. Several agencies have lowered fees for their services and are not maintaining such large balances as in previous years.

In FY 2007, it is again recommended, however, that \$2.0 million be swept from the Department of

Education's State Safety Fund. This fund builds up cash balances from higher than anticipated driver's license receipts. This transfer will not affect state aid for driver's education programs. This money is recommended for expenditure on professional development programs for teachers and other licensed staff in the school districts. Refer to the Education section of this volume for further information on this budget recommendation.

The Service Regulation Fund in the Insurance Department has been a source of transfers to the State General Fund in recent years, and it is again recommended that \$1.0 million in FY 2006 and \$1.0 million in FY 2007 be transferred from the fund. It is estimated that the Securities Commissioner will have an additional \$348,403 in FY 2007 as well to transfer to the State General Fund. The Motor Vehicle Fund of the Highway Patrol has benefited from a successful

program of selling older vehicles and may transfer \$500,000 to the State General Fund in FY 2007.

Increasing lottery ticket sales are another source of additional revenue to the State General Fund. It is now estimated that after all statutory requirements are met, another \$1.0 million can be transferred in both FY 2006 and FY 2007.

The tables below and on the following pages list all of the anticipated revenue transfer adjustments that have been incorporated in the November Consensus Revenue Estimates, as well as the adjustments that have been incorporated in the Governor's budget for FY 2006 and FY 2007. The table on page 23 combines these adjustments with the original November consensus estimates on page 18 to present a total view of State General Fund revenues as they are estimated in the Governor's proposed budget.

Adjustments to the Consensus Revenue Estimates			
<i>(Dollars in Thousands)</i>			
FY 2006			
Statewide Funds:			
KEY Fund	Correct prior year sweep and take balance		2,324
Agency Funds:			
Insurance Department	Service Regulation Fund		500
KPERS	Correct bond payment		(214)
Lottery	Greater ticket sales		1,000
Total FY 2006 Adjustments		\$	3,610
FY 2007			
Agency Funds:			
Insurance Department	Service Regulation Fund		1,000
KPERS	Correct bond payment		(288)
Lottery	Greater ticket sales		1,000
Securities Commissioner	Balance sweep		348
Department of Education	State Safety Fund balance sweep		2,000
Highway Patrol	Motor Vehicle Fund		500
Department of Transportation	Highway Patrol Operations		2,235
Total FY 2007 Adjustments		\$	6,796

FY 2006 Transfers to and from the State General Fund

		<u>FY 2006</u>	<u>Nov CRE</u>	<u>November</u>	<u>Governor's</u>	<u>FY 2006</u>
		<u>Approved</u>	<u>Adjustments</u>	<u>Cons. Rev. Est.</u>	<u>Adjustments</u>	<u>Gov. Rec.</u>
Transfers In:						
All Agencies	Finances for 27th Paycheck	32,689,900	--	32,689,900	--	32,689,900
Various Agencies	Salary Savings	4,910,818	--	4,910,818	--	4,910,818
KEY Fund	Correct prior year and take balance	--	--	--	2,323,712	2,323,712
Department of Administration	Cancelled Warrants	1,389,500	214,523	1,604,023	--	1,604,023
Insurance Department	Service Regulation Fund	500,000	--	500,000	500,000	1,000,000
KPERS	13th Check	3,533,912	--	3,533,912	(273,523)	3,260,389
Kansas Lottery	Gaming Revenues Fund	15,290,000	--	15,290,000	1,000,000	16,290,000
	Special Veterans Benefit Game	710,000	--	710,000	--	710,000
Securities Commissioner	Transfer balance	6,209,470	(358,565)	5,850,905	--	5,850,905
Department of Education	State Safety Fund	2,600,000	--	2,600,000	--	2,600,000
Emporia State University	Student Union Fund	52,117	--	52,117	--	52,117
	Housing System Operations Fund	2,515	--	2,515	--	2,515
Wichita State University	Housing System Operations Fund	42,150	--	42,150	--	42,150
Juvenile Justice Authority	Juvenile Detention Facilities Fund	300,000	--	300,000	--	300,000
EMS	Transfer balance	1,000,000	--	1,000,000	--	1,000,000
Highway Patrol	Training Center Fund	500,000	--	500,000	--	500,000
	Motor Vehicle Fund	1,000,000	--	1,000,000	--	1,000,000
Water Office	Water Marketing	57,934	--	57,934	--	57,934
	Water Supply Assurance	86,220	--	86,220	--	86,220
Department of Transportation	Overhead Payment/Purchasing	210,000	--	210,000	--	210,000
	Hwy. Fund Transfer for Hwy. Patrol	32,319,085	--	32,319,085	--	32,319,085
Transfers Out:						
Department of Transportation	Special County City Highway Fund	(10,063,664)	--	(10,063,664)	--	(10,063,664)
Department of Education	School District Cap. Improve. Fund	(56,150,000)	--	(56,150,000)	--	(56,150,000)
CIF Agencies	Children's Initiatives Fund	(375,000)	--	(375,000)	--	(375,000)
Water Plan Agencies	State Water Plan Fund	(6,000,000)	--	(6,000,000)	--	(6,000,000)
State Fair	Capital Improvements	(300,000)	100,000	(200,000)	--	(200,000)
Board of Regents	Regents Faculty of Distinction Program	(894,000)	8,808	(885,192)	--	(885,192)
	Regents Research & Development Bonds	(76,414)	(102,203)	(178,617)	--	(178,617)
Various Agencies	Additional State Monies for 27th Check	(128,431)	38,171	(90,260)	--	(90,260)
SGF-Financed Agencies	Finances for 27th Paycheck	(2,960,134)	2,960,134	--	--	--
Department of Administration	Federal Cash Management Fund	(776,100)	(221,900)	(998,000)	--	(998,000)
Attorney General	Tort Claims	(2,450,004)	(689,687)	(3,139,691)	--	(3,139,691)
Biosciences Authority	Biosciences Initiative	(7,200,000)	--	(7,200,000)	--	(7,200,000)
Department of Commerce	Goodyear Bond Repayment Fund	(3,300,000)	(617,880)	(3,917,880)	--	(3,917,880)
	Innovia Tax Incentive	(250,000)	65,500	(184,500)	--	(184,500)
	Spirit Aerosystems Incentive	--	(1,275,000)	(1,275,000)	--	(1,275,000)
Health Care Stab. Fund	Reimbursement for Claims & Expenses	(3,000,000)	163,361	(2,836,639)	--	(2,836,639)
KPERS	Non-Retirement Administration	(70,000)	10,000	(60,000)	60,000	--
Racing & Gaming	State Racing Fund	(200,000)	--	(200,000)	--	(200,000)
Secretary of State	Franchise Fee Recovery Fund	(77,000)	(17,997)	(94,997)	--	(94,997)
State Treasurer	Tax Increment Fin. Replace. Fund	(1,100,000)	256,200	(843,800)	--	(843,800)
Board of Nursing	Correct Prior Year	--	(2,504)	(2,504)	--	(2,504)
Real Estate Board	Correct Prior Year	--	(406)	(406)	--	(406)
Adjutant General	National Guard Life Ins. Premiums	(390,000)	--	(390,000)	--	(390,000)
Total Transfers		\$ 7,642,874	\$ 530,555	\$ 8,173,429	\$ 3,610,189	\$ 11,783,618
Interest		(26,074,624)	3,101,195	(22,973,429)	--	(22,973,429)
Net Transfers		\$ (18,431,750)	\$ 3,631,750	\$ (14,800,000)	\$ 3,610,189	\$ (11,189,811)

FY 2007 Transfers to and from the State General Fund

		November <u>Cons. Rev. Est.</u>	Governor's <u>Adjustments</u>	FY 2007 <u>Gov. Rec.</u>
Transfers In:				
All Agencies	Finances for 27th Paycheck	90,260	--	90,260
Department of Administration	Cancelled Warrants	1,604,023	--	1,604,023
Insurance Department	Service Regulation Fund	--	1,000,000	1,000,000
KPERS	13th Check	3,533,912	(347,703)	3,186,209
Kansas Lottery	Gaming Revenues Fund	15,290,000	1,000,000	16,290,000
	Special Veterans Benefit Game	710,000	--	710,000
Securities Commissioner	Transfer Balance	6,000,000	348,403	6,348,403
Department of Education	State Safety Fund	--	2,000,000	2,000,000
Emporia State University	Student Union Fund	28,791	--	28,791
	Housing System Operations Fund	2,405	--	2,405
Wichita State University	Housing System Operations Fund	40,348	--	40,348
Highway Patrol	Training Center Fund	500,000	--	500,000
	Motor Vehicle Fund	--	500,000	500,000
Department of Transportation	Hwy. Fund Transfer for Hwy. Patrol	32,319,085	2,234,983	34,554,068
Transfers Out:				
Department of Transportation	Special County City Highway Fund	(10,063,664)	--	(10,063,664)
	Loan Repayments from 2003 Session	(32,516,786)	--	(32,516,786)
Department of Education	School District Cap. Improve. Fund	(59,150,000)	--	(59,150,000)
Water Plan Agencies	State Water Plan Fund	(6,000,000)	--	(6,000,000)
State Fair	Capital Improvements	(300,000)	--	(300,000)
Board of Regents	Regents Faculty of Distinction Program	(1,000,000)	--	(1,000,000)
	Regents Research & Development Bonds	(9,583,000)	--	(9,583,000)
Attorney General	Tort Claims	(2,444,253)	--	(2,444,253)
Department of Administration	Federal Cash Management Fund	(1,100,000)	--	(1,100,000)
Biosciences Authority	Biosciences Initiative	(7,200,000)	--	(7,200,000)
Department of Commerce	Goodyear Bond Repayment Fund	(4,000,000)	--	(4,000,000)
	Innovia Tax Incentive	(271,835)	--	(271,835)
	Spirit Aerosystems Incentive	(3,600,000)	--	(3,600,000)
Health Care Stab. Fund	Reimbursement for Claims & Expenses	(3,000,000)	--	(3,000,000)
KPERS	Non-Retirement Administration	(60,000)	60,000	--
Racing & Gaming	State Racing Fund	(200,000)	--	(200,000)
Secretary of State	Franchise Fee Recovery Fund	(95,000)	--	(95,000)
State Treasurer	Tax Increment Fin. Replace. Fund	(860,680)	--	(860,680)
Total Transfers		\$ (81,326,394)	\$ 6,795,683	\$ (74,530,711)
Interest		\$ (33,673,606)	--	(33,673,606)
Net Transfers		\$ (115,000,000)	\$ 6,795,683	\$ (108,204,317)

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

	FY 2005 Actual		FY 2006 Gov. Estimate		FY 2007 Gov. Rec.	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	20,454	4.9	22,000	7.6	23,000	4.5
Motor Vehicle	1,801		25		--	
Ad Valorem	538		775		--	
Total	\$22,793		\$22,800		\$23,000	
Income Taxes:						
Individual	2,050,562	8.6	2,230,000	8.8	2,360,000	5.8
Corporation	226,072	60.1	260,000	15.0	260,000	--
Financial Inst.	22,063	(13.3)	23,000	4.2	24,000	4.3
Total	\$2,298,697	11.9 %	\$2,513,000	9.3 %	\$2,644,000	5.2 %
Estate/Inheritance	\$51,853	7.9	\$51,000	(1.6)	\$52,000	2.0
Excise Taxes:						
Retail Sales	1,647,663	2.2	1,715,000	4.1	1,729,000	0.8
Compensating Use	244,755	14.1	265,000	8.3	268,000	1.1
Cigarette	118,979	(0.7)	118,000	(0.8)	117,000	(0.8)
Tobacco Prod.	5,039	5.0	5,000	(0.8)	5,000	--
Cereal Malt Beverage	2,077	(4.1)	2,000	(3.7)	2,000	--
Liquor Gallonage	15,736	(0.7)	16,000	1.7	16,000	--
Liquor Enforcement	41,904	4.1	44,000	5.0	45,500	3.4
Liquor Drink	7,444	4.1	7,700	3.4	7,900	2.6
Corporate Franchise	47,095	28.0	45,000	(4.4)	46,000	2.2
Severance	103,390	22.2	131,100	26.8	111,800	(14.7)
Gas	75,415	14.2	93,400	23.8	77,600	(16.9)
Oil	27,975	50.5	37,700	34.8	34,200	(9.3)
Total	\$2,234,082	4.5 %	\$2,348,800	5.1 %	\$2,348,200	-- %
Other Taxes:						
Insurance Prem.	106,828	--	110,000	3.0	112,000	--
Miscellaneous	4,291	(2.2)	4,300	0.2	4,300	--
Total	\$111,119	(0.1) %	\$114,300	2.9 %	\$116,300	-- %
Total Taxes	\$4,718,544	7.6 %	\$5,049,900	7.0 %	\$5,183,500	2.6 %
Other Revenues:						
Interest	23,257	67.7	62,800	170.0	87,300	39.0
Net Transfers	23,562	N/A	(11,190)	N/A	(108,204)	N/A
Demand to Revenue	(82,915)	N/A	(73,674)	N/A	(79,114)	N/A
Other Transfers	106,477	N/A	62,484	N/A	(29,090)	N/A
Agency Earnings	75,908	(24.8)	60,000	(21.0)	62,500	4.2
Total Other Revenue	122,727	(6.7) %	111,610	(9.1) %	41,596	(62.7) %
Total Receipts	\$4,841,271	7.1 %	\$5,161,510	6.6 %	\$5,225,096	1.2 %

State General Fund Expenditures

The budget from the State General Fund accounts for 45.4 percent of all state spending proposed by the Governor. The Governor recommends a revised FY 2006 State General Fund budget of \$5,163.4 million and an FY 2007 budget of \$5,306.4 million. The tables on the following page detail the Governor's major adjustments for both the current and budget years.

FY 2006

At the beginning of FY 2006 the State General Fund had an unencumbered balance of \$478.7 million. The size of the beginning balance was due to a more robust Kansas economy that generated higher tax receipts.

The November 2005 Consensus Revenue Estimate projects receipts of \$5,157.9 million, plus the budget contains recommendations for several transfer adjustments that net another \$3.6 million. When those receipt amounts are added to the beginning balance, \$5,640.2 million is available for FY 2006.

The 2005 Legislature originally approved an FY 2006 budget of \$5,149.8 million. At the end of FY 2005 \$31.6 million of expenditure authority carried forward, making an approved FY 2006 budget of \$5,181.5 million. The Governor now recommends a revised FY 2006 budget \$18.1 million lower than the approved. Recommended expenditures are decreased by \$9.6 million to account for lower estimates of caseload costs for health and social service programs. The budget also captures savings for school finance costs that are now estimated to be \$8.9 million lower than approved after amounts that were unspent in FY 2005 carried forward and savings for Home and Community-Based Services for the Frail Elderly that are expected to cost \$5.4 million less than originally approved. The expected State General Fund balance at the end of FY 2006 is \$476.8 million.

FY 2007

The November Consensus Estimate for FY 2007 totals \$5,218.3 million. To that total, the Governor proposes additions to the revenue estimate to account for \$6.8

million in additional revenue transfers, primarily from the State Highway Fund for operations of the Highway Patrol, and accounting for increased lottery ticket sales and excess driver's license monies not needed for driver's education programs. The beginning balance, plus the revenue estimate combined with the Governor's adjustments, equal \$5,701.9 million available for the FY 2007 budget. It should be noted that the revenue amount for FY 2007 is only 1.2 percent, or \$60.4 million, greater than the FY 2006 amount, because revenues were adjusted downward by \$52.7 million by the Consensus Revenue Estimating Group to account for legislation that reduces the share of sales and use taxes retained by the State General Fund.

Recommended expenditures in FY 2007 grow by \$143.0 million, or 2.8 percent, over FY 2006, but much of that increase is due to the current school finance formula. In addition, the budget includes several enhancements for higher education, increases for several Home and Community-Based Service programs, and a general salary increase of 2.5 percent for state employees. The ending balance at the close of FY 2007 is projected to be \$395.5 million, or 7.5 percent of expenditures, as required by state law. The pie charts on page 2 show FY 2007 proposed expenditures by function and the sources from which State General Fund revenues are received.

Outlook

The table on page 26 outlines the Governor's multi-year scenario for the State General Fund. The table shows how far the State General Fund ending balance has grown during the Sebelius Administration, after the precipitous drop at the end of FY 2002 when the fiscal year ended with only \$12.1 million.

In FY 2008, revenue from taxes is presumed to grow 4.0 percent, but then is adjusted downward by \$115.5 million to account for the same diversion of sales and use taxes for the State Highway Fund as outlined above. Revenue transfers for school capital improvements and the Special City County Highway Fund are continued, and the restructuring agreement for the Comprehensive Transportation Program is

included. FY 2008 expenditures are held flat, except for the addition of anticipated budget increases to pay for the current school finance law, ever increasing KPERS contributions by the state, social and health service caseloads, and expected bond payments. The table shows that, after taking these assumptions into account, current programs can be continued while still leaving a positive ending balance at the end of FY 2008.

State General Fund FY 2006 <i>(Dollars in Millions)</i>	
Beginning Balance	\$ 478.7
Revenue:	
November Consensus Revenue Est.	5,157.9
KEY Fund	2.3
Increased Lottery Revenues	1.0
Insurance Service Regulation Fund	0.5
KPERS--Correct Transfers	(0.2)
Total Available	\$ 5,640.2
Expenditures:	
Approved Budget (May 2005)	5,149.8
Expenditure Authority Shifting from FY 2005	31.6
Current Approved Budget	5,181.5
SRS/Aging Caseload Estimates	(9.6)
HCBS/FE Waiver Program Savings	(5.4)
SRS Adoption and Other Savings	(2.3)
Child Welfare Medicaid Deferrals	6.8
School Finance Savings	(8.9)
Sentencing Comm. Substance Abuse Treatment	2.4
Net of Other Adjustments	(1.1)
Total Expenditures	\$ 5,163.4
Ending Balance	\$ 476.8

State General Fund FY 2007 <i>(Dollars in Millions)</i>	
Beginning Balance	\$ 476.8
Revenue:	
Consensus Revenue Est.	5,218.3
Increased Lottery Revenues	1.0
Highway Patrol Operations	2.2
Highway Patrol Motor Vehicle Fund	0.5
Insurance Regulation Fund	1.0
KPERS--Correct Transfers	(0.3)
Securities Commissioner	0.3
Balance from Education's Safety Fund	2.0
Total Available	\$ 5,701.9
Expenditures:	
FY 2006 Base Budget	5,163.4
Required Changes:	
KPERS Employer Rate Increase	5.1
Unemployment Rate Decrease	(3.2)
Annualization of FY 2006 Salaries	11.5
Remove 27th Paycheck	(32.5)
SRS/Aging Caseloads	31.1
Current School Finance Estimates	75.6
Judiciary Budget	3.0
Legislative Budget	0.6
Other:	
DD Rate Increase/Waiting Lists	5.4
Children's Health Insurance	3.5
Child Care Assistance	3.0
SCHIP/HealthWave Caseloads	2.1
Grandparents as Caregivers	2.1
Adult Dental Care	2.0
Low Income Energy Assistance	5.0
New CTP Bonds Debt Service	5.0
FY 2007 Salary Plan	11.4
Corrections Staff Reclassifications	3.2
Trade Occupations Retention Incentive	0.3
Higher Education System Increases	36.4
Public Safety/Military Enhancements	3.1
Net of Other Adjustments	(30.6)
Total Expenditures	\$ 5,306.4
Ending Balance	\$ 395.5

Outlook for the State General Fund

(Dollars in Millions)

	Actual FY 2003	Actual FY 2004	Actual FY 2005	Gov. Rec. FY 2006	Gov. Rec. FY 2007	Projected FY 2008
Beginning Balance	\$ 12.1	\$ 122.7	\$ 327.5	\$ 478.7	\$ 476.8	\$ 395.5
Released Encumbrances	2.6	2.4	--	--	--	--
Revenue from Taxes	4,142.0	4,387.1	4,718.5	5,049.9	5,183.5	5,275.3
Interest	19.1	13.9	23.3	62.8	87.3	87.3
Agency Earnings	51.8	55.3	75.9	60.0	62.5	62.5
Federal Flexible Grant	45.8	45.7	--	--	--	--
Transfers:						
Special County/City Highway Fund	(5.0)	--	(10.1)	(10.1)	(10.1)	(10.1)
School Capital Improvement Aid	(46.9)	(49.9)	(53.0)	(56.2)	(59.2)	(62.2)
Water Plan Fund	(3.8)	(3.8)	(3.7)	(6.0)	(6.0)	(6.0)
State Fair	(0.2)	--	--	(0.2)	(0.3)	(0.3)
Regents Faculty of Distinction	--	(0.3)	(0.3)	(0.9)	(1.0)	(1.0)
Regents Research Corp Debt Service	--	--	(3.1)	(0.2)	(9.6)	(9.6)
Highway Patrol	--	28.9	30.7	32.3	34.6	36.6
KEY Fund	3.9	9.9	1.7	2.3	--	--
KDOT Loan Payment	--	--	--	--	(32.5)	(30.9)
Colorado Water Litigation Settlement	--	--	19.4	--	--	--
27th Paycheck	--	--	--	32.7	--	--
All Other Transfers	39.0	32.1	42.1	(5.0)	(24.1)	(34.6)
Total Available	\$ 4,260.2	\$ 4,644.0	\$ 5,168.8	\$ 5,640.2	\$ 5,701.9	\$ 5,702.6
Expenditures						
Aid to K-12 Schools	2,104.3	2,165.7	2,314.9	2,586.7	2,661.9	2,739.5
Higher Education	670.0	673.6	706.1	749.3	771.9	771.9
SRS & Aging Caseloads	532.8	527.8	659.2	706.2	707.2	757.2
All Other Expenditures	830.4	949.3	1,009.9	1,121.2	1,160.5	1,160.5
CTP Bonds (\$212.4 M)	--	--	--	--	5.0	16.5
KPERs Rate Increase (State & School)	--	--	--	--	--	29.0
KPERs Bond Payment Increase	--	--	--	--	--	11.1
Total Expenditures	\$ 4,137.5	\$ 4,316.5	\$ 4,690.1	\$ 5,163.4	\$ 5,306.4	\$ 5,485.6
Ending Balance	\$ 122.7	\$ 327.5	\$ 478.7	\$ 476.8	\$ 395.5	\$ 217.0
As Percentage of Expenditures	3.0%	7.6%	10.2%	9.2%	7.5%	4.0%

Totals may not add because of rounding.

Revenues for FY 2006 and FY 2007 reflect CRE of November 3, 2005, with Governor's revenue adjustments.

Revenues for FY 2008 assumes a 4.0% tax growth less \$115.5 million for additional sales/use tax going to Highway Fund.

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. Policymakers determined that settlement proceeds should be used for programs that benefit children. Money in this endowment fund is invested and managed by KPERs to provide ongoing earnings that may be used for children's programs as well.

During FY 2000 the state received \$68.2 million in tobacco settlement payments. Payments totaled \$52.9 million in FY 2001, \$61.5 million in FY 2002, \$61.5 million in FY 2003, \$52.5 million in FY 2004, and \$53.5 million in FY 2005. The current estimate for payments is \$55.0 million in FY 2006 and \$54.5 million in FY 2007. 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 from the endowment fund 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, \$24.3 million, the balance of the fund, was transferred to the State General Fund and \$45.0 million was transferred to the Children's Initiatives Fund. In FY 2004, \$42.6 million was transferred from the KEY Fund to the Children's Initiatives Fund and \$9.9 million was transferred to the State General Fund. In FY 2005, \$51.1 million was transferred from the KEY Fund to the Children's Initiatives Fund. The approved transfer to the State General Fund was \$2,030,471, but only \$1,654,514 was transferred. To correct this error, the remaining amount, \$375,957, was transferred early in FY 2006. Because FY 2005 revenues were higher than expected, the Governor recommends an additional FY 2006 transfer from the KEY Fund to the State General Fund of \$1,947,754. The Governor concurs with the approved FY 2006 transfer from the KEY Fund to the Children's Initiatives Fund of \$51.7 million.

For FY 2007, the scheduled transfer to the Children's Initiatives Fund would ordinarily be \$49.7 million. However, to increase funding for children's programs, a transfer of \$55.4 million is recommended. The FY 2007 recommendation also includes \$250,540 for administrative expenditures of the Children's Cabinet. That will leave a zero balance at the end of FY 2007. The table below summarizes the Kansas Endowment for Youth Fund for FY 2004 through FY 2007.

Kansas Endowment for Youth Fund Summary				
	<u>Actual FY 2004</u>	<u>Actual FY 2005</u>	<u>Gov. Est. FY 2006</u>	<u>Gov. Rec. FY 2007</u>
Beginning Balance	\$ --	\$ 42,981	\$ 512,837	\$ 1,191,468
Revenues	52,531,729	53,453,764	55,000,000	54,500,000
Transfer Out to CIF	(42,588,748)	(51,135,585)	(51,747,118)	(55,440,928)
Transfer Out to State General Fund	(9,900,000)	(1,654,514)	(2,323,711) *	--
Total Available	\$ 42,981	\$ 706,646	\$ 1,442,008	\$ 250,540
Children's Cabinet Admin. Expend.	--	193,809	250,540	250,540
Ending Balance	\$ 42,981	\$ 512,837	\$ 1,191,468	\$ --

*\$375,957 of the FY 2006 transfer to the State General Fund corrects a FY 2005 error.

Children's Initiatives Fund Summary

	Actual FY 2004	Actual FY 2005	Gov. Est. FY 2006	Gov. Rec. FY 2007
Beginning Balance	\$ 2,589,146	\$ 3,240,850	\$ 3,147,150	\$ 751,198
Released Encumbrances	295,264	70,863	--	--
Recoveries & Reimbursements	--	23,899	--	--
Adjusted Balance	\$ 2,884,410	\$ 3,335,612	\$ 3,147,150	\$ 751,198
Revenues:				
Transfer In from KEY Fund	42,588,748	51,135,585	51,747,118	55,440,928
Transfer Out to State General Fund	(1,144,144)	(512,707)	(2,212)	--
Transfer In from State General Fund	--	--	375,000	--
Total Available	\$ 44,329,014	\$ 53,958,490	\$ 55,267,056	\$ 56,192,126
Expenditures	41,088,164	50,811,340	54,515,858	56,192,126
Ending Balance	\$ 3,240,850	\$ 3,147,150	\$ 751,198	\$ --

Fund Summary

The table above summarizes the Children's Initiatives Fund for the same time period. For FY 2006, the Governor recommends \$54.5 million in expenditures for children's programs from this funding source. A complete listing of the state's programs that benefit children is included at the end of this section. The recommendation is almost identical to what was approved by the 2005 Legislature. The \$250,000 that was approved for the Tele-Kid Health Care Link is increased to \$255,007; the \$2.5 million that was approved for Parent Education is increased to \$2,541,456; the \$8.9 million that was approved for Smart Start is increased to \$9.8 million; and the \$541,802 that was approved for the Children's Cabinet Accountability Fund is increased to \$658,622. These increases reflect unspent monies that have carried forward into FY 2006.

FY 2007 Recommendations

For FY 2007, the Governor recommends \$56.2 million from the Children's Initiatives Fund. Each of the programs recommended for FY 2007 is listed in the table on the next page and described in detail in this section. In addition, Schedule 2.3 at the back of this volume provides expenditure data by program and by agency, for FY 2005 through FY 2007.

Department of Commerce

After School Grant Program. The Governor recommends \$1,250,000 in FY 2007 for the After School Grant Program, including \$500,000 from the Children's Initiatives Fund and \$750,000 from the State General Fund. This program awards grants to organizations for after school programs that improve learning and encourage children to stay in school.

Social & Rehabilitation Services

Children's Mental Health Initiative. The Governor recommends \$3.8 million for the Children's Mental Health Waiver Program. The program expands community-based mental health services for children with severe emotional disturbances.

Family-Centered System of Care. The Governor recommends \$5.0 million for the statewide Family Centered System of Care Program in FY 2007. 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 2007. The program serves infants and young children who are considered 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 children in kindergarten who receive special education services for half of the day through their public school district and services through the therapeutic preschool for the remainder of the day.

Child Care Services. The Governor recommends \$1.4 million for child care services. Child care 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 child care assistance total \$69.9 million from all funding sources.

Community Services for Child Welfare. An amount of \$3.5 million is recommended for community services for child welfare. This program will make funding available 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.

Smart Start Kansas. The Governor recommends \$8.7 million for Smart Start Kansas, a Children’s Cabinet program. Grants will be awarded to early childhood programs that are research driven and outcome based as well as compatible with the Communities That Care model. This recommendation is \$200,000 lower than the FY 2006 approved amount. For the past few years the Legislature has required that \$200,000 of the Smart Start funding go to KDHE’s Infants and Toddlers Program. For the ease of both the Children’s Cabinet and KDHE, the Governor recommends a direct appropriation of these funds to KDHE.

Pre-K Pilot. One of the Governor’s initiatives for FY 2007 is \$2.0 million for a pre-kindergarten program to prepare four-year-olds for success in school. All classrooms in the pilot will be required to meet teacher qualification requirements, implement a research-based curriculum, maintain low teacher-child ratios, complete at least 15 hours of teacher training annually, and provide referrals to additional community services for families that need them. The pilot will be implemented in a mix of school and community-based early childhood programs. An estimated 618 children will be served.

Children’s Cabinet Accountability Fund. The Governor recommends \$541,802 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.

Children's Initiatives Fund	
Program or Project	FY 2007
Department of Commerce	
After School Grant Program	500,000
Social & Rehabilitation Services	
Children's Mental Health Initiative	3,800,000
Family Centered System of Care	5,000,000
Therapeutic Preschool	1,000,000
Child Care Services	1,400,000
Community Services for Child Welfare	3,492,101
Smart Start Kansas	8,693,279
Pre-K Pilot	2,000,000
Children's Cabinet Accountability Fund	541,802
Family Preservation	2,957,899
Attendant Care for Independent Living	50,000
School Violence Prevention	228,000
Total--SRS	\$29,163,081
Division of Health Policy & Finance	
Immunization Outreach	500,000
HealthWave	2,000,000
Medical Assistance	3,000,000
Total--Administration	\$ 5,500,000
Health & Environment--Health	
Healthy Start/Home Visitor	250,000
Infants & Toddlers Program	1,200,000
Smoking Prevention Grants	1,000,000
Total--KDHE	\$ 2,450,000
Department of Education	
Four-Year-Old At-Risk Programs	5,304,045
Parent Education	2,500,000
Vision Research & Services	300,000
Special Education	1,225,000
Total--Education	\$ 9,329,045
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	\$56,192,126

Family Preservation. The Governor recommends a total of \$11.4 million for family preservation services, with \$3.0 million from the Children’s Initiatives Fund, to provide services to approximately 2,978 families each month. Assistance is provided to families where there is a high likelihood that a child may be removed from the home.

Attendant Care for Independent Living. The Governor recommends \$50,000 from the Children’s Initiatives Fund in FY 2007 to purchase durable medical equipment. This equipment is necessary for some children to remain at home.

School Violence Prevention Grants. The Governor recommends \$228,000 to provide children with mental health and support services in the school setting. The program provides competitive grants to reduce school violence, substance abuse, and the number of dropouts and delinquents.

Division of Health Policy & Finance

Immunization Outreach. The Governor proposes \$500,000 for FY 2007 for the Division of Health Policy and Finance in the Department of Administration to increase the number of children immunized in Kansas. The funds will be targeted toward expanding outreach efforts and emphasizing to parents the importance of timely immunizations.

HealthWave. The Governor recommends \$2.0 million for HealthWave from the Children’s Initiatives Fund. This important health 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 \$65.8 million for HealthWave, including \$17.1 million from the State General Fund and \$46.7 million in federal funds.

Medical Assistance. To offset the cost of providing Medicaid services to low-income children, the Governor recommends \$3.0 million for FY 2007. These Children’s Initiatives Fund dollars are part of the state’s match for federal Medicaid reimbursement and encourage parents to seek medical services for their children before illnesses worsen.

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 for FY 2007 at the level of the approved FY 2006 amount.

Infants & Toddlers Program. The Governor recommends funding of \$1.2 million for the Infants and Toddlers Program. The program 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 2007, recommended expenditures for the program are \$6.2 million from state and federal funds.

The Governor’s budget recommendation increases the approved current year funding from the Children’s Initiatives Fund by \$400,000. This increase includes the direct appropriation of \$200,000 that has been received as a Smart Start grant, as required by the Legislature for the past few years. For the ease of both the Children’s Cabinet and KDHE, the Governor decreased Smart Start funding and increased Infants and Toddlers funding by \$200,000. The Governor then increased the funding by another \$200,000. The extra funding will allow the agency to serve 6,035 children.

Smoking Prevention Grants. The negative effects of smoking pose serious health risks to members of the community. The Governor recommends \$1.0 million in FY 2007 to be targeted for tobacco use prevention programs, the same as the approved amount for FY 2006. Administered by the Department of Health and Environment, 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 Program. There are approximately 35,000 four-year-olds in the state. Of this group, approximately 10,000 meet one or more

criteria that would identify them as at risk. Head Start and special education serve nearly half of these children. For the other half, the Governor includes \$5.3 million from the Children's Initiatives Fund to continue this early education program in FY 2007. The balance of funding necessary to provide services (\$15.1 million) is financed by the State General Fund through the Department's general state aid appropriation. Evaluations are made by the school district to determine whether the children served by the program are improving in their development and school readiness.

Parent Education. The state's Parent Education Program is a primary prevention program, designed to maximize children's overall development during the first three years of life, laying the foundation for school success and minimizing developmental problems that might interfere with learning. As a child's first and most influential teachers, parents benefit from practical information and support. The Governor recommends funding in FY 2007 to continue the program for over 18,000 Kansas families. Total funding of \$7.3 million is financed by \$4.8 million from the State General Fund and \$2.5 million from the Children's Initiatives Fund. The program curriculum is based on the most current brain research and is designed to strengthen the foundations of later learning—language and intellectual development, curiosity, and social skills.

Vision Research & Services. Research indicates that 20.0 percent of children entering kindergarten have some form of a vision problem and this percentage doubles to 40.0 percent by high school. A recent study revealed that for over 90.0 percent of poor readers, prevention and intervention programs increase reading skills to at least average. Monies from the Children's Initiatives Fund are spent to provide vision therapy to students with reading problems. The \$300,000 included in the Governor's FY 2007 budget is for vision treatment and examinations. Students who have received treatment under this program increased their ability to converge their eyes on near objects, greatly improving their reading skills.

Special Education. The 2002 Legislature first appropriated Children's Initiatives Fund money for special education to maintain state aid at 85.0 percent of excess costs while saving State General Fund monies. The same \$1,225,000 is maintained in FY 2007 by the Governor for special education programs, to be combined with \$305.9 million from the State General Fund.

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 2007 for prevention programs that reduce juvenile crime. The Governor's recommendation allows for the establishment and maintenance of community-based delinquency prevention programs. These programs include truancy prevention, at-risk mentoring, after school recreation, and family support services.

Graduated Sanctions Grants. The Governor recommends \$3.6 million in FY 2007 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 for juvenile offenders through intake and assessment, intensive supervision, case management, and community support services.

Gaming Revenues

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

Status of the Gaming Fund

The first \$50.0 million of receipts is divided by a formula which first transfers \$80,000 to the Problem Gambling Grant Fund (PGGF). Then 85.0 percent of the rest 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 recorded. As shown in the Gaming Revenues Fund table, the \$17.0 million State General Fund transfers projected for FY 2006 and FY 2007, reflect the revenues deposited in the Gaming Revenues Fund in each year, minus \$50.0 million in combined transfers to the PGGF, EDIF, CIBF, and JDFF.

Lottery

The Lottery is required to make a minimum monthly transfer of proceeds from the sale of lottery tickets to the SGRF of no less than \$4.5 million. Once a total of \$54.0 million is transferred to the SGRF during the fiscal year, the agency is not required to make the minimum monthly transfer; however, the agency is expected to meet or exceed the minimum transfer set for the fiscal year. For FY 2006 and FY 2007, the agency will transfer a minimum of \$67.0 million in each year to the SGRF. The minimum transfer of \$67.0 million in FY 2006 includes an increase of \$1.0 million from the Governor's FY 2006 approved budget. The Lottery estimates total ticket sales of \$224.5 million for FY 2007. Of total ticket sales, \$2.5 million is from the veterans benefit games and the rest is from other lottery games.

	FY 2005	FY 2006	FY 2007
Transfers In:			
Lottery	\$63,616	\$67,000	\$67,000
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	13,616	17,000	17,000
Total	\$63,616	\$67,000	\$67,000

Totals may not add because of rounding.

The monthly transfers required by law are considered to be within the normal course of the Lottery's business activities. In previous years, however, one-time transfers have been approved, in addition to those described above, which are considered to be outside the normal course of the agency's business. These one-time transfers have been used to supplant limited resources of the State General Fund and the Economic Development Initiatives Fund. The table above deals only with Lottery transfers made in the normal course of business. No presumption is made about additional transfers beyond those represented in the table.

Racing

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 SGRF. This process takes into consideration such factors as adequate fund balances, encumbrances, anticipated revenues, and actual revenues and expenditures to date. Because of decreasing receipts from racing activities throughout the state, the agency indicates it will not be able to make a transfer to the SGRF in either FY 2006 or FY 2007. Therefore, the Governor recommends an appropriation from the EDIF to substitute for this declining source of revenue. The agency last made a transfer to the SGRF in FY 2004.

Economic Development Initiatives Fund

The Governor targets the limited resources of the Economic Development Initiatives Fund to support the economic, technological, and workforce development needs of the state.

Fund Summary

The primary recipients of monies from the Economic Development Initiatives Fund (EDIF) in FY 2007 are the Department of Commerce (\$15.9 million), the Board of Regents (\$9.7 million), and the Kansas Technology Enterprise Corporation (\$11.9 million). Commerce also receives a transfer of \$3,160,000 in FY 2007 to its Kansas Economic Opportunity Initiatives Fund (KEIOF) Program. 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. "Other revenue" includes interest, transfers from other funds, reimbursement of loans, and recoveries from prior years.

For the most part, revenues to the Economic Development Initiatives Fund are very stable. Its share of gaming revenues is predictable and facilitates planning for expenditures in the affected agencies. Carryover balances from one year to the next are largely the result of the agencies' not spending all monies that are appropriated. Under the Governor's recommendation, \$15,873 is anticipated to be left at the end of FY 2007.

FY 2007 Recommendations

The Governor's recommendations for FY 2007 are summarized in the table on the next page and then described in detail by agency and by program. They are also listed in Schedule 2.4 at the back of this report for FY 2005 through FY 2007.

Economic Development Initiatives Fund Summary				
	Actual FY 2004	Actual FY 2005	Gov. Est. FY 2006	Gov. Rec. FY 2007
Beginning Balance	\$ 1,403,082	\$ 2,974,689	\$ 2,519,677	\$ 1,082,692
Released Encumbrances	561,304	536,006	--	--
Adjusted Balance	\$ 1,964,386	\$ 3,510,695	\$ 2,519,677	\$ 1,082,692
Revenues:				
Gaming Revenues	42,432,000	42,432,000	42,432,000	42,432,000
Interest & Other Revenues	421,621	798,475	637,261	500,000
Transfer Out to KEOIF	(2,975,000)	(3,225,000)	(3,000,000)	(3,160,000)
Transfer Out to KEIEP	(423,246)	(300,000)	--	--
Export Loan Guarantee Fund	870,403	--	--	--
Transfer Out to SWPF	(1,900,000)	(2,000,000)	(2,000,000)	(2,000,000)
Lottery Operating Fund	2,000,000	--	--	--
BEST Reductions	--	(106,760)	--	--
Other Transfers	(37,570)	--	--	--
Total Available	\$ 42,352,594	\$ 41,109,410	\$ 40,588,938	\$ 38,854,692
Expenditures	39,377,905	38,589,733	39,506,246	38,838,819
Ending Balance	\$ 2,974,689	\$ 2,519,677	\$ 1,082,692	\$ 15,873

Department of Commerce

For FY 2007, the Governor recommends \$19.1 million for Commerce, \$15.7 million in the form of an operating grant, \$3,160,000 to be transferred to the KEOIF Program, and \$230,481 for the Older Kansans Employment Program. Included in the budget recommendations for the operating grant is a \$40,000 enhancement for the Center for Entrepreneurship. In FY 2007, the agency is expected to continue to operate its traditional programs and integrate the employment and workforce training programs transferred from the Department of Labor in FY 2005 and FY 2006.

Economic Development Initiatives Fund	
<u>Program or Project</u>	<u>FY 2007</u>
Department of Commerce	
Older Kansans Employment Program	230,481
Operating Grant	15,701,164
Total--Commerce	\$15,931,645
Kansas Technology Enterprise Corp.	
Operations	1,698,695
University & Strategic Research	5,345,205
Commercialization	1,790,249
Mid-America Manufacturing Center	1,547,788
Product Development	1,519,030
Total--KTEC	\$11,900,967
Kansas, Inc.	
Operations	\$ 382,085
Racing & Gaming Commission	
Racing Operations	\$ 200,000
Social & Rehabilitation Services	
Call Center	\$ 340,000
Board of Regents	
Technology Innovation & Internship	180,500
Postsecondary Aid for Voc. Ed.	6,957,162
Vocational Education Capital Outlay	2,565,000
Total--Board of Regents	\$ 9,702,662
State Conservation Commission	
Conservation Easements	\$ 311,500
State Fair	
Largest Classroom	19,960
Ticket Marketing	50,000
Total--State Fair	\$ 69,960
Total	\$38,838,819

The operating grant supports Commerce's traditional programs, including Attraction Development Grants in its Travel and Tourism Division and the Kansas Industrial Training and Retraining programs in its Business and Workforce Division. The agency also operates the Older Kansans Employment Program, which in addition to other responsibilities, facilitates the development of job opportunities for older Kansans in private industry. An update of the outcomes that measure the Department of Commerce's performance under the operating grant concept is at the end of this section.

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 \$12,345,950 in FY 2006. The agency had a large carryforward balance from the EDIF of \$458,360 from FY 2005 to FY 2006. The balance is the result of less than anticipated investments in product development and delayed timing in grants to universities. KTEC continues to provide planning and development support for the Bioscience Authority. However, it anticipates this arrangement will end in early 2006.

For FY 2007, the Governor recommends \$11,900,967 from the EDIF, of which \$1,698,695 is for operations. The agency's budget includes an increase in salaries of \$154,792 compared to the FY 2006 approved budget. No shrinkage reduction was made because full staff levels are anticipated in FY 2007.

University & Strategic Technology Research. KTEC finances five centers of excellence. These are university-based research centers, each with a different technology specialization, that conduct innovative research and provide technical assistance to Kansas businesses. The Governor recommends \$5,345,205 for this program in FY 2007.

Commercialization. Commercialization entails the process of developing technology research into a commercial product, assisting with the many steps required to develop the business, such as marketing and sales. KTEC helps finance eight innovation and

commercialization corporations that provide business development and financing to start-up technology-based businesses in Kansas. KTEC also provides financial support to recruit successful entrepreneurs to match with emerging companies and to attract existing high technology companies to Kansas. The Governor recommends \$1,790,249 for this development program in FY 2007.

Mid-America Manufacturing Technology Center. The Center provides business assistance in improving manufacturers' technical capabilities. Companies will be made more competitive through the adoption of advances in technological processes. Under the Governor's recommendations, the program will be allocated \$1,547,788 in FY 2007.

Product Development Financing. This program finances technology product development at both new and existing small Kansas companies. Funding is provided for the applied research stage of technology, initial commercialization, as well as matching monies to help businesses receive federal grants. The Governor recommends \$1,519,030 for this program in FY 2007.

Kansas, Inc.

The Governor recommends \$382,085 for Kansas, Inc. in FY 2007 to continue strategic analysis of, and planning for, economic development for the state. The agency conducts economic development planning, policy research, and program evaluation to accomplish its mission.

Racing & Gaming Commission

The Racing Operations Program of the Racing and Gaming Commission regulates horse and dog racing activities across the state, including the conduct of races, parimutuel wagering, and the collection of parimutuel taxes, admission taxes, and licensing fees. Racing activity in Kansas has continued to decline, while the state's expense of regulating racing activity has remained fairly constant. Therefore, the Governor recommends the appropriation of \$200,000 from the Economic Development Initiatives Fund in order to supplement agency operations in FY 2007 so that necessary oversight may continue.

Social & Rehabilitation Services

The Governor recommends a one-time expenditure from the EDIF of \$340,000 to establish a Child Support Enforcement Customer Service Center. The EDIF funding will be matched with \$340,000 from the Social Welfare Fund and \$1,320,000 from the federal Child Support Enforcement Administration Fund, for total FY 2007 expenditures of \$2.0 million. By handling routine customer calls through automation and trained customer service representatives at the new center, other SRS staff will be more productive in locating non-custodial parents and establishing and enforcing medical and child support orders.

With this increased productivity, SRS estimates an increase of 2.0 percent in child support collections. A small portion of those collections will provide ongoing funding to meet state funding match requirements for the center. Establishing the center will provide a unique opportunity to combine improved customer service with rural economic development, while using available federal dollars to fund two-thirds of the cost. Establishing the center in a rural location will bring professional jobs to an economically challenged area and stimulate the local economy.

Board of Regents

For FY 2007, the Governor recommends \$9,522,162 for postsecondary education at area vocational-technical schools from the EDIF. This is in addition to \$21.7 million in State General Fund dollars. The recommendation also includes \$180,500 for a technology innovation and internship program at postsecondary institutions, for a total of \$9,702,662.

State Conservation Commission

Conservation Easements. Enhanced funding of \$311,500 for conservation easements from the EDIF for FY 2007 is recommended by the Governor for the State Conservation Commission. A conservation easement is an interest in land in which landowners voluntarily limit future development of their land. This is a cooperative program through which state, local, non-governmental, and federal groups recruit landowners to participate in the USDA Farm and Ranchlands Protection Program to conserve Kansas'

natural resources. The federal funding provides up to 50.0 percent of the fair market value of the easement to the cooperating organization, which then acquires and manages the easement. Of the remaining amount, 25.0 percent will be paid by the organization and 25.0 percent will be the state match paid from the EDIF. The \$311,500 from the EDIF reflects 25.0 percent of the cost of enrolling Kansas landowners of the 4,820 acres eligible for this program. This level of funding greatly increases state spending for such projects.

Kansas State Fair

Kansas' Largest Classroom. The "Kansas' Largest Classroom" Program was initiated in 1991 and was funded by the EDIF. The purpose of the program is to assist teachers in planning and organizing educational

field trips to the Kansas State Fair. This program emphasizes the educational opportunities available at the Kansas State Fair. These students range in age from preschool to college level, with the majority at the elementary school age level. The Governor recommends \$19,960 from the EDIF for this program in FY 2007.

Ticket Marketing. For FY 2007, the Governor recommends \$50,000 from the EDIF for enhanced outreach ticket marketing. The outreach marketing will provide upgrades to the agency's website; a multi-cultural day at the State Fair featuring entertainment from various ethnic groups; as well as increased radio, television, and print advertising. In addition, the enhancement will allow the agency to update the production and distribution of a newsletter and promotional postcards.

**EDIF Operating Grant
Outcome Measures**

	FY 2005 <u>Actual</u>	FY 2006 <u>Gov. Estimate</u>	FY 2007 <u>Gov. Estimate</u>
Jobs created by projects utilizing KDOC assistance	7,966	6,895	7,115
Jobs retained by projects utilizing KDOC assistance	8,486	3,050	3,550
Payroll generated by projects utilizing KDOC assistance	\$125,744,391	\$236,600,000	\$256,500,000
Capital investment in Kansas resulting from projects utilizing KDOC assistance	\$256,148,633	\$704,923,324	\$725,919,419
Funds leveraged through match in projects utilizing KDOC assistance	\$18,117,349	\$14,335,995	\$14,284,484
Individuals trained through workforce development programs	9,428	9,000	9,000
Sales generated by projects utilizing KDOC assistance	\$75,949,689	\$175,330,000	\$190,850,000
Increase in visitation resulting from KDOC tourism promotion efforts	348,758	359,220	369,997
Tourism revenue generated as a result of KDOC tourism promotion	\$33,102,594	\$34,529,000	\$37,843,675
Kansans served with counseling, technical assistance, or business services	4,462	4,705	4,753
Number of communities receiving community assistance services	316	349	374

State Water Plan Fund

Water Plan Objectives

The Kansas Water Authority (KWA) annually reviews and prepares the *Kansas Water Plan*, which provides the framework for the management, conservation, restoration, and protection of the state’s water resources. The Authority establishes objectives of the *Kansas Water Plan* after extensive research and public debate. The KWA and the Governor’s Natural Resources Sub-Cabinet recommend priority projects that will facilitate specific solutions to critical water issues. The priorities include preserving the life of the High Plains/Ogallala Aquifer, developing watershed restoration and protection plans, and creating regional public water supply strategies.

Public Water Supply. It is the intent of the Kansas Water Authority to ensure that 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, the Authority intends that 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 usage will be reduced by targeting those with unaccounted water usage 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 Management. Water level decline rates in the Ogallala Aquifer will be reduced, and enhanced water management techniques will be implemented in targeted areas, including cost share programs that reduce consumption. This aquifer is the dominant, often sole, source of water in western Kansas.

Water Quality Protection. The Authority intends to reduce the average concentration of bacteria and

State Water Plan Fund				
	Actual FY 2004	Actual FY 2005	Gov. Est. FY 2006	Gov. Rec. FY 2007
Beginning Balance	\$ 1,666,460	\$ 2,203,883	\$ 7,682,094	\$ 6,536,803
Released Encumbrances	--	1,000,969	1,236,879	700,000
Adjusted Balance	\$ 1,666,460	\$ 3,204,852	\$ 8,918,973	\$ 7,236,803
Revenues:				
Fee Revenue	9,341,824	8,895,963	8,804,000	9,106,600
<i>Kansas v. Colorado</i> Damage Award	--	4,842,212	--	--
Transfer In from State General Fund	3,773,949	3,748,839	6,000,000	6,000,000
Transfer In from the EDIF	1,900,000	2,000,000	2,000,000	2,000,000
Transfer Out to State General Fund	(5,724)	(52,072)	--	--
Transfer Out to KCC for Well Plugging	--	(667,000)	(400,000)	(400,000)
Total Available	\$ 16,676,509	\$ 21,972,794	\$ 25,322,973	\$ 23,943,403
Expenditures:				
State Water Plan Expenditures	14,472,626	14,290,700	18,786,170	18,795,766
<i>Kansas v. Colorado</i> Damage Award	--	--	--	4,786,268
Ending Balance	\$ 2,203,883	\$ 7,682,094	\$ 6,536,803	\$ 361,369

dissolved solids, nutrients, metals, and pesticides which have an adverse effect on the water quality of Kansas lakes and streams.

Flood Management. The Kansas Water Authority aims to reduce the vulnerability to flood damage within identified communities and areas. This is achieved by preventing inappropriate development in flood prone areas, improving forecasting and warning systems, restoring and protecting wetland areas, and using structural measures such as dams, levees, and channel modifications.

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. The Kansas Water Authority will strive to increase the number of recreational opportunities at public lakes and streams.

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

Public Information & Education. It is the intent of the Kansas Water Authority to 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 actual State Water Plan Fund revenues and expenditures for FY 2004 and FY 2005 and estimates for FY 2006 and FY 2007 to illustrate the financial status of the fund.

FY 2007 fee fund revenue estimates are shown in the following table. User fee receipts, which make up a portion of the fund's revenue, have been relatively

stable, totaling \$9.3 million in FY 2004 and \$9.1 million in FY 2007. In addition to fee fund revenue, there is a statutory transfer from the State General Fund and the Economic Development Initiatives Fund into the State Water Plan Fund each year, \$6.0 million and \$2.0 million, respectively. In recent years, these two transfers were reduced because of revenue shortfalls, which limited project completion for agencies that rely on State Water Plan financing. The Governor recommended restoration of the EDIF transfer to its statutory level in FY 2005 and the restoration of the statutory transfer amount from the State General Fund in FY 2006. The Governor's recommendations for FY 2007 retain the statutory transfer amounts from both funds into the State Water Plan Fund. This level of revenue, together with the expected release of \$700,000 in prior-year released encumbrances, will allow important water quality initiatives to be addressed in FY 2007.

State Water Plan Fee Revenue	
	<u>FY 2007</u>
Municipal Water Fees	3,520,000
Fertilizer Registration Fees	2,917,600
Industrial Water Fees	1,051,000
Pesticide Registration Fees	950,000
Sand Royalty Receipts	199,000
Stock Water Fees	399,000
Fines	70,000
Total	\$ 9,106,600

The Governor's recommendation includes a transfer from the State Water Plan Fund to the Kansas Corporation Commission for the investigation, remediation, and plugging of oil and gas wells that were abandoned prior to July 1, 1996. Funding for well-plugging activities usually comes from statutory revenue transfers of \$400,000 each year from the agency's Conservation Fee Fund, the State General Fund, and the State Water Plan Fund. For FY 2006 and FY 2007, the Governor recommends that the State Water Plan Fund transfer total \$400,000.

FY 2007 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 recommendations for expenditures from the State Water Plan Fund total

\$17,703,689 for FY 2007. The Governor's FY 2007 recommendations for the State Water Plan Fund are summarized in the table on this 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.

State Water Plan Fund	
Project or Program	FY 2007
University of Kansas	
Geological Survey	40,000
Department of Agriculture	
Subbasin Water Resources Mgt.	674,552
<i>Kansas v. Colorado</i> Compliance	1,027,764
Water Use Study	71,121
Total--Dept. of Agriculture	\$ 1,773,437
State Conservation Commission	
Water Resources Cost-Share	3,415,778
Nonpoint Source Pollution Asst.	2,757,520
Conservation District Aid	1,048,000
Buffer Initiatives	307,157
Watershed Dam Construction	601,499
Lake Restoration/Management	400,000
Multipurpose Small Lakes	1,100,000
Conservation Reserve Program	4,000,000
<i>Kansas v. Colorado</i> Irrigation Program	786,268
Quick Response Incentive Grants	450,000
Water Rights Purchase	398,120
Riparian and Wetland Program	186,782
Total--Conservation Commission	\$ 15,451,124
Health & Environment--Environment	
Contamination Remediation	955,567
Local Environmental Protection	1,502,737
Nonpoint Source Technical Asst.	291,257
WRAPS Program	800,000
TMDL Initiatives	299,269
Total--Health & Environment	\$ 3,848,830
Kansas Water Office	
Weather Stations	60,000
Assessment & Evaluation	884,011
GIS Data Base Development	247,405
MOU--Operations & Maintenance	409,132
PMIB Loan Payment for Storage	237,945
Technical Assist. to Water Users	266,150
Weather Modification	120,000
Water Resource Education	84,000
Total--Kansas Water Office	\$ 2,308,643
Wildlife & Parks	
Stream Monitoring	40,000
Almena Irrigation District	120,000
Total--Wildlife & Parks	\$ 160,000
Total	\$ 23,582,034

Under the Governor's recommendations, six state agencies will receive State Water Plan Fund dollars. The Governor's recommendation is based on the priorities established by the Kansas Water Authority and the Sub-Cabinet on Natural Resources, which includes projects and programs aimed at water resource conservation and water quality improvement. As part of the Governor's FY 2007 recommendations, \$2.2 million in State Water Plan operating expenditures across four state agencies has been shifted to the State General Fund. These include the Interstate Water Issues Program of the Department of Agriculture and the Water Appropriations Program Floodplain Management Program; the Stream Gaging Program, the Water Planning Process Program, and the Water Authority Program of the Kansas Water Office; and the Use Attainability Analysis Program of the Department of Health and Environment. The Governor's recommendation allows funding for new programs, including Quick Response Incentive Grants, Lake Restoration, and Irrigation Water Use Reductions of the State Conservation Commission and Weather Stations at the Kansas Water Office. The State Water Plan funding increase is also used to increase spending for Horsethief Reservoir by \$863,667.

Arkansas River Compact Damage Award

The Kansas-Colorado Arkansas River Compact was negotiated in 1948 to settle existing disputes and remove causes of future controversy concerning the waters of the Arkansas River and to divide and apportion the waters of the Arkansas River between Kansas and Colorado equitably. In 1985, the Kansas Attorney General filed suit in *Kansas v. Colorado* to enforce the terms of the compact. Over the years, legislation has been passed to specify how the State of Kansas will apportion any damage awards upon a final settlement of the case. In April 2005, the State of Colorado approved a measure to pay Kansas, and \$34,615,146 was received by the State of Kansas that

month. The following table lists how the damage award was distributed according to statute.

Distribution of Damage Award	
SWP Conservation Project Fund	4,842,212
Water Conservation Projects Fund	9,684,425
Interstate Litigation Reserve Fund	<u>20,088,509</u>
Total	\$34,615,146

The amount deposited in the State Water Plan Conservation Project Fund is proposed to be spent through the State Conservation Commission budget in FY 2007, and a portion of the amount deposited in the Water Conservation Projects Fund is proposed to be expended through the Kansas Water Office budget. \$20,088,509 was originally deposited in the Interstate Litigation Reserve Fund, a special revenue account in the Attorney General’s office. The \$20.1 million total represented the amount spent from the State General Fund over many years to prosecute the *Kansas v. Colorado* lawsuit. Of the \$20.1 million deposited in the special revenue account, \$722,108 was spent by the Attorney General’s Office in FY 2005 to cover unpaid water litigation expenses, and the remaining \$19,366,401 was transferred to a new Interstate Water Litigation Reserve account in the State General Fund where it remains as part of the State General Fund balances.

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 for the continuing 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, precipitation in the area, and aquifer recharge rates.

Department of Agriculture

The Governor recommends a total of \$1,773,437 from the State Water Plan Fund for the Department of Agriculture. This recommendation will fund three programs aimed at water resource management.

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 scientists 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 2007, the Governor recommends \$674,552 to support these activities.

Water Lawsuit Settlement Monitoring. To protect Kansas’ interest on the Arkansas River and the Republican River, the budget includes \$1,027,764 from the State Water Plan Fund to develop a Hydrologic-Institutional water model that will aid in monitoring the water lawsuit settlements for both rivers. Creating a model as a tool will allow engineers to collect and update data reports of water usage. The funding also pays for 3.00 FTE positions and start-up equipment. Of the total recommended, \$838,767 is for one-time expenditures.

Water Use Study. For FY 2007, the Governor recommends \$71,121 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 lists for water use reports, collect public water supply rate information, and assist with irrigation water use reports for follow-up activities.

State Conservation Commission

Of the \$17.7 million in State Water Plan Fund expenditures recommended for FY 2007, the majority of expenditures are included in the budget of the State Conservation Commission. The Governor includes in her budget a total of \$10,664,856 in State Water Plan expenditures and an additional amount of \$4,786,268 from the damage award in *Kansas v. Colorado* that was deposited in the State Water Plan Fund.

Water Resources Cost Share Program. For this program the Governor recommends \$3,415,778 for FY 2007. 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, especially emphasizing the establishment of practices that improve water quality. Established practices include the use of terracing, grass waterways, and grass planting to reduce sediment and nutrients in waterways.

Nonpoint Source Pollution Program. The Governor recommends \$2,757,520 for this program that provides technical assistance to conservation districts in the development of nonpoint source pollution plans.

Aid to Conservation Districts. The Governor recommends \$1,048,000 for FY 2007, which includes enhanced funding of \$4,000 for the Aid to Conservation Districts Program. Since four counties have increased their level of funding for conservation district projects, the state is required to match those amounts, with a limit of \$10,000 per district. Elk, Gove, Norton, and Pawnee Counties will each be eligible for an additional \$1,000 per year, beginning in FY 2007.

Buffer Initiatives. This program encourages the use of buffer strips by landowners to protect the state's water resources from pollutants. For FY 2007, the Governor recommends expenditures of \$307,157.

Watershed Dam Construction. The Governor recommends \$601,499 for watershed dam construction projects. The goal of this program is to reduce flood damage and sedimentation through the construction of detention or grade stabilization dams and non-structural measures.

Lake Restoration. The agency will develop and implement a lake restoration demonstration project with \$400,000 of State Water Plan funding that the Governor recommends for FY 2007. Restoration activities will include the development and execution of a plan to dredge sediment from a municipal water supply lake.

Multipurpose Small Lakes. State Water Plan funding of \$586,333 is recommended by the Governor in FY 2006 and \$1.1 million in FY 2007 for Horsethief Reservoir as part of the agency's Multipurpose Small Lakes Program. The reservoir project, which will be located in Hodgeman County, will provide 452 acres of permanent water for recreation and have a floodwater storage capacity of 12,868 acre feet. In

addition to the state funding, financing for the project is proposed from the Pawnee Watershed Joint District No. 81, local bonding sources, and other state and federal funding sources. The voters of five counties in southwest Kansas passed a revenue bond proposal that provides approximately \$9.0 million of the funding needed to construct the reservoir. The estimated total cost of the project is \$15.9 million, including state funding of \$4.5 million. Total state funding to date, including the Governor's recommendation for FY 2007, is \$2.1 million.

Conservation Reserve Enhancement Program (CREP.) The Governor recommends State Water Plan funding of \$4.0 million as the non-federal matching funds needed to establish the Upper Arkansas River CREP in FY 2007. This is a voluntary program for agricultural landowners. State and federal partnerships allow landowners to receive incentive payments for setting aside land for soil and water conservation. Farmers will receive annual rental payments and cost-share assistance to establish long-term conservation practices on eligible land. Up to 100,000 acres could be enrolled in the program, which has a state match of 20.0 percent and a federal match of 80.0 percent. The program will be similar to the \$170.0 million CREP developed by the State of Nebraska to address water quantity concerns and will be targeted for areas adjacent to the Arkansas River between the Colorado state line and Great Bend.

Kansas v. Colorado Irrigation Program. The State Conservation Commission will establish an irrigation water right retirement program for overappropriated areas with sustainable irrigation potential. The Governor recommends State Water Plan funding of \$786,268 for FY 2007, which will target areas in three western Groundwater Management Districts and the Ogallala fringe outside those three districts.

Quick Response Area Incentive Grants. The Chief Engineer of the Division of Water Resources in the Department of Agriculture and the four western Groundwater Management Districts have identified five priority areas of the High Plains aquifer, which are referred to as quick response areas. Eligible landowners in these priority areas could apply to the agency for incentive grants to transition to dryland farming or establish other practices that reduce consumption of water. The Governor recommends State Water Plan funding of \$450,000 for FY 2007.

Water Rights Purchase Program. The Governor recommends funding of \$398,120 in FY 2007 for this program. The goal of the program is to restore base flows in streams that are in need of recovery in over-appropriated areas within the High Plains Aquifer.

Riparian and Wetland Program. For FY 2007, the Governor recommends \$186,782. A goal of the program is to protect, enhance, and restore riparian areas and wetlands.

Health & Environment—Environment

Contamination Remediation. The Governor provides \$955,567 in FY 2007 in order to address environmental contamination at sites where there is no responsible party identified or where the responsible party is unable to pay for the needed corrective action. State Water Plan funds are used for site assessments, investigations, corrective actions, and emergency responses.

Local Environmental Protection. For FY 2007, the Governor recommends \$1,502,737 for this program. Originally, the program provided funding to counties to implement local environmental protection plans. Since all of the state's counties have adopted local plans, program funding now focuses on activities to implement the plans.

Nonpoint Source Technical Assistance. This program provides technical assistance as well as demonstration projects for nonpoint source pollution management at the local level. The Governor recommends \$291,257 for FY 2007.

Watershed Restoration & Protection Plans (WRAPS.) State Water Plan expenditures of \$800,000 for the WRAPS Program is recommended by the Governor for FY 2007. This program addresses a variety of water quality and water resource concerns, including achievement of Total Maximum Daily Loads (TMDL), protection of public water supply reservoirs, and protection or restoration of wetland habitats.

TMDL Initiatives. A TMDL is the maximum amount of pollution a river or lake can receive without violating the surface water quality standard. The Governor recommends \$299,269 for FY 2007 to continue efforts to obtain flow and other supplemental

data in other basins where TMDLs are established as well as to provide follow-up monitoring where TMDLs have been set.

Kansas Water Office

Weather Stations. The Governor recommends expenditures of \$60,000 for this new program that will support crop water management through irrigation-scheduling weather stations, a mobile irrigation lab, and field demonstration projects.

Assessment & Evaluation. The goal of this program is to assess continually the condition of the state's water resources. These assessments are used to identify State Water Plan priorities. For FY 2007, the Governor recommends \$884,011.

GIS Database Development. 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 2007, the Governor recommends expenditures of \$247,405.

MOU—Operations & Maintenance. A portion of the water supply storage space purchased through a 1985 Memorandum of Understanding with the U.S. 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 \$409,132 for FY 2007.

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 U.S. 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. For FY 2007, the Governor recommends \$237,935.

Technical Assistance to Water Users. The Governor recommends funding of \$266,150 for FY 2007 to provide educational and technical assistance to irrigators and municipalities in the preparation of

water conservation plans. The Kansas Water Office must provide technical assistance to all water users who are required to develop a water conservation plan.

Weather Modification. For FY 2007, the Governor recommends funding of \$120,000. A goal of this program is to reduce crop-hail damage. The Water Office issues contracts for pilots to release silver iodide into clouds to reduce crystal formation. Weather modification activities are carried out during specific weather conditions and operate in the southwestern part of the state, an area dependent on agriculture and susceptible to damage from hail storms.

Water Resource Education. Expenditures of \$84,000 are recommended by the Governor for FY 2007. The program funds a scholarship program through the Kansas Environmental Leadership Program, which is sponsored by Kansas State University and the Kansas Center for Agricultural Resources.

Department of Wildlife & Parks

Stream Monitoring. For FY 2007, the Governor recommends \$40,000 from the State Water Plan Fund for stream monitoring to determine the potential adverse effects of pollution on fish and wildlife in Kansas streams. Data are also used to measure the progress toward surface water pollution reduction. This project is conducted with cooperation from the Department of Health and Environment.

Almena Water District. On May 10, 2004, the Department of Wildlife and Parks entered into an agreement with the Almena Irrigation District to preserve a minimum water level in Sebelius Reservoir for outdoor recreation use. Without this agreement, the water level could be reduced to such a degree that the reservoir could no longer be used for outdoor recreation. In FY 2005 and FY 2006, the Department provided \$120,000 for this agreement from agency fee funds. For FY 2007, \$120,000 will be provided from the State Water Plan Fund.

Salaries

FY 2007 Pay Plan

The Governor proposes an increase of 2.5 percent in the base pay of state employees for FY 2007. Effective June 13, 2006, with approval of the Governor's recommendation, the pay matrices for regular classified employees will be modified accordingly. In addition, funds are budgeted for a 2.5 percent increase for unclassified employees. These include elected officials of the Executive Branch, such as the Governor, Lieutenant Governor, Attorney General, Secretary of State, State Treasurer, and Insurance Commissioner. Funds are provided for other unclassified employees in the Executive Branch, those under the Governor's purview as well those employed by elected officials, KTEC, Kansas, Inc., the Board of Regents, KPERS, and the Department of Education.

The recommendation also includes judges and non-judicial personnel in the Judiciary as well as legislators and legislative staff. In the case of members of the Legislature, the salary increase has been applied not only to legislative compensation, as has traditionally been the case, but also to the out-of-session expense allowance. An equivalent adjustment has been included for the Lieutenant Governor's allowance. These salary plan adjustments are the changes the Governor makes to the budgets of the Judiciary, as prescribed by law, and to legislative agencies, as a matter of policy in order to treat legislative agencies the same as judicial ones.

The cost of the pay plan for FY 2007 totals \$50.0 million from all funding sources. Of that total, \$24.8 million is from the State General Fund. These totals include \$24.6 million, with \$11.8 million from the State General Fund, for Regents agencies, the board office and the universities, although the funds are embedded in the operating grant and technically can be spent for other purposes. The funding to implement the pay plan has been included in the budget of each state agency.

Annualization of the FY 2006 Pay Plan

For FY 2006, the Legislature of a year ago approved a pay plan for state employees totaling 2.5 percent. However, the increase was phased in so employees received 1.25 percent at the beginning of the fiscal year and the other 1.25 percent half way through the fiscal year. Moreover, the Legislature did not finance the first part of the pay plan, requiring agencies as a result to use available funds from their approved FY 2006 budget. Therefore, the Governor has added funds in the budgets of state agencies to ensure the FY 2006 pay plan is fully financed in FY 2007 before adding the new pay plan for FY 2007. The cost of this "annualization" will total \$23.2 million from all funding sources, \$11.5 million of which will be financed from the State General Fund.

Longevity

Funding for continuation of the longevity program is included again in the Governor's budget. Classified employees are eligible to receive longevity bonus payments when they have reached ten years of service with the state. At that time, they will receive payments based on \$40 per year of service times their years of service, except that payments are capped at 25 years of service, or \$1,000. The statewide amount budgeted for this purpose is \$11.8 million from all funding sources. The State General Fund portion of that total is \$5.5 million.

27th Payroll

To finance the State General Fund portion of the cost of the 27th payroll that will occur in FY 2006, the Legislature approved a financing mechanism by which a bookkeeping entry credited \$32.7 million to the State General Fund. Offsetting debits to satisfy the bookkeeping credit were approved from several sources of revenue. These include (1) the portion of the State General Fund reappropriation that agencies cannot spend without Finance Council approval, (2) reappropriations from the State General Fund that are

determined by the Director of the Budget not to be needed for the purpose for which they were originally budgeted, (3) released encumbrances from the State General Fund, (4) unanticipated lapses from the State General Fund, and (5) 10.0 percent of any KSIP account balances in excess of \$50,000. At the same time, the Board of Regents was required to certify a specified amount from any combination of State General Fund accounts or special revenue funds.

The expectation is that the outstanding financial obligation will be retired before the next 27th payroll will occur in the year 2017. In order to do so, these sources must produce a minimum of \$3.0 million per year over that 11-year period. In the first year of actual experience with the new funding mechanism, the amount collected from all of these revenue sources equaled \$5.1 million. The provisions for this financing mechanism, at a minimum, must be included in the appropriation bill each year in order to remain in effect.

Corrections Officer Compensation

For FY 2007, the Governor recommends a Corrections Officer enhancement package, which totals \$3,174,296 from the State General Fund. This recommendation will combine the Corrections Officer IA, IB, and II position classes into a single Corrections Officer class on pay grade 20 of the classified pay matrix. The Governor makes this recommendation to reduce a high rate of turnover with these positions and to alleviate difficulties in filling vacant positions, which leads to costly overtime and fatigue for existing employees.

Retention Incentive for Building Trades

The Governor's recommendation provides funds to implement a retention incentive for selected trades job classes, such as carpenters, plumbers, painters, electricians, power plant operators, and maintenance technicians. Studies indicate that these job classes are compensated below market rates. This especially applies to plumbers, senior power plant operators, and utility workers. They experience a high rate of turnover, and it is difficult to recruit for them with the low level of pay. The rate of pay for these job classes, other than annual pay plan increases, has not been

adjusted since 1987. The recommendation totals \$857,203 from all funding sources, with \$499,719 of this amount financed from the State General Fund. Some 36 agencies, including Regents institutions, employ one or more of these positions as part of their staffing complement. Therefore, funds have been budgeted in each of these agencies for FY 2007 based on the number that each agency has. The incentive payments will be effective at the beginning of FY 2007.

Fringe Benefits

The Governor's proposed salary expenditures in agency budgets are based on fringe benefit rates established by law or certified by agencies to the Division of the Budget for the budget instructions, which are used by agencies to prepare their budgets.

Retirement Rates

The rate for KPERS regular state and school members will increase in accordance with a multi-year plan established by the Legislature to make the KPERS Fund actuarially sound. The rate increased by 0.4 percent for FY 2006. It will go up by 0.5 percent for FY 2007. And the rate will increase by 0.6 percent in FY 2008 and thereafter until the KPERS Fund reaches equilibrium, the point at which the fund is financially able to cover retirement benefit obligations. The estimated cost of the rate increase for FY 2007 is \$7.3 million from all funding sources, with \$3.6 million from the State General Fund.

For corrections officers, the employer contribution rate under current law will increase from 5.74 percent in FY 2006 to 7.72 percent for FY 2007. The reason for this sizeable increase is complex. For one thing, KPERS changed the actuarial cost method for the retirement system from a "projected unit credit" method to an "entry age normal" method. Second, the Legislature separated KPERS state employees from local school employees in the making of actuarial calculations and rate determinations. In addition, the KPERS actuary made an adjustment of mortality and retirement assumptions to reflect actual experience.

Finally, KPERS states that it has no current legal authority to “cap” the corrections officer rate, unlike the rate for regular state and school employees, which cannot exceed 0.5 percent in FY 2007. Because there is no cap for this group, the Governor supports legislation that has been introduced by the Joint Committee on Pensions and Investments to include the corrections officer group in the regular rate cap. For FY 2007, the above actuarial changes for corrections officers, together with the proposed 0.5 percent cap, will result in a net cost increase of \$281,378, all from the State General Fund. Funds totaling this amount have been included in the budget of each correctional facility.

Historically, the rate to pay for the death and disability program administered by KPERS had been 0.6 percent. After suspension of the rate periodically over several fiscal years, the 2005 Legislature established the rate at 0.8 percent for FY 2006. The higher rate, compared to what it had been traditionally, allowed the balance in the KPERS Group Insurance Reserve Fund to be restored after being depleted by the moratoria. At the same time, the 2005 Legislature set the rate to increase to 1.0 percent for FY 2007 to complete the restoration. The cost for FY 2007 in state agency budgets will total \$3.0 million from all funding sources, of which \$1.5 million will be from the State General Fund.

Other Rate Adjustments

The employer contribution to the group health rates for state employees will remain at the same level for FY 2007 as they were for FY 2005 and FY 2006. It has been possible to hold the rates flat because of favorable claims experience for the past several years and steadier prices on prescription drugs. As a result, the 2006 state employee health plan includes (1) lower premium costs for most participants, (2) an increase in employer contributions for dependents to 45.0 percent, and (3) a pilot program called Healthy Kids that helps eligible state employees with their premium for children’s health insurance coverage. State employees with dependent children who are eligible will have 90.0 percent of the premium for their covered children paid for by the state.

The state leave assessment was increased in the revised FY 2006 budget to 0.5 percent compared to the

rate of .44 percent that was approved for FY 2006 initially. The FY 2007 rate will increase to 0.65 percent. These rate changes are the result of higher than anticipated retirements in FY 2005. Workers compensation rates, which vary by agency, have generally been increased in both fiscal years as well, also based on recent actual experience. On the other hand, the unemployment insurance rate was significantly reduced for the current fiscal year, from 0.43 percent as originally published a year ago to 0.01 percent as revised for this year. Then it will increase to 0.18 percent for FY 2007. These current-year savings, the result of reduced insurance payouts and a build up of the balances in the fund, have been captured in agency budgets.

Other Salaries

Regents

Increased funding for the Regents universities is provided through an operating grant. The Board of Regents distributes this grant to the universities and has the authority to make the distribution based on its priorities. For FY 2007, the Governor recommends \$20.0 million from the State General Fund for the operating grant. If the Regents choose to provide the 2.5 percent salary increase that the Governor recommends for the rest of the state workforce, the cost will be approximately \$24.6 million. Included in that amount would be \$11.8 million, or nearly half, from the State General Fund. The Regents would need to use a combination of funding sources to implement a 2.5 percent salary increase.

As part of the Higher Education Coordination Act, the state universities will receive \$3,333,426 from the State General Fund for FY 2007. This will constitute the final year of the Governor’s plan to fund in full the Higher Education Coordination Act (SB 345). Funding will be distributed by the Board of Regents to the universities for faculty salary enhancements.

Military Payments

For FY 2007, the Governor recommends \$50,000 from the State General Fund to continue one-time activation payments of \$1,000. This payment is given to state

employees who are Kansas National Guard or other military reserve members and are called to active military duty on or after September 11, 2001. This payment will mitigate any financial burden that may occur as a result of mobilization.

In FY 2005, the Governor implemented a new program that provides payments to state employees who are called to military active duty. The program provides a payment representing the difference between employees' pay and their military pay. Eligible employees receive a differential payment of up to \$1,000 per month, before tax withholdings, for the duration of their federal service. The Governor is continuing this program in FY 2006 and FY 2007. However, each agency that has eligible employees is responsible for the expenditures related to this program.

State Workforce

Changes to the Workforce

A year ago, when the budget for FY 2006 was approved, the number of authorized positions totaled 41,376.00. Of this amount, 40,407.92 were FTE positions and 968.08 were non-FTE unclassified permanent positions. The Governor's revised budget for the current fiscal year now totals 41,406.62, of which 40,425.52 are FTE positions and 981.10 are non-FTE positions. The changes result in a net increase of 30.62 positions.

Major increases occurred in the Department of Health and Environment—Health for child care regulation, health promotion, and epidemiology and disease prevention and throughout the Regents system for research and teaching staff. Significant reductions occurred in SRS and JJA in eliminating vacant positions that are no longer needed and non-FTE positions in the Adjutant General's Department, where delays have occurred among the personnel involved in rebuilding military equipment as part of the Readiness Sustainment Maintenance Site Program in Salina. However, this effort will be shifted into FY 2007. The Department of Commerce added 41.10 positions to accommodate the transfer of America's Job Link Alliance employees from the Department of Labor, an

effort that started during the 2005 Legislative Session at the initiative of the Governor.

For FY 2007, the total number of positions equals 41,417.76, 40,451.82 of which are FTE positions and 965.94 are non-FTE positions. The FY 2007 total increases by 11.14 positions compared to FY 2006. Increases are recommended to occur in the Judiciary for a new Court of Appeals judge and related staff; the Department of Corrections for support of CJIS and a sex offender project; the State Fire Marshal for a new explosive investigations unit; the Highway Patrol for the Motor Carrier Assistance Program; the KBI for support of CJIS, laboratory technical support, and the offender registration unit; the Department of Education for the KIDS record system; the Sentencing Commission for a clerical position; and the Department of Wildlife and Parks for the Prairie Spirit Rail Trail. Reductions will occur in SRS and the Human Rights Commission, eliminating unused positions for which no funding is budgeted anyway. Kansas Neurological Institute will experience reductions in administrative staff.

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 appropriation bill, while others are not. The second group, named non-FTE unclassified permanent positions, are employed by the authority of KSA 2005 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 retirement system, the same as permanent FTE positions do.

Although the state workforce has traditionally been counted according to the FTE limitations established by appropriation bills, there are other views that count

positions differently. Accordingly, two tables, Schedules 9.2 and 9.3 at the back of this report, illustrate these methods. The first is “headcount,” representing a statewide average of all 26 biweekly payrolls based on the number of paychecks issued for FY 2003, FY 2004, and FY 2005.

The second table, 9.3, in effect restores the original concept of FTE by representing the state workforce as the number of positions mathematically equated to full time. What is currently called FTE positions has become an artificially inflated total, because reductions for shrinkage and other budget reductions to salaries prevent many agencies from filling the positions they are authorized. To balance their budgets, they must leave positions vacant for all or part of a fiscal year. Therefore, the legal FTE count remains higher than what the budget can really support. This table represents a view that mathematically equates to full time the number of positions actually filled for the fiscal years indicated, including overtime and any leave time in which employees are in pay status. For example, if an agency is legally authorized 10.00 FTE positions but one of them was vacant for half of the fiscal year, this table would report that agency’s mathematical FTE total as 9.50. This table presents a more accurate and meaningful picture of FTE positions, including for budgeting purposes a view that indicates the number of positions that the budgets of state agencies can actually support.

FTE Limitations

For many years, a limitation on the number of permanent positions equated to full time has been imposed on a selected number of agencies through the appropriation process. A limitation on the number of positions is intended to control not only the staffing level of these agencies, but the overall size of the state workforce. However, there are reasons to suggest that FTE limitations no longer serve the purpose originally intended. Two issues are involved: control and reporting.

A significant portion of the state workforce, fully 49.6 percent, is not subject to FTE limitations anyway because exemptions are granted to the Regents institutions, the Judiciary, the Legislative Branch, the Governor’s Office, the Lieutenant Governor’s Office,

and several other Executive Branch agencies. In addition, as indicated previously, KSA 75-2935(i) allows Executive Branch agencies, with the approval of the Governor’s Office, to appoint permanent positions as unclassified “temporaries” that are no different from FTE positions, except the authority by which they are appointed allows them to avoid the FTE limitation. Therefore, whatever measure of control is exercised by these limitations under current practices is inconsistent and largely ineffectual. Because the amount of funds available in the budget for salaries is the most effective control over an agency’s staffing level, the question is raised whether FTE limitations have outlived their usefulness and should be abolished.

The Governor’s Budget Report and the *Budget Analysis* of Legislative Research both report the state’s workforce on the basis of FTE position limitations. As budgets continue to be reduced, using shrinkage as a “budget-balancing” technique, the dollars available for salaries in many budgets cannot fund the authorized staffing level. As a result, there is no clear connection between the budget and the level of staffing an agency can afford. Therefore, the effect of budget reductions on layoffs and positions held vacant is difficult to gauge. Shifting the focus away from artificially high FTE limitations would allow meaningful staffing levels to be reported that reflect what the budget can actually support.

No specific recommendation is made at this time to change the current method of counting FTE positions. It should also be noted that the table shows salaries, such as the Governor’s pay plan proposal, in the same way as other agencies. However, consideration should be given to the possibility of modifying the way FTE positions are reported and abolishing controls on them altogether.

Statewide Summary of Salaries

The table on the next page details expenditures for salaries and wages for 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. In making comparisons across fiscal years, it should be

remembered that the 27th payroll in FY 2006 will cause salary expenditures to be higher than usual in that year. The salaries for Regents universities, including the proposed salary plan, are shown in the table in the same way as other state agencies for

illustration purposes. However, this is with the understanding that State General Fund monies to finance these expenditures are appropriated as an operating grant, allowing the Regents system to spend available resources according to its own priorities.

Statewide Salaries & Wages

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Authorized Positions					
Classified Regular	747,538,105	823,454,034	803,769,410	11,005,465	825,596,170
Classified Temporary	10,587,679	11,126,472	10,804,622	--	10,879,710
Unclassified Regular	716,409,368	930,992,428	917,066,654	7,568,365	941,193,198
Other Unclassified	172,409,213	101,900,377	96,338,610	2,959,286	97,703,545
Authorized Total	\$ 1,646,944,365	\$ 1,867,473,311	\$ 1,827,979,296	\$ 21,533,116	\$ 1,875,372,623
Shift Differential	2,728,921	3,040,880	3,603,997	--	3,603,997
Overtime	12,403,617	11,162,216	10,832,228	26,012	10,832,228
Holiday Pay	3,783,884	3,803,028	3,355,368	--	3,439,203
Longevity	10,301,798	10,252,894	10,569,452	--	10,569,452
Total Base Salaries	\$ 1,676,162,585	\$ 1,895,732,329	\$ 1,856,340,341	\$ 21,559,128	\$ 1,903,817,503
Employee Retirement					
KPERS	44,093,527	58,567,272	63,407,979	586,606	64,883,150
Deferred Compensation	364,302	390,511	385,673	--	395,316
TIAA	45,700,966	56,779,435	57,256,670	21,880	58,718,909
Kansas Police & Fire	4,401,691	5,974,993	6,001,056	119,011	6,154,279
Judges Retirement	4,270,960	5,372,386	4,562,545	544,142	4,676,608
Security Officers	4,070,304	5,519,880	7,095,580	8,809	6,145,418
Retirement Total	\$ 102,901,750	\$ 132,604,477	\$ 138,709,503	\$ 1,280,448	\$ 140,973,680
Fringe Benefits					
FICA	111,222,331	129,371,608	127,220,341	846,101	130,534,000
Workers Compensation	17,584,435	20,450,399	20,739,351	144,978	21,295,877
Unemployment	5,626,556	181,530	3,202,128	20,156	3,285,398
Retirement Sick & Annual Leave	7,227,557	9,384,683	11,931,992	79,772	12,250,398
Employee Health Insurance	170,417,767	176,380,487	177,158,497	1,046,893	176,528,681
Family Health Insurance	33,135,542	35,462,566	35,644,337	210,813	35,362,424
Total Fringe Benefits	\$ 345,214,188	\$ 371,231,273	\$ 375,896,646	\$ 2,348,713	\$ 379,256,778
Subtotal: Salaries & Wages	\$ 2,124,278,523	\$ 2,399,568,079	\$ 2,370,946,490	\$ 25,188,289	\$ 2,424,047,961
(Shrinkage)	--	(92,369,200)	(94,256,191)	4,557,720	(93,811,034)
Total Salaries & Wages	\$ 2,124,278,523	\$ 2,307,198,879	\$ 2,276,690,299	\$ 29,746,009	\$ 2,330,236,927
State General Fund Total	\$ 963,599,503	\$ 1,069,608,426	\$ 1,059,212,569	\$ (5,766,301)	\$ 1,087,111,510
FTE Positions	40,306.24	40,425.52	40,658.26	60.00	40,451.82
Non-FTE Unclassified Perm. Pos.	882.98	981.10	963.94	(6.00)	965.94
Total State Positions	41,189.22	41,406.62	41,622.20	54.00	41,417.76

Amounts include all Off Budget expenditures for the Department of Administration, Governor's Office, Fire Marshal, Highway Patrol, State Treasurer, Adjutant General, Division of Health Policy & Finance, Health & Environment, Department of Labor, and Department of Transportation.

Homeland Security

In response to the September 11, 2001 terrorist attacks and subsequent reactions, the federal government implemented a number of initiatives in order to protect against future threats. "Homeland Security" funding for Kansas is defined as funds provided by the federal government to Kansas or any local governments which are expended specifically for the purpose of improving the state's capability to prevent, respond to, and recover from incidents of terrorism involving chemical, biological, explosive, or radiological weapons.

Kansas receives funding from several federal sources to support these areas. These funding sources are mainly from the Department of Homeland Security, the Department of Justice, the Center for Disease Control, the Department of Agriculture, the Health and Human Services Administration, the Federal Highway Administration, the Transit Administration, and the Environmental Protection Agency. In FY 2005, the Department of Justice, the Federal Emergency Management Agency, the Citizen Corps Program, and the Metro Medical Response System shifted part or all of their funding to DHS.

The state also receives funds from the Office of Domestic Preparedness (ODP). For the majority of these funds, a minimum of 80.0 percent must be "passed through" to local jurisdictions. Therefore, each county receives a portion of the 80.0 percent based on its ranking, which is determined by an ODP-mandated assessment. The remaining 20.0 percent of the funds that can be used by the state must be expended in accordance with the homeland security strategy that has been developed as a requirement of the program. The Highway Patrol has been designated by the Governor as the state agency that receives and distributes these funds on behalf of the State of Kansas.

The funds received for Homeland Security are used to support four primary strategies: emergency radio interoperability, critical infrastructure, bioterrorism preparedness, and terrorism prevention identification. These are priority issues that the state is focusing on in order to prepare and protect against future threats of terrorism.

Since the attacks in 2001, the state has received millions of dollars each year from the federal government. Kansas expended approximately \$2.3 million in FY 2002, \$13.0 million in FY 2003, \$23.9 million in FY 2004, and \$56.7 million in FY 2005. The Governor's recommendation is \$87.2 million in

Homeland Security Funds		
Program or Project	FY 2006 Gov Est.	FY 2007 Gov Rec.
Department of Administration		
Network Enhancement	\$ 700,000	\$ --
Judiciary		
Security Protection Plan	\$ 40,080	\$ 40,000
Health & Environment--Health		
Core Operations	2,296,265	2,168,339
Laboratories	805,626	673,000
Information Services	1,637,980	1,759,754
Aid to Locals	4,752,257	4,752,257
Hospital Readiness	5,347,521	4,545,111
Miscellaneous	153,000	--
Total--H & E--Health	\$ 14,992,649	\$ 13,898,461
Department of Labor		
HQ Security System	\$ 13,231	\$ --
Kansas State University		
Research Projects	\$ 7,710,000	\$ 7,710,000
University of Kansas		
Security Protection Plan	50,000	50,000
One Grant	37,000	--
Security Projects	1,500,000	1,500,000
Total--University of Kansas	\$ 1,587,000	\$ 1,550,000
University of KS Medical Center		
Critical Infrastructure Grant	250,000	--
Terrorism-Emergency Infections	1,250,000	1,250,000
Total--KU Medical Center	\$ 1,500,000	\$ 1,250,000
Wichita State University		
Security Protection Plan	49,947	--
Counterterrorism Training	50,000	--
Total--WSU	\$ 99,947	\$ --
Adjutant General		
Domestic Preparedness	2,739,667	3,192,485
Emergency Management	2,340,116	2,420,000
Total--Adjutant General	\$ 5,079,783	\$ 5,612,485
Emergency Medical Services		
Access to Emergency Devices	\$ 151,199	\$ --
State Fire Marshal		
Explosive Investigations Unit	\$ 679,341	\$ 153,684

(continued on next page)

Homeland Security Funds

(continued)

Highway Patrol		
Aid to Local Governments	34,450,479	31,391,727
Operating Expenditures	673,319	668,801
Total--Highway Patrol	\$ 35,123,798	\$ 32,060,528
Kansas Bureau of Investigation		
DNA Programming	149,168	--
Intelligence Software	37,676	--
Automated Fingerprint I.D.	200,000	552,000
Total--KBI	\$ 386,844	\$ 552,000
Department of Agriculture		
Food Processing Study	200,000	148,846
Power Generator	97,691	--
Total--Dept. of Agriculture	\$ 297,691	\$ 148,846
Animal Health Department		
Animal Disease Response	\$ 210,000	\$ 105,000
Health & Environment--Environ.		
Lab Security	89,399	--
Animal Feedlot Procedures	121,292	21,126
Total--H & E--Environment	\$ 210,691	\$ 21,126
Transportation		
Interoperability	\$ 18,449,000	\$ 4,363,407
Total	\$ 87,231,254	\$ 67,465,537

FY 2006 and \$67.5 million in FY 2007. The FY 2006 total is notably higher than the total for FY 2007 for several reasons. One is that some homeland security costs, such as interoperability at the Department of Transportation, are one-time projects that do not continue into future years. Second, unspent dollars from prior years are added to new funds in the current fiscal year, similar to capital improvement expenditures. Third, the federal government has reduced the level of funding in some cases in FY 2007 based on federal priorities and federal budget considerations.

The table that starts on the previous page and continues above summarizes the programs receiving federal homeland security funds. These programs are described in detail below.

Department of Administration

Network Enhancement. The Department of Administration received \$700,000 from the Office of Domestic Preparedness. These monies will be used in FY 2006 to provide secure access to information for critical facility operators, which also will strengthen the monitoring of the state network. This will be

accomplished by installing hardware and software that will enhance cyber security.

Judiciary

Security Protection Plan. The Judiciary will receive \$40,080 for FY 2006 and \$40,000 for FY 2007 from the Department of Homeland Security. The grants will be used to purchase security and surveillance equipment for the Judicial Center.

Health & Environment—Health

Hospital Readiness & Bioterrorism. For FY 2006 and FY 2007, the Governor recommends Department of Homeland Security expenditures of \$15.0 million and \$13.9 million, respectively. Of this amount, \$5.3 million in FY 2006 and \$4.5 million in FY 2007 is dedicated to hospital preparedness. The remaining \$9.6 million in FY 2006 and \$9.4 million in FY 2007 will be used by the Office of Bioterrorism in the Division of Health to make substantial public health infrastructure improvements. Approximately \$4.6 million of this funding will be distributed in aid to local governments in both years for coordination of local bioterrorism preparedness and response.

Department of Labor

Headquarters Security System. Homeland security-related financing was used by the Department of Labor to equip its headquarters with a new security system. The project was initiated during FY 2005 at a cost of \$51,769 and will be completed during FY 2006 at a cost of \$13,231.

Kansas State University

Research Projects. Kansas State University will spend over \$7.7 million in federal funding each year in FY 2006 and FY 2007 on homeland security research. There are currently 39 projects under way. These projects include desalination of seawater, plant diagnostic laboratories for plant disease, bio-security risk assessments for feedlots, water quality restoration, and near-core and in-core neutron radiation monitors

for real time neutron flux monitoring and reactor power level measurements.

University of Kansas

Security Protection Plan. Funding of \$50,000 for both FY 2006 and FY 2007 will be used to install security cameras, monitors, transmission and recording devices, conduit, wire, etc. in the Memorial Stadium and Allen Fieldhouse. The funding is a grant from the Department of Homeland Security.

One Grant. FY 2006 is the final year for this \$993,500 project, which provided satellite receiver units at law enforcement and emergency medical sites across Kansas. The funding also included network subscriptions to provide continuing education and the capability to receive secure encrypted communications from the Department of Homeland Security. The project will be completed with expenditures of \$37,000 in FY 2006.

Security Projects. The University expects to receive approximately \$1.5 million in FY 2006 and another \$1.5 million in FY 2007 from a variety of federal sources for research projects related to homeland security. Projects include \$260,874 for infrastructure improvement in research and education in molecular sequencing and \$126,122 for the development of a document on "Reconstructing Law on the Street: The influence of Citizen Characteristics on Traffic Law Enforcement."

University of Kansas Medical Center

Critical Infrastructure Grant. This federal grant is to enhance the physical security of the University of Kansas Medical Center campus. Funding for the project is \$250,000 in FY 2006. The project includes such security features as window film to provide blast protection, security alarms for exterior entries, an air monitoring system, physical security enhancements for computer networks, and security cameras for key campus research facilities.

Terrorism & Emergency Infections Grant. The University expects to receive \$1.25 million from the federal government in each of FY 2006 and FY 2007 to provide statewide terror response training to

approximately 5,000 multidisciplinary first responders from health and safety professions in Kansas and the greater Kansas City area. The program curriculum currently consists of 33 presentations on topics, such as emerging infections, hospital surge capacity, mental health and terror, and vulnerable populations. The capstone training event is a full-scope mass-casualty drill with mock bomb and chemical agents that collapse an unoccupied building.

Wichita State University

Security Protection Plan. Wichita State University received a \$49,947 grant from the U.S. Department of Homeland Security. The grant will be used in FY 2006 to purchase security and surveillance equipment for use in two major facilities on the University campus.

Counterterrorism Training. The University received \$50,000 for FY 2006 from the Department of Justice to provide counterterrorism training for law enforcement officers and citizens. The grant will be managed through the University's Regional Community Policing Institute.

Adjutant General

Domestic Preparedness. The Domestic Preparedness funds are used to support the state's homeland security strategy. Specifically, the funds are used to identify planning, equipment, training, and exercise needs along with implementation of the National Incident Management System and the National Response Plan. The Domestic Preparedness funds also support the state's homeland security regional coordinators. These positions are located in seven regions across the state. The Governor recommends \$2,739,667 in FY 2006 and \$3,192,485 in FY 2007 to support this initiative.

Emergency Management. The Emergency Management Performance Grants Program is designed to help state and local emergency managers develop, maintain, and improve emergency management capabilities, which are key components of a comprehensive national emergency management system for all hazards. The Governor recommends \$2,340,116 in FY 2006 and \$2,420,000 in FY 2007 to support this program.

Emergency Medical Services

Access to Emergency Devices. The Emergency Management Services Board received \$264,050 in FY 2003 and \$164,344 in FY 2004 from the Health Resources and Services Administration to place automated external defibrillators in 99 rural areas of the state and provide training in their use. Some of these funds have been expended. However, the remaining \$151,199 will be used in FY 2006. The agency has applied to renew this grant for FY 2007 but has not yet received approval.

Fire Marshal

Explosive Investigations Unit. The State Fire Marshal has been awarded a grant for FY 2006 and FY 2007 from the Office of Domestic Preparedness to fund a statewide explosive investigations unit. The funds will be used to finance two explosives investigators, an administrative assistant, three trucks, and a specially-equipped vehicle. The investigators will complete explosive site inspections and assist other agencies with explosive investigations. They will also be part of a bomb unit that will respond to explosions throughout the state. The Governor recommends \$679,341 in FY 2006 and \$153,684 in FY 2007.

Highway Patrol

Aid to Local Governments. The Highway Patrol was selected by the Governor to be the State Administrative Agency for the Homeland Security Grant Program, which includes funding provided by the Office for Domestic Preparedness. In its role as the State Administrative Agency, the Highway Patrol is responsible for implementation of the program's guidelines with Kansas' first responders at the state and local level. This program provides funds for specialized equipment, training, and planning for first responders for the following disciplines: law enforcement, fire service, government administration, hazardous materials response, emergency medical services, public safety communications, public works, emergency management, health care, public health, citizen corps councils, and non-profit organizations. These funds are intended 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.

The Governor recommends \$34.5 million in FY 2006 and \$31.4 million in FY 2007 from Homeland Security funding for grants to local governments. To avoid counting the dollars twice, these funds are treated as reportable in each recipient state agency and as non-reportable in the Highway Patrol.

Operating Expenditures. The Governor recommends \$673,319 in FY 2006 and \$668,801 in FY 2007 for its own operations, which include salaries and wages, contractual services, and commodities for 4.00 non-FTE unclassified permanent positions.

Kansas Bureau of Investigation

DNA Programming & Intelligence Software. The Governor recommends \$386,844 in FY 2006 for Department of Homeland Security expenditures. Of this amount, \$149,168 is for DNA database software and \$37,676 is for intelligence software. The DNA database software expenditures will be used to design and develop applications for offender and missing persons information. The expenditures for intelligence software will be used to enhance the Kansas Law Enforcement Intelligence Network (LEIN). This will be accomplished by connecting the LEIN system with the Regional Information Sharing System. The connection between the systems will allow Kansas law enforcement personnel to obtain and share crime data with other states.

Automated Fingerprint Identification. Also recommended by the Governor is \$200,000 for an automated fingerprint identification system. The funds will be used for a down payment in FY 2006. In FY 2007, the Governor recommends \$552,000 for Department of Homeland Security expenditures. This amount is the first principal debt service payment for the system.

Department of Agriculture

Food Processing Study & Power Generator. The Kansas Department of Agriculture has received a federal grant to enhance the agency's preparedness in the event of a bioterrorist act. The Governor

recommends \$297,691 for FY 2006 and \$148,846 in FY 2007. The funding will provide \$200,000 in FY 2006 and \$148,846 in FY 2007 for a vulnerability study of agriculture food processing procedures. The remaining \$97,691 in FY 2006 is for an electric generator that will allow the laboratory to analyze samples if a power failure occurs during a bioterrorist act.

Animal Health Department

Animal Disease Response. Emergency management and bioterrorism defense remains at the forefront of the Department's mission, particularly in light of concerns regarding the threat of Foot and Mouth Disease. The state emergency disease plan continues to be upgraded and enhanced. It includes an emergency response plan, equipment for a mobile field command center, as well as volunteer veterinary practitioners to deploy the plan, if needed. The Governor recommends federal expenditures totaling \$210,000 in FY 2006 and \$105,000 in FY 2007 for the plan.

Health & Environment—Environment

Lab Security. The Division of Environment receives reimbursement from the Kansas Highway Patrol for the purchase of lab equipment used in testing samples that may pose a possible bioterrorist threat. The

Governor recommends \$89,399 in FY 2006 for this purpose.

Confined Animal Feedlot Procedures. Homeland security funding is used to establish procedures to identify animal burial sites in the event of a terrorist threat to any of the confined animal feedlot operations in the state. The Governor recommends \$121,292 in FY 2006 and \$21,126 in FY 2007 to establish these procedures.

Department of Transportation

Interoperability. The Governor recommends \$18.4 million in FY 2006 to improve the statewide radio communication system, which is a step toward interoperability. Interoperability, one of the state's communication priorities, will allow law enforcement, fire departments, and other first responders to communicate simultaneously. KDOT will purchase controllers and auxiliary equipment for the statewide trucking system. Additionally, funds will be utilized to upgrade all Highway Patrol and KDOT dispatch consoles to operate in the new digital environment. Of the recommendation, \$5.3 million is from the Office of Domestic Preparedness, \$10.4 million is from the Federal Highway Administration, and \$2.7 million is from the Federal Transit Administration (FTA). For FY 2007, the Governor recommends \$1.5 million from the ODP and \$2.8 million from the FTA for the same purpose.

Health Policy/Kansas Health Policy Authority

Current Law

Governor Sebelius proposed Executive Reorganization Order No. 33 on January 9, 2005, as a part of the HealthyKansas reform initiative. ERO 33 streamlined all of the state's major health care programs into a new division of the Department of Administration called the Division of Health Policy and Finance. The transfer of health care programs from the Department of Social and Rehabilitation Services to the new division was intended to improve efficiency and allow the state to push for real reforms in the health care system. The Legislature rejected the ERO but passed in its place 2005 House Substitute for SB 272. The bill essentially mirrored the transfers to the Department of Administration that were proposed in the ERO for FY 2006 but also created the Kansas Health Policy Authority as a new state agency.

Department of Administration

2005 House Substitute for SB 272 established the Division of Health Policy and Finance (HPF) within the Department of Administration on July 1, 2005. An unclassified director reports to the Governor, and the bill authorized the director to hire employees and to organize the division. On the effective date, the bill transferred from the Department of Social and Rehabilitation Services (SRS) to HPF the designation as the single state agency for Medicaid. It is also the contact agency for federal health care reform measures. HPF is now responsible for Medicaid Regular Medical, Healthwave, and any other medical assistance or health insurance programs for the needy or uninsured authorized by Chapter 39 of the *Kansas Statutes Annotated*. HPF is also responsible for the Working Healthy portion of the Ticket to Work Program, the Medicaid infrastructure grants for working health, and the Medicaid Management Information System (MMIS). Other healthcare programs can be delegated to HPF by the Governor or another state agency through a memorandum of understanding.

HPF is authorized to enter into agreements regarding administration of any of its programs through contracts

with other state agencies, but maintains overall administrative discretion and policymaking responsibilities for Medicaid. The bill established other duties, powers, and functions, including adopting policies and regulations, advising the Governor and the Legislature, establishing a financial records system, entering into interstate agreements, making and receiving grants, and developing a budget. HPF is also required to establish consumer advisory boards and a policy coordination board.

SRS employees who performed functions that were being merged into HPF were transferred to the new division. SRS employees who provide administrative, technical, or other support services essential to the transferred functions also relocated to the new division.

Kansas Health Policy Authority

2005 House Substitute for SB 272 created the Kansas Health Policy Authority on July 1, 2005. The bill then eliminates the Division of Health Policy and Finance on July 1, 2006, and transfers all of its powers, duties, and functions to the Kansas Health Policy Authority. The Authority has seven voting members and seven non-voting members. Four voting members are appointed by the Governor, two by the Speaker of the House, and one by the Senate President. The Director of Health of the Kansas Department of Health and Environment (KDHE), the Secretary of KDHE, the Secretary of SRS, the Commissioner of Insurance, the Secretary of Administration, the Secretary of Aging, and the Executive Director of the Authority are non-voting members.

Voting members are subject to Senate confirmation. They serve for four-year terms and stay in office until their successor is appointed and confirmed. Voting members are required to have knowledge and leadership experience in areas related to health care, including health care delivery, health promotion, public health improvement, evidence-based medicine, insurance, information systems, data analysis, health care finance, economics, government, and business. The majority must be Kansas residents, and none of

the members can be members of the Legislature. The first Authority members were appointed with staggered terms. The Authority will have an annual organizational meeting to elect a chair, except that the first chair has been designated by the Governor.

The Authority appointed an executive director, subject to Senate confirmation. The executive director is unclassified and serves at the pleasure of the Authority at a salary set by the Authority, subject to approval of the Governor. The executive director will hire and supervise personnel of the Authority, who are to be unclassified, except as otherwise provided in the bill.

The Authority will coordinate a health policy agenda that combines effective purchasing and administration of health care with public health strategies oriented toward health care promotion. The purpose will be to improve the health of Kansans by improving the quality, efficiency, and effectiveness of health care services and public health programs. The Authority's duties include establishing policies, rules, and regulations; contracting for services; appointing advisory committees; and submitting a statewide health policy agenda to the Legislature at the beginning of the 2007 Legislative Session and each session thereafter.

Legislative Oversight

The Legislative Coordinating Council is required to establish a special committee to monitor operations and decisions of the Authority. The bill established a schedule under which existing state health care-related programs are moved to the Authority:

January 1, 2006—The Authority assumes the functions of the Health Care Data Governing Board.

January 1, 2006—The Authority takes over the powers, duties, and functions of SRS relating to the restrictive drug formulary; the Drug Utilization Review Program, including the Medicaid Drug Utilization Review Board; and electronic pharmacy claims management system.

March 1, 2006—The Authority is required to submit a plan to the Legislature with funding

recommendations and legislation for programs that are to transfer July 1, 2006.

July 1, 2006—The Authority assumes operational and purchasing responsibility for the regular medical portions of Medicaid, Medikan, SCHIP, the Working Healthy portion of the Ticket-to-Work Program, MMIS, and the administration of the State Employee Health Care Benefits Plan and the State Self-Insurance Fund (state employee workers compensation). In addition, effective July 1, 2006, the Authority will be designated as the single state agency for Medicaid.

At the beginning of the 2007 Legislative Session, the Authority is required to submit recommendations to the Legislature and an implementation plan for transfer of additional Medicaid-funded programs to the Authority, which may include mental health, home and community-based waivers, nursing facilities, substance abuse and treatment, and state institutions.

At the beginning of the 2008 Legislative Session, the Authority is to submit recommendations to the Legislature and an implementation plan to assume health purchasing functions within the Department on Aging, the Department of Education, the Juvenile Justice Authority, and the Department of Corrections.

Financing

In the 2005 omnibus appropriations bill the Legislature made the financial adjustments that were necessary to fund the programs that were transferred to the Department of Administration. Funding was transferred from the SRS budget to the Division of Health Policy and Finance budget to finance the transferred programs. Additionally, 130.38 FTE positions and 3.49 non-FTE unclassified permanent positions were transferred from SRS to the Department of Administration. Funding of \$750,000 from the State General Fund and 6.00 FTE positions were appropriated to the new agency. Of that amount, \$250,000 was intended to be expended for salaries and \$500,000 was for other programming costs.

The Legislature also adopted two Governor's budget amendments regarding health care and charged the Authority with carrying out those functions. The first amendment added \$200,000 from the State General Fund for a new generic drug program for low-income Kansans. The program will make low-cost generic drugs available at local participating pharmacies to uninsured low-income individuals. The second amendment added \$500,000 from the State General Fund to finance a new health insurance benefit for small businesses that pay low wages. The state will provide 50.0 percent of health insurance premiums for these businesses, which will result in a price reduction for both the employer and the employee and will reduce the number of uninsured Kansans.

Governor's Proposal

As a part of her budget recommendation, the Governor proposes a slight change to the provisions of 2005

House Substitute for SB 272. The Governor proposes a one year delay, until July 1, 2007, in the transfer of health programs from HPF to the Kansas Health Policy Authority. This delay will allow the program administrators to become acclimated to their new roles with the administrative support of the Department of Administration.

Further, the Governor recommends that instead of operating as a distinct new agency in FY 2006 and FY 2007, the Kansas Health Policy Authority should operate as a distinct program within HPF. The arrangement will be similar to the relationship between the Children's Cabinet and SRS. The Authority will still be a distinct organization but would receive administrative support through HPF and the Department of Administration. The Governor's budget recommendation takes this proposal into account by moving all FY 2006 and FY 2007 expenditures from the Authority to HPF within the Department of Administration.

Motor Vehicles

In November 2003, the Governor initiated changes that have significantly altered the way the state manages motor vehicles. The size of the state's fleet of cars and pickups has been dramatically reduced. A two-year moratorium on the purchase of new vehicles has been successfully completed. A process has been put in place to replace high-mileage vehicles only when necessary.

Fleet Size

By the beginning of FY 2007, the state's basic fleet of cars and pickup trucks will have been reduced by over 20.0 percent. The chart below illustrates that in November 2003 Kansas had a basic fleet of 4,279 vehicles.

State Vehicle Fleet: Cars, Pickups/Vans	
Total vehicles in Fleet November 2003 (excludes trailers, large trucks, university fleets, KHP fleet)	4,279
Vehicles sold February 2004	677
Reductions to be completed by July 2006	<u>200</u>
FY 2007 Expected Fleet Size	3,402

In November 2003, the Governor asked for a careful examination of the fleet and an agency-by-agency review of vehicle usage. As a result, 677 vehicles were sold at auction in February 2004. Since that time, agencies have continued to review their vehicle numbers. By the beginning of FY 2007, an anticipated 200 more vehicles will be removed from the basic state fleet, bringing the total down to 3,402.

In November 2003, the grand total of all "tagged vehicles" in the state fleet was 8,777. To calculate the basic fleet number, 1,118 trailers, 25 motorcycles, and 1,545 large trucks and other large vehicles were deleted from the count. In addition, 1,170 vehicles owned by the Regents universities and 640 vehicles owned by the Kansas Highway Patrol were deducted from the fleet count to arrive at a basic fleet number of 4,279.

The Highway Patrol has not been expected to participate in the vehicle reduction effort. The Patrol has a long-standing policy in place to manage its fleet effectively. The Regents universities have participated in the two-year purchase moratorium and are following the high-mileage vehicle replacement policy but were not part of the effort to reduce the state's basic fleet.

FY 2007 Replacement Recommendations			
Agency	No.	SGF	All Funds
Passenger Cars:			
Administration	5	11,731	32,731
KCC	1	--	12,500
Commerce	3	--	37,500
Lottery	1	--	12,500
Racing & Gaming	2	--	40,000
Revenue	8	11,630	103,080
Cosmetology	1	--	12,000
Mortuary Arts	1	--	12,500
Pharmacy	1	--	20,000
SRS	20	183,830	292,488
Aging	18	101,214	202,428
Health & Environment	35	260,000	545,600
Labor	5	--	66,454
Corrections	5	--	80,000
KBI	7	--	129,500
Agriculture	11	36,280	142,608
KDOT	31	--	442,800
Pickups and Vans:			
KCC	6	--	93,000
Lottery	7	--	109,100
Revenue	2	--	32,006
Banking	2	--	32,800
Judiciary	1	16,400	16,400
Veterans Affairs	2	32,800	32,800
Education	4	17,300	65,100
School for the Blind	1	32,800	32,800
School for the Deaf	2	32,800	32,800
Ks. Juv. Corr. Complex	1	19,000	19,000
Adjutant General	3	4,325	48,174
Fire Marshal	8	--	158,715
Agriculture	12	85,511	204,071
Animal Health	1	19,000	19,000
Wildlife & Parks	42	--	781,725
KDOT	100	--	2,257,200
Total	349	\$ 864,621	\$ 6,119,380

Vehicle Moratorium

Also in November 2003, the Governor imposed a two-year moratorium on new car and light truck purchases, except for essential law enforcement vehicles. The moratorium ended in November 2005, and agencies could begin appropriate replacement of high-mileage vehicles. However, neither the total amount authorized to be spent on replacements in FY 2006 nor the total amount recommended in the Governor's FY 2007 budget exceeds the average annual vehicle purchases made by the state in the four-year period prior to the moratorium. In essence, the moratorium has been a two-year "time out" from new vehicle purchases and has allowed the state to save the money that otherwise would have been spent on vehicles.

Replacement Policy

Vehicles purchased in FY 2006 and those recommended for purchase in FY 2007 must fulfill three criteria. First, a vehicle can be purchased only to replace another vehicle in the fleet. Second, the

vehicle replaced must have reached 100,000 miles for cars and 140,000 miles for pickup trucks. Third, the vehicle purchased must be similar in type and size to its replacement.

FY 2007 Recommendations

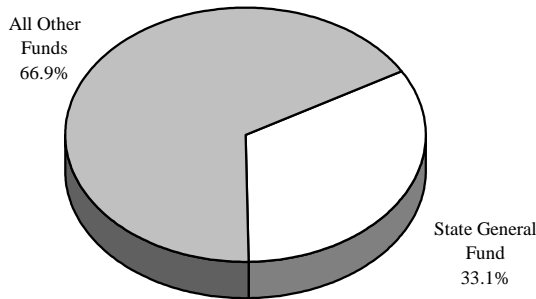
Agencies wishing to replace high-mileage vehicles in FY 2007 made requests for vehicle purchases as part of their FY 2007 budget submission. The Division of Budget reviewed all of the requests, with the results of that review included in the Governor's FY 2007 budget for each agency affected. The table on the previous page lists the number of vehicles recommended for replacement along with the estimated cost. The estimated costs represent the purchase price of the replacement vehicles and do not include any revenue from potential sales of the old vehicles. The recommendations will not result in an increase in the total state fleet, and the costs do not exceed the average annual vehicle purchases made by the state in the four-year period before the moratorium began.

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, and the Kansas Racing and Gaming Commission; and other professional licensing and regulatory boards. Included in this function are 20 agencies with biennial budgets.

Retrofitting, and Maintenance). The funds are budgeted through the Department of Commerce to help low-income Kansans weatherize their homes. This program will provide \$2.0 million to reduce the waiting list for home weatherization and \$2.0 million to start a revolving loan fund for home energy savings improvements. For after school programs throughout the state, the Governor recommends grants of \$1,250,000 in FY 2007, including \$500,000 from the Children's Initiatives Fund and \$750,000 from the State General Fund. This program awards grants to organizations that provide after school programs that improve learning and encourage children to stay in school. The Governor also recommends \$225,000 from the State General Fund in FY 2007 to support ongoing efforts to prevent the closure or downsizing of the state's military bases.

How It Is Financed



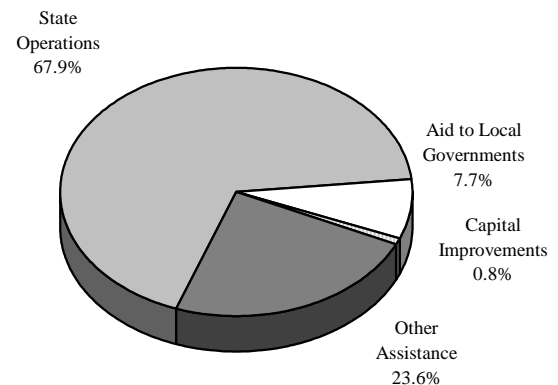
Fiscal Year 2007

The Governor recommends a total of \$679,337,874 in FY 2006 and \$661,046,361 in FY 2007. These totals include \$208,497,393 in FY 2006 and \$219,032,485 in FY 2007 from the State General Fund. The State General Fund increase results from a \$5.0 million increase in the Department of Commerce and a \$4.5 million increase in the Department of Administration.

At the beginning of FY 2006, the Department of Labor transferred America's Job Link Alliance Technical Support Division to the Department of Commerce. This division provides workforce development computer systems, programming, and training products and services for Kansas and other subscribing states. For FY 2006, the Governor recommends 41.10 positions, both FTE and non-FTE, for Commerce to complete the transfer of this program.

The Governor recommends \$4.0 million from increased severance tax receipts to the State General Fund for WARM Kansas (Weatherization Assistance,

How It Is Spent



Fiscal Year 2007

With the new federal prescription drug program, the Governor recommends \$500,000 from the State General Fund in FY 2006 for Medicare Part D enrollment and counseling services to be provided by the Department of Administration's Long-Term Care Ombudsman. The Lottery will transfer a minimum of \$67.0 million from the sale of lottery tickets to the State Gaming Revenue Fund in FY 2006 and FY 2007.

The Governor forwards the FY 2007 budget requests of the Judiciary and Legislative Branch to the Legislature, changing the requests only for salary plan enhancements. Only minor changes were made to the already approved budgets of biennial agencies.

Executive Branch Agencies

Department of Administration

For FY 2006, from all funding sources, the Governor recommends \$40,871,662 for the portion of the budget that is reported in statewide expenditure totals. An amount of \$31,282,747 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 \$102,879,359 for FY 2006. The number of positions recommended for the Department totals 825.30 positions, of which 803.05 are FTE and 22.25 are non-FTE unclassified permanent.

The Governor's recommendation includes \$500,000 for the Long-Term Care Ombudsman from the State General Fund in FY 2006 to meet the anticipated demand for enrollment assistance for Medicare Part D. Medicare Part D is a new prescription insurance plan for seniors that begins January 1, 2006. The supplemental funding will allow the Long-Term Care Ombudsman to assist more Kansas seniors in making informed plan choices and in enrolling by the prescribed deadline in March 2006.

For FY 2007, from all funding sources, the Governor recommends \$49,241,250, with \$40,738,073 from the State General Fund. For the "Off Budget" the Governor recommends \$83,921,936 for FY 2007. The number of positions recommended for the Department totals 780.30, of which 759.55 are FTE positions and 20.75 are non-FTE unclassified permanent positions.

Compared to the budget approved for FY 2006 from the State General Fund by the 2005 Legislature, the recommendation for FY 2007 represents an increase of 33.9 percent. This increase results from debt service payments on KPERS bonds that were issued in FY 2004. The first debt service, a partial amount, will occur in FY 2006. The first full payment, totaling \$15.0 million, will occur in FY 2007. In addition, KDOT Comprehensive Transportation Program bonds will be issued in FY 2006 for which the first debt service payment, amounting to \$4,992,724, will take place in FY 2007. This amount is reported in Function 6—Transportation. It is mentioned here because the Department of Administration will be administering the bond payments. It should also be mentioned that the Department of Administration has a presence in

Function 2—Human Services as well, because expenditures of the Division of Health Policy and Finance belong to human services.

Public Broadcasting Council Operating Grants. The Governor recommends State General Fund expenditures of \$2,502,380 for operating grants to the Public Broadcasting Council. This is an increase of \$100,000 from the amount the Council plans to spend in FY 2006. These monies are used by public broadcasting stations for operating costs.

Accounting System Study Update. The Governor recommends \$100,000 from the State General Fund in FY 2007 to update the needs assessment for replacing the state's accounting system. These monies will be used to hire a consultant that will update the assessment from a previous study completed in FY 2002. The consultant will also prepare a request for proposal in order to estimate costs and determine detailed requirements for replacing the state's accounting system.

Docking State Office Building Cooling Tower Replacement. The Governor recommends the replacement of the cooling towers at the Docking State Office Building in FY 2007. This project will entail constructing a concrete cooling tower on the southwest corner of the property. The actual cost of the project is approximately \$2.0 million. However, the project will be financed as an equipment item through the Master Lease Purchase Program with six annual payments from the State General Fund of \$395,168.

Gubernatorial Transition. The Governor includes \$150,000 from the State General Fund for expenses related to a change in governors, if that occurs as a result of the election in the fall of 2006. State law allows an amount up to \$150,000 to be appropriated for this purpose. If the funds are not needed, they will be lapsed.

Kansas Corporation Commission

The Kansas Corporation Commission is the regulatory agency that oversees rates for major utilities, petroleum exploration and production as well as some facets of the transportation industry. The primary

function of the agency is to protect the public's interest through efficient and impartial resolution of jurisdictional issues. The Governor recommends a budget of \$19,429,134, 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 recommended budget for FY 2007 includes \$150,000 to fund the Kansas Energy Council. The Council is responsible for developing an energy plan for the state and advising the Governor on energy-related issues. The Governor's recommendation will allow the Commission to maintain consistent performance while ensuring that rates for telecommunications services, natural gas, and electricity are reasonable.

Abandoned Oil & Gas Well Plugging. During the 1996 Legislative Session the Abandoned Oil and Gas Well Fund was created 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. By statute, the fund is authorized to receive \$400,000 each year from the State General Fund, the State Water Plan Fund, and the Conservation Fee Fund. However, no transfer is recommended from the State General Fund during FY 2007. The Governor recommends \$2,045,234 from this fund to maintain the current pace of plugging wells. The Governor's recommendation includes the transfer from the Water Plan Fund and an additional \$400,000 transfer from the Conservation Fee Fund to cover for the absence of State General Fund monies.

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 Corporation Commission. In support of CURB's current responsibilities, the Governor recommends \$739,283 from the agency's fee fund and 3.00 FTE positions and 3.00 non-FTE unclassified permanent positions.

Kansas Human Rights Commission

The Kansas Human Rights Commission strives to eliminate and prevent discrimination in the workplace,

housing, and public accommodations throughout the state. In addition, the Commission also receives, reviews, and investigates, if necessary, complaints alleging racial discrimination and profiling in conjunction with traffic stops. The agency investigates complaints in a thorough and professional manner. The number of open cases at the end of FY 2005 was 727, and the agency anticipates a total of 1,164 open cases at the end of FY 2007. The expected increase in caseload results from declining federal funds and increasing operating costs. However, one method of reducing the backlog is through mediation contracts with Kansas Legal Services. This program brings together public and private financing.

The Governor's recommendation recognizes the need for continued funding for the contracts with Kansas Legal Services and education services. An additional \$50,000 over the agency's base budget is provided for salaries and wages so the agency can address more effectively its backlog of cases. The recommendation for FY 2007 is 34.00 FTE positions and \$2,013,952 from all funding sources, with \$1,666,220 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 main and two satellite trial-level public defender offices, an appellate defender office, and a death penalty defense unit. It utilizes appointed and contract counsel to provide defense services.

For FY 2006, a supplemental appropriation of \$268,947 is included from the Operating Expenditures account of the State General Fund. Of this amount, \$105,000 is designated for transcript and expert witness costs, and the remaining amount is designated for salaries and wages to allow the agency to fill vacancies in a timely manner. Another supplemental appropriation of \$100,000 is included from the Assigned Counsel expenditures account of the State General Fund, bringing total expenditures for assigned counsel to \$6.3 million. This amount was arrived at through a consensus caseload process involving the Division of the Budget, the Kansas Legislative Research Department, and the agency. The

recommendation for FY 2006 also includes lapsing \$412,535 from the Capital Defense Operations account of the State General Fund. The amount of the lapse represents unexpended funds that carried forward from FY 2005. These changes, along with other minor adjustments, result in a recommendation of \$18,950,760 from all funding sources, with \$18,325,760 coming from the State General Fund.

In FY 2007, the Governor recommends \$18,886,055 from all funding sources, including \$18,161,055 from the State General Fund. This includes \$6.6 million for assigned counsel funding, which also was determined through the consensus caseload process and is based on the current \$50-per-hour assigned counsel rate. The caseload process was used only for the assigned counsel portion of the agency's budget. This estimate will be revisited in the spring of 2006 for any needed adjustments. The recommendations for FY 2006 and FY 2007 provide for 179.00 FTE positions and allow the agency to provide adequate defense services for the state's indigent defendants.

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 \$34,017,453 for FY 2007 continues the operations of the Health Care Stabilization Fund Board of Governors and its 16.00 FTE positions. All expenditures are from the Health Care Stabilization Fund. Of the total recommended by the Governor for FY 2007, the majority, approximately \$28.7 million, represent claims to be paid from the Health Care Stabilization Fund. Another \$4.0 million is for professional service costs for defense of the Health Care Stabilization Fund and to represent health care providers.

Kansas Public Employees Retirement System

The mission of KPERS is to pay benefits to eligible retirants by safeguarding the system's assets. This is

accomplished 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 total recommended budget for the agency in FY 2006 is \$39,504,176 from all funding sources, including \$3,216,709 from the State General Fund, and will support 85.25 FTE positions. The budget includes \$25.4 million for investment-related expenses, \$7.1 million for costs related to administration, and \$3.5 million for information technology projects. The budget includes a State General Fund supplemental appropriation of \$5,017. KPERS was notified by the Kansas Development Finance Authority that a technical correction was made to the debt service schedule for the 13th retirement check pension obligation bond.

For FY 2007, the Governor's budget recommendation maintains the current level of performance in administration of the retirement system and oversight of the investment portfolio. Total expenditures are estimated at \$40,393,047 from all funding sources, including \$3,211,748 from the State General Fund. Included in the recommendation is \$26.8 million for investment-related expenses, \$7.5 million for administrative costs, and \$2.7 million for information technology projects.

Employer Contribution Rate. The 2004 Legislature authorized a statutory cap increase to the KPERS employer retirement contribution rate beginning in FY 2006. For FY 2007, this rate will increase by 0.5 percent to 5.77 percent and will subsequently increase by 0.6 percent for FY 2008 and each year thereafter. These rate increases are meant to reduce the unfunded liability of the retirement system. The Governor has included the statutory rates for all retirement systems in her budget recommendations for state agencies.

Death & Disability Insurance. Historically, the rate to pay for the death and disability program administered by KPERS had been 0.6 percent. After suspension of the rate periodically over several fiscal years, the 2005 Legislature established the rate at 0.8 percent for FY 2006. The higher rate, compared to what it had been traditionally, allowed the balance in the KPERS Group Insurance Reserve Fund to be restored after being depleted by the moratoria. At the same time, the 2005 Legislature set the rate to increase to 1.0 percent for FY 2007 to complete the restoration. The cost for FY 2007 in state agency budgets will total

\$3.0 million from all funding sources, of which \$1.5 million will be from the State General Fund.

Technology Project—Phase 3. The Governor's recommendation includes funding Phase 3 of the KPERs Technology Project. This phase will involve enhancements, including web-enabled transactions, paperless transactions, and employer contribution reporting by payroll period. This phase is estimated to begin in January 2007 at a cost of \$2.6 million.

Department of Commerce

The Department of Commerce 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 recommends \$108,562,456, including \$234,602 from the State General Fund and \$16,404,406 from the Economic Development Initiatives Fund, in FY 2006. The \$29,204 State General Fund appropriation to the Athletic Commission will be lapsed because it was accidentally included in the appropriation bill.

Starting in FY 2006, the Department's budget includes the America's Job Link Alliance (AJLA) Division that was transferred from the Department of Labor. For FY 2006, the Governor recommends an additional 34.00 FTE positions and 7.10 non-FTE positions, for a total of 446.20 for the Department of Commerce to complete the transfer of AJLA positions. The Governor recommends \$109,979,827, including \$5,209,701 from the State General Fund and \$15,931,645 from the Economic Development Initiatives Fund, in FY 2007. Further discussion of this budget can be found in the section on the Economic Development Initiatives Fund.

Spirit Aerosystems. Under the guidelines established by the 2004 Economic Revitalization and Reinvestment Act, the State Finance Council authorized the Kansas Development Finance Authority to issue \$80.0 million in bonds to finance a major project for Spirit Aerosystems, a manufacturer of airplanes in Wichita. State withholding taxes from the income of additional employees hired will be transferred from the Department of Revenue to the Spirit Bond Repayment Fund in the Department of Commerce to retire the bonds. The Spirit Bond

Repayment Fund will receive \$1.4 million in FY 2006 and \$2.8 million in FY 2007.

Strong Military Bases. The Governor recommends \$225,000 from the State General Fund in FY 2007 to support ongoing efforts of the Governor's Military Council to prevent the closure or downsizing of the state's military bases. This appropriation will be combined with funds from local governments to monitor recommendations of the U.S. Department of Defense Base Realignment and Closure Commission and explore new opportunities to expand the military's presence in Kansas.

After School Grant Program. The Governor recommends \$1,250,000 in FY 2007 for an After School Grant Program, including \$500,000 from the Children's Initiatives Fund and \$750,000 from the State General Fund. This program will award grants to organizations for after school programs that improve learning and encourage children to stay in school.

Energy Program Grants. The Governor recommends \$4.0 million from the State General Fund in FY 2007 for programs related to energy conservation and weatherization. \$2.0 million will provide funds to reduce the waiting list for the Home Weatherization Program, which is available to Kansas homeowners who are at or below 60.0 percent of the Kansas median income level. Another \$2.0 million will be used to establish a revolving loan program to assist homeowners at or below 80.0 percent of Kansas median income in obtaining low-interest loans to winterize their homes. Although budgeted through the Department of Commerce, the programs will be administered by the Housing Division of the Kansas Development Finance Authority.

Center for Entrepreneurship. The Governor recommends \$447,911 to support operations of the Center for Entrepreneurship in FY 2007. Included in this recommendation is a \$40,000 enhancement from the EDIF to restore funding for the Center at its initial funding level. The Center for Entrepreneurship educates aspiring entrepreneurs throughout the state and helps connect them to start-up money and support services.

Kansas Economic Opportunity Initiatives Fund. The Governor recommends that the Economic

Development Initiatives Fund transfer into the Kansas Economic Opportunity Initiatives Fund increase from \$3.0 million to \$3,160,000. The Kansas Economic Opportunity Initiatives Fund offers incentives to attract new businesses and jobs to Kansas.

Kansas Technology Enterprise Corp.

KTEC provides research support, direct company investments, and business assistance. KTEC's philosophy targets sustainable economic leadership through technological innovation. The Governor recommends \$14,322,190, including \$12,345,950 from the EDIF, in FY 2006. The agency had a large carryforward balance from the EDIF of \$458,360 from FY 2005 to FY 2006. The balance is the result of less than anticipated investments in product development and delayed timing in grants to state universities. KTEC continues to provide planning and development support for the Bioscience Authority. However, the agency anticipates this arrangement will end in February 2006.

For FY 2007, the Governor recommends \$13,881,905, including \$11,900,967 from the EDIF. The agency's budget includes an increase in salaries of \$154,792 compared to the FY 2006 approved budget. No shrinkage reduction was made because full staff levels are anticipated in FY 2007.

University & Strategic Technology Research. KTEC finances five centers of excellence. These are university-based research centers, each with a different technology specialization, that conduct innovative research and provide technical assistance to Kansas businesses. The Governor recommends \$5,345,205 for this program in FY 2007.

Commercialization. Commercialization entails the development of technology research into a product concurrently with the many steps required to develop the business, such as marketing and sales. KTEC co-funds eight innovation and commercialization corporations that provide business development and financing to start-up technology-based businesses in Kansas. KTEC also provides financial support to recruit successful entrepreneurs to match with emerging companies and to attract existing high technology companies to Kansas. The Governor's recommendation includes \$1,790,249 for this program in FY 2007.

Mid-America Manufacturing Technology Center. This program provides business assistance in improving a manufacturer's technical capabilities. Companies will be more competitive through the adoption of known technological processes. For FY 2007, the program will be allocated \$1,547,788.

Product Development Financing. This program finances technology product development at new and existing small Kansas companies. Funding is provided for the applied research stage of technology, initial commercialization, and matching monies to help businesses receive federal grants. The Governor recommends \$1,519,030 for this program in FY 2007.

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 \$585,656 in FY 2007 for operations and 5.50 positions. This recommendation includes \$382,085 from the EDIF. The Governor recommends \$25,000 from the agency's private account to evaluate the effectiveness of the Bioscience Authority and Center for Entrepreneurship.

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 \$55,585,554 with 87.00 FTE positions and 5.00 non-FTE unclassified permanent positions for FY 2007.

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. For FY 2006 and FY 2007, the budget includes a recommended transfer of \$67.0 million to

the State Gaming Revenues Fund. The minimum transfer of \$67.0 million in FY 2006 is an increase of \$1.0 million from the FY 2006 approved budget. The Lottery estimates total ticket sales of \$223.0 million in FY 2006. The Lottery projects sales of \$224.5 million in FY 2007. A complete explanation of the State Gaming Revenues Fund can be found in the Budget Issues section of this volume.

Kansas Racing & Gaming Commission

The Racing and Gaming Commission consists of two separate programs: Racing Operations and Gaming Operations.

Racing. The Racing Operations Program regulates statewide horse and dog racing activities across the state, including the conduct of races, parimutuel wagering, and the collection of parimutuel taxes, admission taxes, and licensing fees. These fees are deposited in the State Racing Fund, with excess receipts going to the State Gaming Revenues Fund (SGRF), which supports economic development, capital projects at correctional institutions, and local juvenile detention facilities.

The Governor recommends \$4,484,484 in FY 2006 for the Racing Operations Program. The 2005 Legislature transferred \$200,000 from the State General Fund to the State Racing Fund in order to maintain an adequate balance for cashflow purposes in response to declining revenue from racing activities. It was expected that this transfer would be returned to the State General Fund by the end of FY 2006. However, revenue from racing activities has continued to decline while the expense of regulating racing activity has remained constant. Therefore, the Governor recommends that the \$200,000 not be paid back but instead supplement FY 2006 operations. As a result, no transfers from the Racing Fund to the State Gaming Revenues Fund are anticipated in FY 2006 because of the decrease in revenues.

An amount of \$4,135,381 is recommended for the Racing Operations Program in FY 2007. The Governor recommends an appropriation of \$200,000 from the Economic Development Initiatives Fund to supplement operations in FY 2007. No transfers to the State Gaming Revenues Fund are recommended in FY 2007 because of the decrease in revenues.

Gaming. 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. The Governor recommends \$1,718,850 for the Gaming Operations Program in FY 2006. This is a net increase of \$32,980 over the Gaming Operations approved budget.

The additional expenditures are for salary upgrades for an attorney position and increased communications costs. The Governor recommends \$1,720,060 for the Gaming Operations Program in FY 2007. All gaming operations are financed through the Tribal Gaming Fund, which is capitalized through assessments to the four tribal casinos.

Department of Revenue

The Department of Revenue collects taxes for the state. The Department's responsibilities also include registration of motor vehicles, licensure of drivers, and regulation of the alcoholic beverage industry. The Governor recommends \$92,561,691 from all funding sources, with \$20,571,834 from the State General Fund, in FY 2006. This revised budget includes an increase of \$3.9 million from special revenue funds compared to the agency's approved budget. The increase is primarily in aid to local government expenditures as a result of adjusted revenue estimates for mineral taxes, which are pass-through dollars to the local governments. Also, expenditures increased because of delayed information technology projects. For FY 2007, the Governor recommends \$88,689,864 from all funding sources, with \$20,154,916 from the State General Fund. The FY 2007 budget includes 1,146.00 FTE positions.

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 regarding property tax issues relating to 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 2007, the Governor recommends \$1,888,664 from all financing sources. Of that total, \$1,459,060 is from

the State General Fund, with the remainder of the Board's financing from fee funds, in support of 26.00 FTE positions. The budget includes \$75,000 for a new docketing system that will make use of bar coding technology for real estate identification. This new system will significantly reduce the time it takes to docket a case.

Biennial Budget Agencies

The 1994 Legislature authorized a biennial budgeting process for regulatory agencies, beginning in FY 1996. These agencies are general government agencies that regulate a profession or an industry. At the time biennial budgets were initiated, all agencies were funded entirely from fees charged to licensees. However, in FY 2001, the Governmental Ethics Commission became the only biennial agency with a State General Fund appropriation.

Biennial agencies are relatively small in both size of budget and number of staff. Recommended amounts in FY 2007 range from \$21,756 for the Abstracters Board to \$6,901,336 for the Banking Department. One agency employs no full-time staff, the Abstracters Board, and the Banking Department's recommended 90.00 FTE positions represent the largest staff among this group of agencies.

Biennial Agencies		
	FY 2006	FY 2007
Abstracters Board	22,161	21,756
Board of Accountancy	310,705	281,615
Banking Department	7,710,939	6,901,336
Board of Barbering	135,722	136,499
Behavioral Sciences Board	590,338	569,285
Board of Cosmetology	812,860	709,374
Department of Credit Unions	1,001,456	951,416
Kansas Dental Board	308,076	296,950
Governmental Ethics	649,658	647,423
Board of Healing Arts	2,639,456	2,737,091
Hearing Aid Board	26,460	26,345
Board of Mortuary Arts	254,053	265,218
Board of Nursing	1,581,870	1,540,374
Board of Optometry	121,109	122,318
Board of Pharmacy	610,872	637,959
Real Estate Appraisal Board	285,238	265,209
Real Estate Commission	1,026,698	977,874
Securities Commissioner	3,078,871	2,545,723
Technical Professions	607,692	546,717
Veterinary Examiners	286,548	271,332
Total	\$22,060,782	\$20,451,814

The 2005 Legislature enacted budgets for FY 2006 and FY 2007 for the biennial agencies. The Governor

recommends only minor changes to these approved budgets. The revised recommendations for all biennial agencies include the Governor's salary and vehicle replacement plan. The Governor's FY 2006 budget recommends \$22.1 million for all 20 biennial agencies and \$20.5 million for FY 2007. This includes a State General Fund appropriation of \$521,683 in FY 2006 and \$502,147 in FY 2007 for the Governmental Ethics Commission.

The table on this page displays the Governor's recommendations from all funding sources for each biennial agency. The following descriptions highlight changes in selected fee agencies.

Banking Department

The Governor recommends \$7,710,939 from the agency's fee funds in FY 2006. This is a net increase of \$846,190 over the agency's approved budget. The increase includes \$920,790 of additional expenditures from its Kansas Savings Incentive Program accounts. The increases in expenditure authority for KSIP purposes occur automatically at the beginning of a new fiscal year because of provisions in the appropriation bill. Additionally, there is a reduction to operating expenditures of \$74,600. The Governor recommends \$6,910,336 from the agency's fee funds in FY 2007. This is a net increase of \$23,688 over the agency's approved budget. The increase includes \$32,800 for the replacement of two vans and a reduction of \$9,112 to other operating expenditures.

For both FY 2006 and 2007, the 2005 Legislature approved \$75,000 from the agency's fee fund for additional consumer education. The agency does not intend to use the funds for this purpose. Therefore, the budget recommendation includes a reduction of \$75,000 for both fiscal years. For FY 2007, this decrease is offset by the recommended 2.5 percent salary plan increase for all state employees.

Board of Cosmetology

The Governor recommends \$12,000 from the agency's fee fund to replace a high-mileage vehicle. This

vehicle will be utilized by one of the Board's four inspectors. The purchase will increase the Board's budget to \$709,374 in total expenditures for FY 2007.

Board of Mortuary Arts

The Governor recommends one vehicle replacement purchase during FY 2007 at a cost of \$12,500. This vehicle is used by the agency's facility inspector. As a result, a total of \$265,218 in expenditures from the Mortuary Arts Fee Fund in FY 2007 is recommended.

Board of Pharmacy

The Governor recommends expenditures of \$637,959 from the agency fee fund in FY 2007. This is \$20,000 higher than the original approved amount. The

additional funding will be used to replace a vehicle in the agency's fleet.

Office of the Securities Commissioner

In FY 2006, the Governor recommends \$3,078,871 from the agency's fee funds. This is a net increase of \$551,673 over the agency's approved budget. The increase includes \$226,673 of additional expenditures from its Kansas Savings Incentive Program account and an increase for the completion of an awareness media campaign contract of \$325,000.

In FY 2007, the Governor recommends \$2,545,723 from the agency's fee funds. The Governor recommends a \$10,000 decrease to the Investor Education Fund, which is a result of revised revenue estimates.

Executive Branch Elected Officials

Office of the Governor

The recommendation for the Governor's Office totals \$11,636,767 from all funding sources, of which \$2,298,039 is from the State General Fund, \$9,217,510 is from federal funds, and the remaining \$121,218 from special revenue funds. Compared to FY 2006, the level of federal funding for FY 2007 is expected to decline. Federal monies finance distributions to private organizations, local governments, and other state agencies for the Stop Violence against Women Act, Victims of Crime Act, Family Violence Prevention and Services Act, State Access and Visitation Program, Rape Prevention and Education, Governor's portion of Safe and Drug Free Schools and Communities Act, Byrne Memorial Grant, Local Law Enforcement Block Grant, Residential Substance Abuse Treatment, National Criminal Information Program, National Forensic Sciences Improvement Act, and Bullet Proof Vest Program.

The budget recommendation finances the main office on the second floor of the Statehouse and the Governor's residence at Cedar Crest. For the third year, the budget includes funding for operating expenditures of the Hispanic and Latino American Affairs Commission as well as the African-American Affairs Commission. The number of staff supported by the recommendation totals 39.00 FTE positions, the same as the approved level for the current fiscal year.

Office of the Lieutenant Governor

The Governor's recommended level of funding for the Office of the Lieutenant Governor totals \$195,198, all of which is from the State General Fund. Starting in FY 2007, half of the Executive Secretary, currently in the budget of the Department of Administration, will be budgeted instead in this office. Although resulting in no net change for the state workforce as a whole, the addition to this budget will bring the staffing level to 3.50 FTE positions.

Attorney General

The Attorney General is a constitutionally-elected officer of the state's Executive Branch of government

and is responsible for defending the legal 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 Trust Acts. Coordination of the Crime Victims Compensation Board and the Child Death Review Board are also major responsibilities.

The FY 2007 budget recommendation of \$15,731,703, of which \$4,759,220 is from the State General Fund, finances a total of 109.50 positions. This budget also includes approximately \$5.7 million in grants and assistance to victims of crime. The recommendation includes \$280,000 for continuing water litigation costs.

Kansas v. Colorado Water Rights Litigation. The U.S. Supreme Court has ruled on all matters relating to this case and Kansas received \$34,615,146 as a result. This money was deposited in the Attorney General's Interstate Water Litigation Fund. Of that amount, \$722,108 was spent by the Attorney General's Office in FY 2005; \$4,842,212 was transferred to the State Water Plan Fund; \$9,684,425 was transferred to the Kansas Water Office; and \$19,366,401 was transferred to the Interstate Water Litigation Reserve account of the State General Fund, which was created for this purpose.

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 \$1.6 million for FY 2007. The agency estimates that the number of active workers compensation cases will be 3,768 in FY 2007.

For FY 2007 the Governor recommends \$21.2 million from the agency's fee funds. The Governor also recommends that the agency's portion of premium tax revenue continue to be transferred to the State General Fund. In the past, the agency retained 1.0 percent of

premium tax receipts. The transfer yields an additional \$1.0 million to the State General Fund in FY 2007.

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, implement the Help America Vote Act, 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 with the information provided, but also in the filing of documents and the processing of orders. The Governor's recommendation for FY 2007 finances 54.00 FTE positions in the Office of the Secretary of State. Funding from all sources totals \$5,628,880. The entire recommendation is financed by federal and agency fee funds.

State Treasurer

The State Treasurer is responsible for the timely receipt and deposit of all state monies, except those of the Kansas Public Employees Retirement System, to state bank accounts. Investment of state monies and the money of cities, counties, schools, and other local governments is made by the Treasurer through the Pooled Money Investment Board and the Municipal Investment Pool to maximize interest earnings.

Prior to FY 2004, this agency received State General Fund monies for a portion of agency administrative expenses. The Governor recommended three years ago that the agency begin to assess a fee on claims made through the Unclaimed Property Program to offset these overhead costs. The Legislature instead authorized the Treasurer to initiate cash management fees for non-payroll warrant redemption and direct

deposits, banking fees, and voucher processing fees, all charged to other state agencies. This fee has been in place for three years (FY 2004 through FY 2006) and is shown as a reportable expense in all other agencies' budgets, and as a non-reportable, or off-budget expense, within the State Treasurer's budget.

For FY 2007, the Governor again recommends that the State Treasurer not impose a fee on state agencies, but instead assess a fee on claims made through the Unclaimed Property Program that would total the same \$1.6 million as the agency fee. This fee will be similar to the Debt Set-Off Program in the Department of Administration and is a source of reportable expenditures. No State General Fund monies are recommended for this agency in FY 2007. In total, \$12.3 million is recommended for operations of the agency, which includes an estimated \$8.0 million in property claim payouts.

Pooled Money Investment Board. Although it is a part of the State Treasurer's budget, the Pooled Money Investment Board is responsible for its own administrative functions. The 7.00 FTE positions in this program manage the investment pool of state monies and designate various state bank depositories for state and special monies in demand deposit and interest-bearing accounts. In March 2004, Standard & Poor's gave the Pooled Money Investment Board portfolio its highest rating as a fund that provides extremely strong protection against losses from credit defaults and that has extremely low sensitivity to changing market conditions. The FY 2007 budget for this program is \$758,430, all from the program's fee fund.

The Pooled Money Investment Portfolio contained approximately \$1.7 billion in investments, with an earned FY 2006 yield averaging 3.7 percent through November 2005. 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 \$451.5 million at the end of November 2005.

Legislative Branch Agencies

The Governor includes funds totaling \$24,912,823 for all five legislative agencies combined. Of this total, \$24,729,489 is from the State General Fund and \$183,334 is from special revenue funds. By policy, the Governor's recommendation contains funding for these budget requests as adopted by the Legislative Coordinating Council, except the Governor's budget includes funding for legislators and legislative staff based on the same salary increases recommended for other state employees. The total number of FTE positions in legislative agencies is 141.00.

Legislative Coordinating Council

This budget includes funding both for the operating expenditures of Legislative Administrative Services and reimbursements for the Legislative Coordinating Council when the members meet to conduct their business. In addition, funds have been included in both FY 2006 and FY 2007 to cover costs related to the 2010 Commission and the At-Risk Education Council. The revised estimate of expenditures for FY 2006 totals \$805,213, and the recommendation for FY 2007 equals \$807,027, all of which is also from the State General Fund. Legislative Administrative Services budgets for a staff consisting of 12.00 FTE positions.

Legislature

A total of \$15,631,352 is included in the Governor's budget for FY 2007, \$15,510,849 of which is from the State General Fund and \$120,503 is from the Legislature's special revenue fund. In addition to the expenditures that directly support operation of the Kansas Legislature, funds are included to continue development of the Legislative Branch Computer Strategic Plan Initiative, whose components consist of extending the "virtual" committee, bill status, audio visual, chamber automation document management integration, and telecommunications Statehouse design. In addition to the computer position that was added for FY 2006, the Legislature's budget contains funding for another information technology position, a Database Administrator, for FY 2007. This addition will increase the total number of FTE positions to 35.00.

For the past two years the Legislature, on its own initiative, has applied a salary plan increase to its out-of-session allowance. Starting in FY 2007, the Governor's recommendation has made this adjustment part of implementing a salary plan statewide.

Legislative Research Department

Included in the Governor's budget recommendation for the Legislative Research Department is \$3,133,628 from all funding sources for FY 2007. Of this amount, \$3,070,797 is from the State General Fund and \$62,831 is the remainder of a three-year grant of private funds to support a Principal Research Analyst, which has been assigned to staff committees with regard to health-related issues. Funding from the State General Fund will replace private grant funds for the last few months of FY 2007 to allow the Department to continue providing support for the growing interest in health issues. The Department's FTE position total will remain at 38.00 for FY 2007.

Legislative Division of Post Audit

The responsibilities of the Legislative Division of Post Audit include the annual statewide audit of financial statements of the Division of Accounts and Reports, financial and compliance audits of certain agencies required by law, compliance and control audits, and performance audits. For FY 2007, Post Audit is budgeted a total of \$2,550,899, all of which is from the State General Fund. The staff of this agency was increased by 5.00 FTE positions by the 2005 Legislature as a result of the creation of the 2010 Commission concerning school finance. As a result, Post Audit's staff increased from 21.00 to 26.00. In addition, there were a number of one-time costs included in the FY 2006 amount for the new commission that have been deleted in the FY 2007 budget.

Revisor of Statutes

The Governor recommends a budget of \$2,789,917, all from the State General Fund, for FY 2007. The

Revisor provides bill drafting services for legislative committees and publishes annual supplements and replacement volumes for the *Kansas Statutes Annotated*. Sufficient supplies are available to allow the Revisor to avoid the cost of printing hardbound replacements in FY 2007. The approved budget a year ago for FY 2006, reported a staff of 26.50 FTE positions. The revised budget for FY 2006 this year shows a total of 29.13. Of the 2.63 increase, 2.50 is

just a reporting change. These positions previously were treated as temporaries. However, they receive benefits and constitute permanent employees, the same as other FTE positions. Therefore, they have been counted this year as regular FTE positions. In addition, the agency is adding an attorney toward the end of FY 2006, which will equate to a .13 FTE position but will be counted as a full FTE position in FY 2007, making an agency total of 30.00.

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. Approximately 95.0 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 courts, 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 1,677.80 FTE positions in the Judiciary, which has a total of 1,833.30 FTE positions.

With the enactment of KSA 75-3718, the Governor is required to submit the Judiciary budget to the Legislature without recommendations. The Governor makes no revisions to the request submitted, except for a 2.5 percent base salary increase and funding for a replacement vehicle. Both of these additions use State General Fund dollars.

The Judiciary's budget request for FY 2007 is \$109.3 million, including \$98.7 million from the State General Fund. The table shows how the FY 2007 budget compares with the FY 2006 approved budget. Taking into consideration that the FY 2006 budget includes expenditures for the 27th pay period, the Judiciary has held its base budget request flat by including new requests in its enhancements. The difference in the requested budget is the lack of emergency surcharge expenditures. For FY 2007, the surcharge is eliminated and replaced with State

General Fund monies. The surcharge was intended by the Supreme Court for use when the state had a revenue shortfall, and the additional funding was required for the Judiciary to perform its constitutional and statutory duties.

	Approved FY 2006	Requested FY 2007	Gov. Rec. FY 2007
SGF	97,917,553	98,773,497	100,940,343
Emerg. Surcharge	3,565,720	--	--
Other Funds	10,589,868	10,496,859	10,647,351
Total	\$ 112,073,141	\$ 109,270,356	\$ 111,587,694

The Governor adds \$2,300,938, including \$2,150,446 from the State General Fund, for a 2.5 percent base salary increase and \$16,400 for a replacement van. This brings the total FY 2007 budget to \$111,587,694, including \$100,940,343 from the State General Fund.

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.

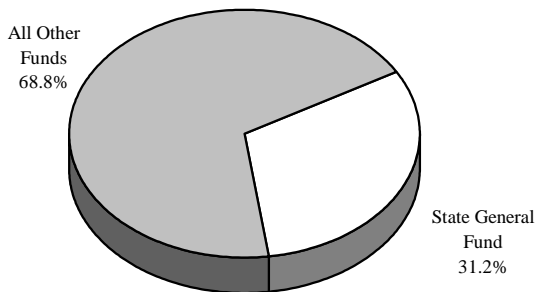
The Governor recommends \$438,816 for FY 2007. The funding includes financing for publication of the 2004 supplements to PIK-Criminal 3d, 2004 Kansas Probate Forms, Kansas Municipal Court Manual, and PIK-Civil 3d. It also includes subsistence payments for Council members attending the 55 Judicial Council meetings. The Council has 4.00 FTE positions. Revenue for the Council comes from the Judicial Council Fund, funded by an increase in docket fees and the Publications Fee Fund. In FY 2007, the agency will complete preparation and printing of the new publication *Kansas Legal Forms*. The majority of the revenue from this publication will not be realized until FY 2008.

Human Services Summary

The Human Services function of state government contains the agencies that provide a variety of assistance programs to Kansans. The services provided 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.

The Governor recommends expenditures totaling \$3.8 billion in FY 2006, of which \$1.2 billion is from the State General Fund. For FY 2007, a total of \$3.9 billion is recommended, of which \$1.2 billion is from the State General Fund. The budget increase in FY 2007 is due to rising health care costs and increases in people served. The Medicaid Regular Medical Program is estimated to decrease by \$10.4 million in FY 2007 because of the new Medicare Part D Prescription Drug Program on January 1, 2006.

How It Is Financed



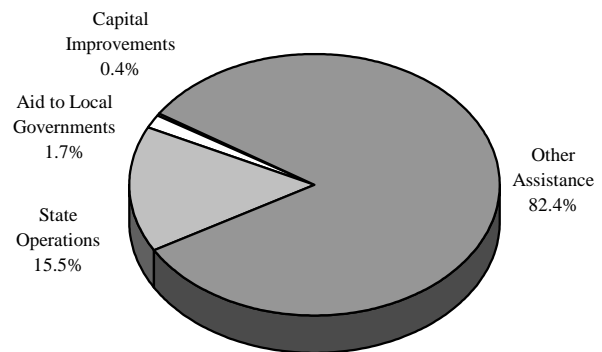
Fiscal Year 2007

Positions in this function of government constitute approximately 20.0 percent of the total state workforce. The Governor recommends funding for 8,130.92 FTE positions and 245.17 non-FTE unclassified permanent positions in FY 2007.

In FY 2006, unemployment benefits paid to individuals are expected to be \$307.6 million. In FY 2007, payments are estimated at \$322.6 million. The unemployment rate for Kansas is estimated to be 5.2 percent in FY 2006 and 5.1 percent in FY 2007.

The Governor recommends funds to provide health coverage for all children ages birth through five who currently do not have health insurance. The Governor also added \$3.0 million in FY 2007 to increase child care assistance for low-income families. Also included is full funding of caseloads for welfare and medical assistance to the poor, disabled, and aged. The budget also funds the anticipated number of children in reintegration/foster care for children awaiting permanent homes.

How It Is Spent



Fiscal Year 2007

In FY 2007, the Governor recommends enhanced funding of \$13.7 million to reduce waiting lists in HCBS programs for the developmentally disabled. The Governor also recommends \$8.7 million for Smart Start in FY 2007 to promote innovative early childhood programs.

The FY 2007 budget includes funds for long-term care, the Senior Care Act, nutrition services, and other services for Kansans over 65. Funding will provide 3.5 million meals to the elderly under the Older Americans Act Meals Program, financed partly by the income tax Meals on Wheels Check-off. Health and Environment's budget contains new funds of \$1.0 million for primary health care facilities and continued funding for existing health programs and homeland security activities. The Governor also recommends funding of \$7.8 million for domestic violence prevention grants administered by local domestic abuse centers.

Social & Rehabilitation Services

The Governor's recommendations for the Department of Social and Rehabilitation Services total \$1,321.9 million for FY 2006 and \$1,361.4 million for FY 2007. They include State General Fund expenditures of \$493.8 million in the current year and \$510.7 million in FY 2007. The recommended budget includes salaries and wages for 3,746.69 positions in FY 2007.

Of the FY 2007 expenditures recommended by the Governor, \$1,069.9 million, or 80.1 percent, finances assistance payments to individuals or to vendors who provide medical or other services to individuals in need. A total of \$19.3 million, or 1.5 percent, finances aid to local governments, which in turn, provides services to agency clients. The recommendation for state operations in FY 2007 totals \$267.2 million, including the staffing costs for coordinating social services, administering SRS area offices and associated branch offices, and providing vocational rehabilitation services to agency clients. Finally, the Governor recommends \$8,741,440 in FY 2007 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 and debt service on a \$35.0 million bond issue for rehabilitation and repair projects at Larned and Osawatomie State Hospitals.

Enhancements

The Governor's recommendation enhances several SRS programs. Examples include increased funding to reduce the waiting lists for the Home and Community-Based Services Waivers, funding to increase the reimbursement rates in the HCBS/DD Waiver, increased funding for the Adoption Support Program, and additional funding for child care assistance. The Governor's recommendation increases funding for the Community Support Mental Health Medication Program, enhances Early Headstart funding, and provides new state funding for energy assistance for low-income families. The Governor's recommendation also funds the consensus caseload estimates for Reintegration/Foster Care, Temporary Assistance to Families, Medicaid, Regular Medicaid Program, General Assistance, and Nursing Facilities

for Mental Health. In addition, the Governor adds \$6.8 million from the State General Fund to the Regular Medical Program. This addition replaces federal Medicaid dollars so there is no change to the total funding for this program. The funding is necessary to cover federal disallowances for child welfare services. These reductions in federal funding were not known at the time that the consensus caseload estimates were made.

The Governor's recommendation includes several initiatives for SRS. A one-time expenditure from the EDIF of \$340,000 will establish a Child Support Enforcement Customer Service Center. The EDIF funding will be matched with \$340,000 from the Social Welfare Fund and \$1,320,000 from the federal Child Support Enforcement Administration Fund, for total FY 2007 expenditures of \$2.0 million. By handling routine customer calls through automation and trained customer service representatives at the new center, other SRS staff will be more productive in locating non-custodial parents and establishing and enforcing medical and child support orders. With this increased productivity, SRS estimates an increase of 2.0 percent in child support collections. A small portion of those collections will provide ongoing funding to meet state funding match requirements for the center. Establishing the center will provide a unique opportunity to combine improved customer service with rural economic development, while using available federal dollars to fund two-thirds of the cost. Establishing the center in a rural location will bring professional jobs to an economically challenged area and stimulate the local economy. The Governor also recommends adding \$5.1 million, including \$2.0 million from the State General Fund, to provide regular dental coverage for persons receiving services in the Home and Community-Based Services Waivers for Developmental Disabilities, Physical Disabilities, and Head Injuries.

The Governor's FY 2007 budget recommendations also include funding for the Grandparents as Caregivers Program. SB 62, which would create this new program, was the subject of several hearings in the 2005 Legislative Session but was not enacted into law. Several legislators, with the backing of the Silver Haired Legislature, will promote passage of the bill in

the 2006 Session. Based on updated estimates, the Governor adds \$2.1 million from the State General Fund to start the program on January 1, 2007. The program will provide monthly payments of \$200 per child to grandparent caregivers who are 50 years or older and who have income up to 100.0 percent of the federal poverty level.

In regard to the Children’s Cabinet, the Governor reduces Smart Start funding from the Children’s Initiatives Fund (CIF) by \$200,000. For the past few years the Legislature has required that \$200,000 of the Smart Start funding be granted to KDHE’s Infants and Toddlers Program. For the ease of both the Children’s Cabinet and KDHE, the Governor recommends an increase of \$200,000 in the direct appropriation from the CIF for this program. The effect of this change does not alter the final funding for either program but does remove an unnecessary step in the funding process.

The Governor also recommends \$2.0 million from the CIF to fund a pilot for a high quality pre-kindergarten program to prepare four-year-olds for success in school. The Children’s Cabinet will oversee this pilot, and CIF accountability funding will be used to evaluate the effectiveness of the new program. All classrooms in the pilot will be required to meet teacher qualification requirements, implement a research-based curriculum, maintain low teacher-child ratios, complete at least 15 hours of teacher training annually, and provide referrals to additional community services for families that need them. The pilot will be implemented in a mix of school and community-based early childhood programs. An estimated 618 children will be served.

The FY 2007 budget recommendation includes several reductions in SRS administrative operations. The agency’s choices reflect the importance placed on providing direct services to Kansans in the most effective way possible.

Key administrative changes include continued identification of alternative ways of providing services to clients in counties where offices have been closed and reorganization of the SRS area offices. The Governor’s recommendation includes a reduction of 203.01 FTE positions, but salary funding remains at the requested level. All of the positions are vacant, and the effect of reducing the number of positions without cutting salary dollars is that the agency

shrinkage rate may be reduced by 3.1 percentage points.

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. 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.

Temporary Assistance to Needy Families			
<i>(Dollars in Millions)</i>			
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Beginning Balance	\$16.2	\$7.2	\$7.4
Revenue:			
Federal TANF Grant	101.9	101.9	101.9
Total Revenue Available	\$118.2	\$109.1	\$109.3
Expenditures:			
Administration	4.5	3.1	3.1
Program Staff	10.5	10.8	10.6
Temporary Assistance for Families	35.1	37.7	39.2
Employment Services	10.9	12.4	12.4
Children's Services	29.5	13.8	11.6
Alcohol & Drug Abuse Services	1.4	1.4	1.4
Total Expenditures	\$92.0	\$79.1	\$78.3
Transfers:			
Child Care Development Fund	(14.7)	(17.8)	(23.4)
Social Services Block Grant	(4.3)	(4.3)	(7.2)
Workforce Development Loan Prg.	--	(0.5)	(0.5)
Ending Balance	\$7.2	\$7.4	\$ --

* Totals may not add because of rounding.

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. 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 \$7.2 million to the Social Services Block Grant to finance existing social service programs. The table above also shows an 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 on the previous page also shows that after several years of using TANF funding for investments in child care, Early Headstart, and various child welfare programs, and with higher assistance caseloads, the fund balance will be exhausted at the end of FY 2007. For FY 2007, the shortfall is covered by the SRS Fee Fund balance and the last of the Intergovernmental Transfer Program funding. Both of these are one-time sources of funding. Therefore, unless caseloads for cash assistance, child care assistance, and foster care drop dramatically, alternative financing will be required in FY 2008.

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 185.0 percent

of the federal poverty level. To ensure compliance with federal reimbursement guidelines, the rates are reviewed biennially.

The Governor's recommendation provides the resources necessary to subsidize child care for an average of 19,457 children each month in FY 2006 and 20,378 in FY 2007. Total funding for the Child Care Program is higher in FY 2006 than in FY 2007 because of a one-time extra payment that is associated with switching to an electronic benefit transfer payment system. The table on this page details the history of the program.

Temporary Assistance for Families. In FY 2006, the Governor recommends \$67.5 million to finance benefits for an average of 46,450 persons each month. For FY 2007, caseloads are expected to increase to an average of 47,400 persons each month, for total assistance of \$69.0 million. These amounts are shown in the consensus caseload table on page 91 along with amounts from prior years. The table shows that the decline of the TAF caseload has reversed, with caseloads now surpassing the FY 1998 levels. The weakened Kansas economy of the past few years contributed to the increase in TAF assistance, but which is now increasing at a slower pace.

General Assistance. The consensus caseload table displays actual and budgeted expenditures for General Assistance. The Governor recommends expenditures of \$8.8 million in FY 2006 and \$9.1 million in FY 2007. The FY 2006 amount will fund benefits to an average of 4,600 persons each month. The recommendation will finance benefits for 4,750 individuals each month during FY 2007.

Employment Training & Vocational Rehabilitation. The Governor's recommendation will provide employment training to more than 26,108 low-income or disabled Kansans each month during FY 2007. The recommended budget in FY 2007 includes \$12.0 million for employment assistance to TAF recipients and Food Stamp recipients and \$20.0 million for vocational rehabilitation.

Health Care Programs

HealthyKansas Reform Initiative. On November 9, 2004, Governor Sebelius and Insurance Commissioner Praeger announced the HealthyKansas Reform

Child Care					
Fiscal Year	Persons Served	Percent Change	Total (\$000)	Avg. Cost	Percent Change
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	16,723	3.5	54,487	271.52	3.6
2004	17,358	3.8	57,285	275.02	1.3
2005	18,721	7.9	63,090	280.84	2.1
2006	19,457	3.9	70,899	303.66	8.1
2007	20,378	4.7	69,904	285.86	(5.9)

Home & Community-Based Services Waivers

(Dollars in Thousands)

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Gov Rec.	FY 2007 Gov Rec.
Social & Rehabilitation Services					
Physically Disabled	60,458	59,736	70,858	79,985	82,376
Head Injured	4,593	5,456	5,704	7,596	7,389
Technology Assisted	166	181	182	236	236
Developmentally Disabled	194,606	204,954	217,398	229,623	245,683
Total SRS Waiver Programs	\$ 259,823	\$ 270,327	\$ 294,142	\$ 317,440	\$ 335,683
State General Fund Portion	\$ 34,545	\$ 94,875	\$ 113,901	\$ 122,757	\$ 129,821
<i>Percent Change</i>	2.3%	4.0%	8.8%	7.9%	5.7%
Department on Aging					
Frail Elderly	53,529	45,070	54,125	56,832	59,673
Targeted Case Management	3,886	3,562	3,633	5,971	6,240
Total Aging Waiver Programs	\$ 57,415	\$ 48,632	\$ 57,758	\$ 62,803	\$ 65,913
State General Fund Portion	\$ 4,177	\$ 17,692	\$ 22,549	\$ 24,771	\$ 26,187
<i>Percent Change</i>	(3.5%)	(15.3%)	18.8%	8.7%	5.0%

Initiative to contain runaway health care costs, streamline the health care system, and make health insurance and prescription drugs more affordable for thousands of children, working parents, and small businesses. As the largest purchaser of health care services, the State of Kansas can play a major role in reforming the health care system. The transfer of the health care programs from the Department of Social and Rehabilitation Services to the Division of Health Policy and Finance within the Department of Administration for FY 2006, and then to the new Kansas Health Policy Authority was approved by the 2005 Legislature and is intended to improve efficiency and allow the state to gain tangible reforms in the health care system. Discussion of this issue is found later in this section on human services agencies. Programming for mental health, developmental disabilities, and physical disabilities remain in the Department of Social and Rehabilitation Services.

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. SRS administers four waiver programs and the Department on Aging has two. The table above 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.

Home & Community-Based Services for the Physically Disabled. This waiver targets disabled children and adults between the ages of 16 and 64 who need assistance to perform normal daily activities and who are eligible for nursing facility care. The Governor recommends a total of \$80.0 million in the current year and \$82.4 million in FY 2007. The State General Fund portions of these programs total \$31.2 million in FY 2006 and \$32.2 million in FY 2007. The recommendation also includes \$2.4 million to fund adult dental services for persons being served on this waiver.

Home & Community-Based Services for Traumatic Head Injuries & 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 \$7.6 million for traumatic brain injuries in FY 2006 and \$7.3 million in FY 2007. The recommendation also includes \$98,830 to fund adult dental services for

persons being served on this waiver. The Governor recommends \$235,581 in each of FY 2006 and FY 2007 for the Technology Assistance Waiver.

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 2006 totals \$229.6 million, of which \$89.0 million is from the State General Fund.

For FY 2007, the Governor recommends \$245.7 million for the developmental disabilities waiver. The amount of State General Fund monies is \$95.2 million. The Governor includes \$5.7 million in her recommendation to reduce the waiting lists for developmental disability services. The Governor also recommends \$8.0 million to increase the reimbursement rates paid for services so that community service providers can increase direct-care staff wages. The recommendation also includes \$2.6 million to fund adult dental services for persons being served on this waiver.

Home & Community-Based Services for the Frail Elderly. The Governor's recommendation provides \$59.7 million for FY 2007. The program targets elderly persons age 65 and over who meet the requirements for nursing home placement. The functional eligibility score to qualify for the program is 26, which 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 \$55.6 million from all funding sources for FY 2007. This includes \$10.2 million in state aid to community mental health centers—the same amount as FY 2006 and \$45.4 million for grants to community mental health providers and the statewide Family Centered Systems of Care Program.

The remainder of the mental health budget totals \$236.9 million and appears as part of Consensus Caseload. The Mental Health Initiative 2000 passed during the 2001 Legislative Session was designed to use State General Fund dollars 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. These expenditures are included in both the Consensus Caseloads table on the next page and the Medicaid table on page 97.

The Governor recommends that \$3.8 million from the Children's Initiatives Fund be used for the Children's Mental Health Waiver Program in FY 2007. 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 1,940 children will receive services in FY 2007. The funding for this waiver is included in the community mental health centers' certified match budget for FY 2007.

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 \$29.0 million in FY 2007 for aid to 28 community developmental disability organizations to coordinate services, such as assisted living and sheltered workshops. The recommendation includes \$1.3 million for aid to independent living centers serving the physically disabled. The Governor also recommends \$18.0 million in FY 2007 for intermediate care facilities for the mentally retarded. These facilities provide 24-hour care for an average of 269 mentally retarded individuals each month, but the

caseload is declining as more community services are provided.

Consensus Caseload Process

Consensus Caseload is a process through which the Division of the Budget and the Legislative Research Department meet twice a year with social service agencies that have entitlement programs to estimate expenditures for the current and upcoming fiscal year. The first meeting is normally held in late October so that the estimates can be included in the Governor's budget recommendation. In late April, another meeting is held to update the estimates. Any changes may be presented in a Governor's budget amendment during the "wrap-up" session of the Legislature. Those programs that are considered entitlement programs include Medicaid Regular Medical, Medicaid Nursing Facilities, Temporary Assistance to Families, Nursing Facilities for Mental Health, General Assistance, and Reintegration/Foster Care.

In the past, the two agencies that administered these programs were the Department of Social and Rehabilitation Services and the Department on Aging. Beginning in FY 2006, the Medicaid Regular Medical Program is administered by the Division of Health Policy and Finance within the Department of Administration. So representatives from that division joined the process for the first time in the fall of 2005. Certain mental health services, addiction treatment services, and case management services for the developmentally disabled that are a part of the Regular Medical Assistance Program remain with the Department of Social and Rehabilitation Services. The Division of the Budget, Legislative Research Department, Department of Social and Rehabilitation Services, Division of Health Policy and Finance, and Department on Aging met on October 28, 2005, to revise the estimates on caseload expenditures for FY 2006 and to make initial estimates for FY 2007. The following table outlines actual expenditures in caseload programs in FY 2003, FY 2004, and FY 2005 and the current estimates for FY 2006 and FY 2007.

Consensus Caseloads					
<i>(Dollars in Thousands)</i>					
	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	Actual	Actual	Actual	Gov Rec.	Gov Rec.
Department of Social & Rehab. Services					
Temporary Assist. to Families	53,728	59,588	64,932	67,500	69,000
General Assistance	6,910	8,167	8,955	8,800	9,100
Reintegration/Foster Care	88,406	90,888	94,799	119,000	132,000
Adoption	32,335	32,565	34,342	--	--
Nursing Facil. for Mental Health	13,483	13,425	13,117	12,500	12,875
Regular Medical	915,693	1,033,456	1,252,045	218,159	224,037
Total SRS Caseload Programs	\$ 1,110,555	\$ 1,238,090	\$ 1,468,191	\$ 425,959	\$ 447,012
State General Fund Portion	\$ 411,353	\$ 413,934	\$ 530,942	\$ 181,776	\$ 190,712
<i>Percent Change</i>		<i>11.5%</i>	<i>18.6%</i>	<i>(71.0%)</i>	<i>4.9%</i>
Division of Health Policy & Finance					
Regular Medical	\$ --	\$ --	\$ --	\$ 1,240,000	\$ 1,229,315
State General Fund Portion	\$ --	\$ --	\$ --	\$ 392,878	\$ 379,995
					<i>(0.9%)</i>
Department on Aging					
Nursing Facilities	\$ 305,430	\$ 311,901	\$ 351,041	\$ 333,620	\$ 343,600
State General Fund Portion	\$ 121,458	\$ 113,850	\$ 128,239	\$ 131,580	\$ 136,444
<i>Percent Change</i>		<i>2.1%</i>	<i>12.5%</i>	<i>(5.0%)</i>	<i>3.0%</i>

Children & Family Policy

Family Preservation. The Governor's recommended budget provides \$13.6 million in FY 2006 and FY 2007 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 \$11.4 million in FY 2006 and another \$11.4 million in FY 2007 for the family preservation contract to serve approximately 3,054 families in FY 2006 and 2,978 families in FY 2007. The recommendation for family support services totals \$2.3 million in each of FY 2006 and FY 2007.

Reintegration/Foster Care. An amount of \$119.0 million is recommended by the Governor in the current year and \$132.0 million in FY 2007 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 these contracts. The contracts were recently renegotiated effective July 1, 2005.

With the start of the new contracts, there are no longer separate contracts for foster care and adoption services. Reintegration/foster care services are provided by the family preservation provider if out-of-home placement is required during the 12-month service period for a family preservation referral. Services are provided by the reintegration/foster care provider for all other referrals. The family preservation or reintegration/foster care provider will continue to provide services to the child and family

until the child has been reintegrated or reached another permanency, including adoption.

This continuity of service by the same provider will result in more timely permanency and will minimize delays in permanency plans which were a characteristic of the previously separate contracts. In that contract structure, children were moved between contracts and providers as their permanency plans changed. Most children who require out-of-home placement have been abused or neglected and have significant developmental, physical, and emotional needs that require a wide array of service and care options.

The preferred placement for children is with relatives. When no relatives are available, family foster homes are the next placement option. When possible, children are to be placed in settings which allow them to continue to attend the same school they attended prior to out-of-home placement. Siblings are to be placed together whenever possible. Some children require more structured treatment-oriented settings in group homes, residential centers, or Medicaid funded inpatient psychiatric facilities. These Medicaid expenditures are included in the Mental Health Division budget.

Under the new contracts, the statewide Adoption Resource Recruitment contractor provides recruitment and training for families interested in foster parenting/adoption. This contract totals \$3.6 million in FY 2006 and \$3.7 million in FY 2007 and is no longer a part of Consensus Caseload.

The Consensus Caseload estimate for FY 2007 was \$132.0 million to serve an average of 5,300 children each month. The Consensus Caseload table on the previous page displays actual and budgeted expenditures for reintegration/foster care.

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 \$20.5 million in FY 2006 and \$20.2 million in FY 2007 for these purposes. The recommendation includes enhanced funding of \$899,184 from the State General Fund to serve more children in FY 2006 and FY 2007.

Kansas Intergovernmental Transfer Program

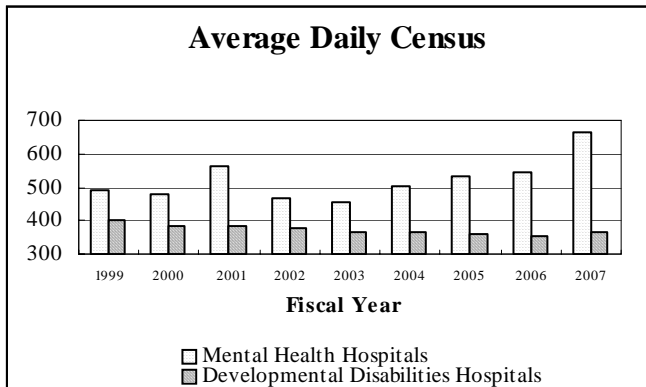
The 2003 Legislature approved the liquidation of the Senior Services Trust Fund and provided for all future payments to be deposited in the SRS—IGT Fund. The Department on Aging has made an agreement with the federal Medicaid agency to end the Program after the first quarter of FY 2006. The funding that will be

available from the final transfer is estimated at \$4.6 million. The Governor's budget includes this final one-time funding source in FY 2007 in the Foster Care Program to cover part of the TANF Fund shortfall. The Department on Aging budget includes \$1.2 million from the Senior Services Fund in FY 2006 to finance the Senior Pharmacy Assistance Program. The program ended on December 31, 2005, when the Senior Services Fund was exhausted.

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. As those involved in the care of the developmentally disabled became more certain that, for most developmentally disabled people, homes in the community provided a much more fully participatory life than institutional settings could, institutions for the developmentally disabled began to be closed. In 1988, Norton State Hospital closed and its clients were relocated to homes in the community and the remaining developmental disability hospitals. By 1998, both Topeka State Hospital and Winfield State Hospital had also been closed, with the majority of residents moving to homes in their communities.

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 people who had previously been institutionalized. Through new programs within the community infrastructure and with the advent of antipsychotic medications, clients who might have previously faced life-long institutionalization are now able to avoid institutionalization altogether or are treated at state hospitals for relatively short periods of time.



Unexpectedly, these advances have not resulted in a decline in populations at facilities for the mentally ill. As recently as four years ago, it appeared that the need for mental health inpatient facilities would continue to decrease just as the need for inpatient facilities for the developmentally disabled had. However, while long-term hospitalization is much less frequent, the widespread closure of inpatient mental health facilities at community hospitals along with the difficulty in maintaining continuity of services to out patients has shifted a much larger population to the state mental hospitals than was previously projected, leading not only to higher average daily census numbers, but to substantially increased admissions rates.

Mental Health Hospitals

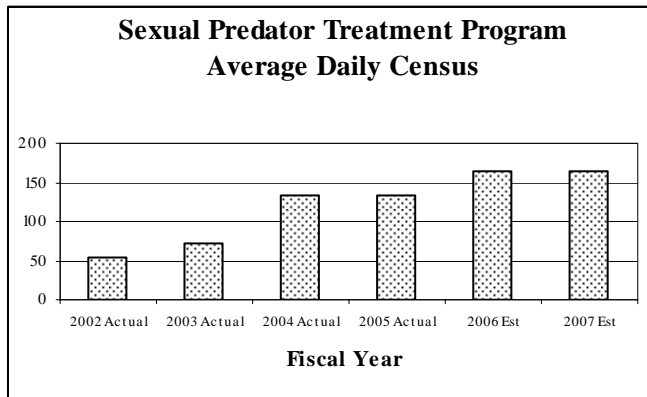
For FY 2007, the three state mental health hospitals, Larned State, Osawatomie State, and Rainbow Mental Health Facility, project a combined average daily census of 667 patients. The Governor’s recommended budget includes \$78.6 million in expenditures for the operation of these hospitals. This funding will come from three main sources: the State General Fund, the individual hospital fee funds, and federal Medicaid Title XIX funds. The hospital fee funds come from patient health insurance, Medicare, Social Security, and payments from patients and their families. In the mental health institutions, only children, adolescents, and the elderly qualify for Medicaid reimbursements. Capital improvements for the hospitals are funded through the State Institutions Building Fund. The Governor’s recommendations for each institution are summarized below.

	Daily Census	Operating Budget	Daily per Client (\$)
Larned	462	48,365,490	287
Osawatomie	165	22,640,211	376
Rainbow	40	7,611,989	521
Total	667	\$78,617,690	323

Larned State Hospital

For Larned State Hospital, the Governor recommends \$48.4 million in FY 2007, of which \$36.8 million is from the State General Fund. Through this funding, the Hospital will provide residential and medical services to an average resident population of 341 patients. The Governor's recommendation will fund 806.20 FTE positions.

This Hospital evaluates and treats persons committed by the courts of criminal jurisdiction, as well as correctional inmates. In response to the increasing demand for services for those referred by the Unified Judicial System or the Department of Corrections, a new state security hospital was opened in June 2005. This facility houses the current population of the State Security Program, including 131 residents, and has the capacity to house 250 residents. The 2005 Legislature authorized moving 90 Department of Corrections inmates to the State Security Hospital in late FY 2006. Caring for these inmates requires an additional 79.00 FTE positions at the Hospital. For FY 2007, the Governor recommends \$2.6 million to cover costs associated with the care of these inmates. Overall, for FY 2007, the Governor recommends \$14,027,141 to operate the State Security Hospital Program. The amount recommended will fund 270.50 FTE positions.



Larned State Hospital also maintains the state's Sexual Predator Treatment Program. As the table above indicates, demand for services in this program grew dramatically between FY 2002 and FY 2004. During FY 2005, however, census growth slowed somewhat and the program, for the first time in several years, has more than sufficient beds and staff to serve the resident population. For FY 2007, the Governor recommends \$9.4 million from the State General Fund to support this program. The recommendation of the

Governor will fund 223.00 FTE positions based on an estimated 163 residents.

Osawatomie State Hospital

For FY 2006, the Governor recommends supplemental funding of \$500,000 from the State General Fund for drugs and pharmaceutical services. For FY 2007, \$22.6 million is recommended, with \$8.8 million from the State General Fund. This recommendation funds 398.60 FTE positions, the same number as during FY 2006. The average daily census is expected to be 165 patients. The amount recommended continues full accreditation from the Joint Commission on Accreditation of Hospitals and certification from the Center for Medicare and Medicaid Services. The budget also addresses increased pharmaceutical costs and patient admissions.

Rainbow Mental Health Facility

The Governor recommends \$7.6 million for FY 2007, of which \$3.7 million is from the State General Fund. The amount recommended will support a staff of 115.20 FTE positions and an average daily census of 40 patients.

Developmental Disability Hospitals

For FY 2007, the estimated average daily census in the two state developmental disability hospitals will be 368. To serve these residents, the Governor recommends \$49.7 million for the developmental disability hospitals. Shown in the table below are the

	Daily Census	Operating Budget	Daily per Client (\$)
KNI	168	26,680,772	435
Parsons	200	22,984,053	315
Total	368	\$49,664,825	370

recommended operating expenditures, average daily census, and daily cost per client for each hospital in FY 2007. 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.

Kansas Neurological Institute

For FY 2007, the Governor recommends \$26.7 million for the agency, of which \$11.6 million is from the State General Fund. The amount recommended will support a staff of 575.20 FTE positions who will care

for an average daily population of 168 residents at the Institute.

Parsons State Hospital & Training Center

The recommendation for FY 2007 totals \$23.0 million and includes \$8.6 million from the State General Fund. The Governor's budget funds 467.20 FTE positions, the same number as in FY 2006. This funding level will allow the Hospital to provide residential and medical services to an average population of 200.

Other Human Services Agencies

Department of Administration

Division of Health Policy & Finance. Effective July 1, 2005, the Division of Health Policy and Finance (HPF) was designated the single state agency for Medicaid. HPF is responsible for administration of the State Medicaid Plan, drawing down all Medicaid funding for all state agencies, and performing all federal reporting activities. The following chart contains actual expenditures for FY 2004 and FY 2005 and recommended amounts for FY 2006 and FY 2007 in the major Medicaid programs. The chart does not

include funding that is not reported in the state budget or Medicaid funding that is used for administrative purposes, such as salaries and contracts for administration. HPF also took over the administration of Medicaid Regular Medical, HealthWave, Ticket to Work, and the Medicaid Management Information System. The Governor recommends total expenditures for FY 2006 of \$1.4 billion, including \$426.8 million from the State General Fund for the Division. The Governor adopted the Consensus Caseload estimate for Medicaid Regular Medical of \$1.2 billion and fully funded the expected caseload of the State Children's

Major Medicaid Programs				
<i>(Dollars in Thousands)</i>				
	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	Actual	Actual	Gov Est.	Gov Rec.
Social & Rehabilitation Services				
HCBS--Physically Disabled	59,736	70,858	79,985	82,376
HCBS--Head Injured	5,456	5,704	7,596	7,389
HCBS--Technology Assisted	181	182	236	236
HCBS--Devel. Disabled	204,954	217,398	229,623	245,683
Reintegration/Foster Care	90,888	94,799	--	--
Adoption	32,565	34,342	--	--
Nursing Facilities for Mental Health	13,425	13,117	12,500	12,875
ICF/MR	17,856	18,091	17,973	17,973
Regular Medical	1,033,456	1,252,045	218,159	224,037
State Hospitals	44,704	45,552	45,552	45,552
Total SRS Medicaid Programs	\$ 1,503,222	\$ 1,752,089	\$ 611,624	\$ 636,120
Division of Health Policy & Finance				
Regular Medical	\$ --	\$ --	\$ 1,240,000	\$ 1,223,700
Department on Aging				
Nursing Facilities	311,901	351,041	333,620	343,600
HCBS--Frail Elderly	45,070	54,125	56,832	59,673
HCBS--Targeted Case Mgmt.	3,562	3,633	5,971	6,240
Total Aging Medicaid Prog.	\$ 360,533	\$ 408,799	\$ 396,423	\$ 409,513
Department of Health & Environment				
Foster Care Home & Hospital Certification	\$ 1,387	\$ 1,396	\$ 978	\$ 992
Juvenile Justice Authority				
Level V & VI Group Homes & Community	\$ 16,953	\$ 17,609	\$ 15,609	\$ 15,549
Total--Major Medical	\$ 1,882,095	\$ 2,179,892	\$ 2,264,634	\$ 2,285,874

Health Insurance Program (SCHIP), which is not a consensus program. The Governor added \$250,000 from the State General Fund in FY 2006 for the Community Health Record, a pilot project to provide Medicaid and HealthWave information through electronic medical records to selected providers in Sedgwick County.

The Governor's recommendation also includes the budget of the Kansas Health Policy Authority within this Division for FY 2006. The Governor believes that the start-up and transition of health programs into the new agency will be made more seamless with the support of the Department of Administration. Authority operating expenditures of \$250,173, the Business Health Partnership with expenditures of \$500,000, and the Generic Drug Program with expenditures of \$200,000 are all included in the Division's budget. The relationship is intended to be similar to that of the Children's Cabinet with SRS. The Authority will be its own organization that operates under the Department's umbrella.

For FY 2007, the Governor recommends total Division expenditures of \$1.4 billion, including \$417.6 million from the State General Fund. Although under 2005 House Substitute for SB 272 HPF would cease to exist on July 1, 2006, the Governor proposes a one-year delay, until July 1, 2007, in the transfer of health programs from HPF to the Kansas Health Policy Authority. This delay would allow for the program administrators to transition in an orderly way and become acclimated to their new roles with the support of the Department of Administration. Again in FY 2007, the Governor adopted the Consensus Caseload estimate for Medicaid Regular Medical of \$1.2 billion and fully funded the expected caseload of SCHIP, which is not a consensus program.

The Governor also recommends enhanced funding of \$2.5 million, including \$1.0 million from the State General Fund, to begin a policy of presumptive eligibility for children in both Medicaid and SCHIP. Presumptive eligibility allows the state to provide medical services using certified match for a short time prior to a formal determination of eligibility. Implementing this policy will allow uninsured children access to immediate care and provides assurance to the medical provider that the services will be reimbursed. Further, the Governor adds \$3.5 million from the State General Fund in FY 2007 to provide health care

coverage for all uninsured children age five or under who are not eligible for Medicaid or SCHIP. Finally, in order to utilize projected revenues fully, fee fund expenditures are increased by \$27.0 million over the agency request in FY 2007. The funding is included in the Regular Medical Program and reduces State General Fund expenditures.

The Governor's recommendation again includes the budget of the Kansas Health Policy Authority within this Division. Kansas Health Policy Authority operating expenditures increase to \$476,077 in FY 2007. For FY 2007, the Governor recommends \$2.0 million from the State General Fund for the Business Health Partnership and \$400,000 for the Generic Drug Program. The Governor also recommends an additional \$75,000 from the State General Fund and 1.00 new FTE position to serve as an Inspector General under the Kansas Health Policy Authority. The new position has been recommended by the Medicaid Reform Committee.

Kansas Health Policy Authority. The Governor's recommendation includes the budget of the Kansas Health Policy Authority within the Division of Health Policy and Finance (HPF) for FY 2006. The Governor believes that the start-up and transition of health programs into the new Authority will be made more seamless with the support of the Department of Administration. Even though under 2005 House Substitute for SB 272, HPF would cease to exist on July 1, 2006, the Governor proposes a one-year delay, until July 1, 2007, in the transfer of health programs from HPF to the Kansas Health Policy Authority.

Department on Aging

The Governor's recommendation of \$451.4 million for FY 2007 includes \$174.7 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 to Kansans over the age of 65. The Department on Aging operates most of the programs provided by the state to serve the elderly. The direct services are provided by area agencies on aging and other local organizations.

The Governor's recommendation for FY 2006 includes the lapse of all unspent State General Fund

monies from a variety of the agency's programs totaling approximately \$7.0 million. Savings were found in several of the agency's programs, including the Home and Community-Based Services—Frail Elderly (HCBS/FE) Waiver Program, as a result of revised estimates of the number of anticipated clients requesting services, as well as the cost per client in FY 2006. The revised estimates allow for the lapse of State General Fund monies from the agency while still providing the current level of services. There will continue to be no waiting list under the HCBS/FE Waiver Program with the lapse of these funds.

Long-Term Care. Included in the FY 2007 recommendation is \$413.2 million for long-term care for elderly Kansans who are eligible for the Medicaid Program. The State General Fund portion of this cost is \$164.1 million. The recommendation includes \$59.7 million for the Home and Community-Based Services for the Frail Elderly, of which \$23.7 million is 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 \$343.6 million, of which \$136.4 million is from the State General Fund. In addition, the budget includes funding for the Program of All-Inclusive Care for the Elderly (PACE). Funding for PACE totals \$3.7 million, of which \$1.5 million is from the State General Fund. Finally, the budget includes \$6.2 million for Targeted Case Management, of which \$2.5 million is from the State General Fund. The following table shows the budget based on caseload estimates for nursing facilities.

Nursing Facility Services			
	FY 2005	FY 2006	FY 2007
	Actual	Gov. Est.	Gov. Rec.
Nursing Facilities:			
Budget	\$ 351.0	\$ 333.6	\$ 343.6
Persons	11,068	10,815	10,815
Percent Change	0.1	(2.3)	--

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. More people are requesting Home and Community-Based Services in order to stay independent within their home and community. Home and Community-Based Services

include adult day care, sleep cycle support, personal emergency response, health care attendant services, wellness monitoring, and respite care.

Nutrition & Meals. The Governor recommends \$9.5 million, \$2.3 million of which is from the State General Fund for the Department's Nutrition Program. The recommended funding includes an enhancement of \$33,157 from the State General Fund to expand the Senior Farmers Market Nutrition Program. This level of funding will provide nutrition grants for 3,447,492 meals to the elderly under the Older Americans Act Meals Program. The table below compares the number and cost per meal recommended in FY 2006 and FY 2007 to actual FY 2005 amounts.

Nutrition Program			
	FY 2005	FY 2006	FY 2007
	Actual	Gov. Est.	Gov. Rec.
Agency Budget	\$9,192,807	\$9,516,550	\$9,549,707
Local Resources	6,981,201	6,622,362	6,589,205
Total	\$16,174,008	\$16,138,912	\$16,138,912
Number of Meals	3,496,717	3,447,492	3,447,492
Cost per Meal	\$4.63	\$4.68	\$4.68

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: nutrition, transportation, and case management.

The Governor recommends \$13.4 million for general community grants in FY 2007, including \$6.5 million for Senior Care Act services. The recommended budget includes an enhancement of \$431,200 in State General Fund monies to eliminate the current waiting list for Senior Care Act services. Beginning in FY 2006, funding for the Senior Care Act was split between the State General Fund and the Social Services Block Grant, with \$2.0 million in funding coming from the State General Fund and \$4.5 million coming from the Social Services Block Grant. The participants in the Senior Care Act have higher income levels than those who participate in the HCBS Frail Elderly Waiver Program.

Kansas Guardianship Program

The Kansas Guardianship Program, with its staff of 12.00 FTE positions, recruits and trains volunteers to serve as court-appointed guardians or conservators for disabled adults who are found to be in need of these services by the courts. The Governor's budget recommendation provides \$1,065,230 from the State General Fund for FY 2007. The budget will allow the agency to provide guardians to an anticipated 1,334 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 and to ensure adequate sanitary conditions in public facilities and health facilities. The Department attempts to prevent disease and injury by protecting, promoting, and improving Kansans' health through a variety of public health service programs. The Department's programs are designed to ensure healthy and safe child care facilities, maintain proper sanitation at food service and lodging facilities, improve access to medical care, and promote healthy lifestyles. Acquiring healthy lifestyle habits is an important way to diminish the severity and frequency of chronic diseases.

For FY 2007, the Governor recommends \$145.5 million, including \$22.7 million from the State General Fund. Of the expenditures for the Division of Health, \$107.4 million is from federal funding sources. The Governor maintains the level of aid and grants in the agency's base budget from the Children's Initiatives Fund (CIF) for tobacco use prevention programs and the Healthy Start Program; however, CIF funding for the Infants and Toddlers Program is increased by \$400,000. This increase will allow the program to serve 135 more children. Recommended expenditures for aid and grants to local governments, agencies, and individuals total \$81.4 million.

Community-Based Services. The Governor increases funding by \$1.0 million for aid to Primary Health Care Community-Based Services in FY 2007. Funding for the program had been level at \$1.5 million since FY 1996. Communities, through this program, establish

comprehensive and continuous primary health care for clients and facilitate access to hospital and specialty care. Collectively, these local clinics are referred to as the "Safety Net." 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 health care. The additional funding will be used to expand the number of users of health services at existing primary care clinics and to encourage new clinics in areas that need better access to primary health care. Providing effective and regular primary and preventive care produces cost savings by reducing hospitalizations, visits to emergency departments, and visits to specialists.

Healthy Family Services. The Governor maintains current funding of \$300,000 from the State General Fund for the Healthy Family Services Program in Wyandotte and Geary Counties. The program utilizes public health nurse case management techniques for high-risk families to reduce health disparities for low-income mothers and children. The \$300,000 from the State General Fund is used as a match to receive Medicaid funding.

Aid to Local Health Departments. The Governor maintains the current funding level of \$4.8 million from the State General Fund for this program in FY 2007, 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. Expenditures of \$39.4 million in FY 2007 will provide Women, Infants, and Children 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.

WIC Farmers' Market. The recommendation maintains current funding of \$22,425 from the State General Fund to improve access to fresh produce for low-income mothers and children. New WIC Farmers' Markets are being established in Topeka, Lawrence, and Kansas City during FY 2006.

PKU/Hemophilia Funding. The Children with Special Health Care Needs Program has been increasingly unable to meet its obligations to Kansas families who have children with phenylketonuria (PKU) and hemophilia. PKU is an amino acid disorder in which the process that breaks down phenylalanine is deficient. This deficiency causes an accumulation of phenylalanine in the blood and body tissues which can cause significant brain damage. Hemophilia is a disease in which the blood fails to clot. The program has income and medical guidelines in place to reimburse families that need to purchase blood clotting products, low-protein food products, PKU formula, and other supplies. It is expected that FY 2007 expenditures will exceed available resources by \$250,000. The Governor recommends the additional \$250,000 from the State General Fund so that income-eligible families can be reimbursed for supplies which average \$18,500 per year for children with hemophilia and \$10,000 per year for children with PKU.

Domestic Violence Prevention. The Governor recommends State General Fund grants of \$1.5 million in FY 2007 to be used to match an estimated \$5.9 million from the following federal funds: Family Violence Prevention and Services Act, Victims of Crime Act, and STOP Violence against Women. The grants are designed so that crime victims and their children are able to maintain jobs, stay in existing schools, and maintain family and community ties while receiving services from local domestic violence and sexual assault programs. The services include safety planning, shelter, advocacy, and counseling. The State General Fund amount will replace the local match that will be required and allow local service providers to draw down additional federal dollars.

Pregnancy Maintenance Initiative. The Governor maintains current funding of \$300,000 for FY 2007 from the State General Fund for the initiative which provides services for pregnant women, including medical care, housing assistance, adoption guidance, substance abuse treatment, and parenting education. Grants are awarded to providers in eight counties.

Infants & Toddlers Services. Increased funding of \$400,000 is recommended by the Governor from the Children's Initiatives Fund for the program in FY 2007. Of the increased amount, \$200,000 is directly appropriated to Infants and Toddlers Services in lieu of the previous year's transfer from Smart Start

funding in the Children's Cabinet to KDHE in the form of grants. The other \$200,000 is new funding. The increase will allow the agency to serve 135 more children with developmental disabilities, bringing the total number of children served to 6,035.

Youth Mentoring. The Governor recommends expenditures of \$250,000 from the State General Fund for FY 2007 to support mentoring programs for school-aged children. These programs select and train adults to serve as positive role models. Expenditures could include the cost of KBI background checks for mentors.

Department of Labor

The FY 2007 Governor's recommendations for the Department of Labor include a total of \$368,692,372 from all funding sources, with \$368,141 from the State General Fund. The majority of the Department's expenditures are in the form of benefits paid to unemployed workers, which are estimated to be \$323.8 million in FY 2007. The remaining \$45.9 million is used to operate the agency's eight programs. The recommendation includes \$66,454 from the Workers Compensation Accident Prevention Fund for the replacement of five vehicles and \$25,000 from the State General Fund for caseload reduction in the Public Employee Relations Board.

Unemployment Benefits. Unemployment payments provided to individuals to replace part of their wages lost as a result of involuntary unemployment are expected to be \$323.8 million in FY 2007. The unemployment rate for Kansas is estimated to be 5.2 percent in FY 2006 and then decrease to 5.1 percent in FY 2007.

Workers Compensation. The Kansas Workers Compensation Act constitutes self-contained, no-fault legislation that 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 Governor's recommendation to support this program totals \$7.8 million in FY 2007. These recommendations are financed totally from special revenue funds, the majority of which come from the Workers Compensation Fee Fund.

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. The agency also operates care facilities and cemeteries for veterans. The Governor recommends \$26,170,885 from all funding sources for the agency in FY 2007. The State General Fund portion of the Governor's recommendation is \$7,674,816.

Administration. Beginning in FY 2006, the Commission on Veterans Affairs separated out agency administration from the Veteran Services Program in order to delineate budgetary and organizational patterns and goals more clearly. For FY 2007, the Governor recommends \$472,449 from the State General Fund to provide central management and staff support to the Veterans Homes, the state cemetery program, and the Veteran Services Program. The amount recommended will fund 6.00 FTE positions.

Veterans Homes. The Commission operates both the Kansas Soldiers Home in Fort Dodge and the Kansas Veterans Home in Winfield. The Kansas Veterans Home, the newest of the two, opened in FY 2000. For the Kansas Soldiers Home, the Governor recommends \$7.0 million, which includes \$2,663,203 from the State General Fund, for FY 2007. This funding will support a staff of 145.80 FTE positions who provide care for 193 veterans and their families in residential and long-term care.

For the Kansas Veterans Home, the Governor recommends supplemental funding of \$400,000 for FY 2006 to cover shortfalls in federal funding. For FY 2007, the Governor recommends \$8.0 million, which includes \$2,550,859 from the State General Fund. This recommendation continues residential and nursing home care for 149 veterans and their families and provides funding for 186.50 FTE positions.

Cemeteries. The Governor recommends \$553,573 in FY 2007 for operation of the Kansas veterans cemeteries. This amount includes \$522,073 from the State General Fund and \$31,500 in federal veterans burial reimbursements and includes an enhancement of \$72,792 to cover four months of operating costs for the cemetery at Fort Riley, which is expected to open in late FY 2007. The cemetery at Fort Dodge was dedicated in March 2003, the cemetery at Wakeeney in September 2004, and the cemetery at Winfield in October 2004.

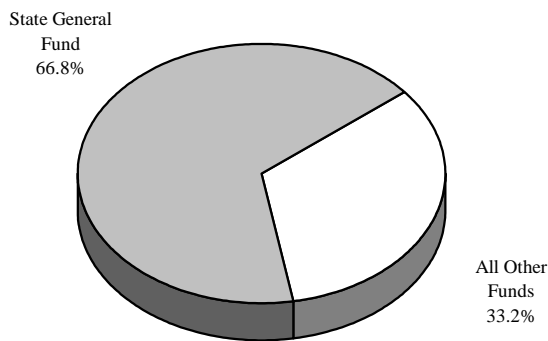
Veteran Services. For the Veteran Services program in FY 2007, the Governor recommends \$1,594,737, including \$1,462,232 from the State General Fund. This amount includes enhanced funding of \$82,810 from the State General Fund to fill two vacant Veteran Services staff positions at the service centers in the federal VA hospitals and to provide periodic training for Veteran Services Representatives. The agency operates veterans service centers in 14 field offices throughout the state and six offices in the three federal VA hospitals.

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 postsecondary education, the recommendation includes a three-year timetable for funding the original SB 345 initiative. The Governor's recommendation includes \$8.9 million to finance the third and final year of the three-year plan. The Governor's budget also includes new funding of \$27.7 million from the State General Fund for discretionary and targeted expenditures. It includes a \$20.0 million operating grant, which is discretionary funding for the universities, to be distributed by the Board of Regents. Funding for specific items includes \$5.0 million for the new Cancer Center at the University of Kansas Medical Center and \$90,000 for tuition waivers for young people who have grown up in foster care and dependents of deceased public safety and military personnel. Furthermore, it includes increases of \$1.0 million for vocational-technical schools, \$1.2 million for student financial aid, \$200,000 for adult basic education, and \$121,478 for the Board's operations.

How It Is Financed

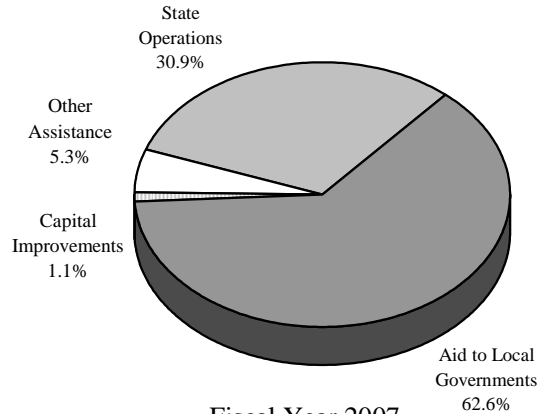


Fiscal Year 2007

For Education, the Governor recommends \$5.11 billion in FY 2006 and \$5.19 billion in FY 2007. Of these amounts, \$3.37 billion in FY 2006 and \$3.47 billion in FY 2007 are from the State General Fund. The Governor fully funds changes to the school finance formula enacted during the past year. Base state aid is maintained at \$4,257 per pupil and, with current enrollment estimates, general state aid will be over \$1.9 billion in both FY 2006 and FY 2007. Significant growth in state spending for local option budgets, special education, and the employer's contributions for KPERS—School are all included in the FY 2007 budget.

The Governor also recommends enhancing teacher professional development from \$1.0 million to \$3.0 million. In total, \$75.6 million of new State General Fund support is recommended for FY 2007 in comparison with FY 2006. Under the Governor's recommendation, the School for the Deaf and the School for the Blind continue to improve dormitory facilities to meet ADA standards.

How It Is Spent



Fiscal Year 2007

Funding for the State Library in FY 2007 includes an enhancement of \$265,000 from the State General Fund to provide Kansas students with access to Tutor.com. Tutor.com offers real-time access to qualified teachers who serve as tutors on various subjects via the Internet. Students will be able to access this site on school, library, or home computers throughout the state.

Supplemental funding totaling \$184,420 is provided in FY 2006 to replace unsafe skylights at the Kansas Museum of History.

Elementary & Secondary Education

The Kansas State Board of Education is charged with the general supervision of public education and other educational interests in the state. While clearly acknowledging the role and importance of local control, the State Board of Education has the responsibility to provide direction and leadership for the supervision of all state educational institutions under its jurisdiction. Under the guidance of the State Board of Education, the Department of Education provides funding and program guidance in carrying out federal and state law for 300 unified school districts.

The cost of educating students enrolled in public schools is divided between local, state, and federal resources. States develop formulas to determine the total amount of funds needed for each student and to establish the state's share of those costs. Kansas follows a foundation, or base formula, which provides for a base funding amount that is multiplied by a weighting for each student. The weighting factor varies depending on the level of the student's educational needs. For example, higher funding levels are provided to students enrolled in at-risk or vocational programs.

The issue most widely discussed regarding state expenditures for elementary and secondary education is the *Montoy v. State of Kansas* court case. The State Supreme Court issued an order July 8, 2005, indicating that action taken by the Legislature in its special session of 2005 corrected its earlier finding that state funding was inadequate, but that "the present solution may not be ideal." The Court noted that the Legislature authorized a new cost study to be done in the fall of 2005 by the Legislative Division of Post Audit in order to obtain data needed "...to make policy choices establishing a suitable system of financing of Kansas public schools." The Supreme Court retained jurisdiction of the case to review further legislative action.

The Legislative Division of Post Audit had not completed its cost study at the time the Governor made her budget recommendations for this volume. Accordingly, no changes to the finance formula or enhancements to base state aid for schools are proposed. Governor Sebelius still considers

elementary and secondary education crucial to the future of the state and again recommends targeted enhancements to programs that support the state's teaching workforce and operation of schools.

State Aid for School Districts

The state's largest expenditures within the budget of the Department are for general state aid through which monies are distributed to school districts on a per pupil basis; supplemental general state aid, which is the state's share of the cost for local option budgets; special education; and the employer's cost for teacher retirement benefits through KPERs. The Governor's recommendations in these areas are enumerated below.

General State Aid. The Governor's recommendations for FY 2006 and FY 2007 are based on the estimates agreed upon by the Department of Education, the Division of the Budget, and the Legislative Research Department through the school finance consensus process. A meeting was held in November 2005, and estimates were developed on property tax revenue, student enrollment weightings, and adopted local option budgets.

FY 2006. Under the law amended by the 2005 Legislature, base state aid per pupil (BSAPP) is now set at \$4,257. The FY 2006 recommendation is based on an estimated enrollment of 569,718.0 weighted pupils. The number of students supported by the school finance formula was reduced slightly from the previous estimate, as fewer military dependents have relocated to Kansas bases, and student weightings have not increased as dramatically as recent years. In addition, it was discovered that property taxes generated from the statewide mill levy for support of schools will generate more local effort than previously estimated. The table on the following page outlines the state's obligation for general state aid in the current and budget years.

The state's share of local option budgets adopted by school districts increased under the new legislation. Districts are allowed to adopt local option budgets up to 27.0 percent of the general fund budget; previously the maximum was 25.0 percent.

The Governor's current year recommendation includes \$218.9 million to fund the state's share of local option budgets, an increase of \$59.2 million, or 37.1 percent, from the FY 2005 level, reflecting the change in the maximum allowed, which is applied to the districts' larger general fund budgets.

General State Aid to School Districts (Dollars in Thousands)		
	FY 2006	FY 2007
Estimated Obligation	\$ 2,713,290	\$2,748,933
Local Effort Estimates		
Property Tax	491,603	515,483
Cash Balance	1,600	1,600
Federal Impact Aid	11,000	11,000
Special Ed Serv. Aid	288,000	313,000
Other	1,500	1,500
Total Local Effort	\$ 793,703	\$ 842,583
Net State Cost	\$ 1,919,587	\$1,906,350
Less: Local Remit.	36,510	25,500
State Appropriation*	\$ 1,883,077	\$1,880,850

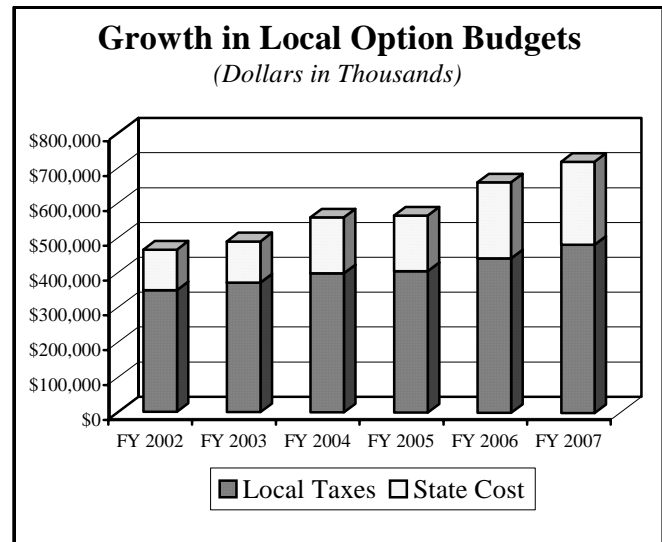
*Includes \$5.3 million in FY 2006 and FY 2007 from the Children's Initiatives Fund.

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 adopted local option budgets, especially those with smaller tax bases, the state's costs rise. The following graph depicts recent growth in this area of the budget.

A revenue transfer from the State General Fund of \$56.2 million is included in FY 2006 to aid school districts with bond and interest payments. State law establishes a formula upon which state aid is determined. This amount is transferred from the State General Fund to a special revenue account in the Department for expenditures for affected districts.

New for FY 2006, state aid for capital outlay purchases by schools is budgeted at \$19.2 million, or \$1.2 million more than was approved by the Legislature. One criticism of the previous school

finance law was that districts were allowed to impose a mill levy with no state aid to equalize the funds across school districts. Those districts with lesser tax bases were unable to raise funds equivalent to wealthier districts. This new state aid program equalizes the local mill levy, which is essentially capped at eight mills.



FY 2007. The total Governor's recommendation for FY 2007 for the base school finance formula is \$1,906.4 million, including \$1,875.5 million from the State General Fund, \$5.3 million from the Children's Initiatives Fund, and \$25.5 million from the State School District Finance Fund. This level of funding is a decrease of \$13.2 million from the current year. Although student enrollments are assumed to increase from military relocations to Kansas, the change in local property tax revenue allows the state's contribution to decrease.

The recommendation funds the state's estimated obligation for the year under current law. Funding is continued another year from the Children's Initiatives Fund to maintain the Four-Year-Old At-Risk Program at 6,000 students, the population of children not served by Head Start or other early childhood programs. The FY 2007 amount is based on per pupil funding of \$4,257, for a weighted pupil enrollment of 572,218.2, according to consensus estimates. The table below shows the state's obligation under the current school finance formula and current enrollment.

As mentioned previously, state aid for local option budgets adopted by school districts is growing at a fast pace. The recommended FY 2007 budget includes

\$238.7 million from the State General Fund for this aid program, a \$79.0 million increase over the actual expenditures in FY 2005 of \$159.7 million.

The capital improvement transfer from the State General Fund of \$59.2 million is \$3.0 million more than in FY 2006 and reflects a slowing of increases in this area of school aid. 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 18.1 percent of the school finance obligation in FY 2006, and the State General Fund and other state monies will provide for the remaining 81.9 percent. For FY 2007, local resources are budgeted to finance 18.8 percent of the costs, with state resources paying 81.2 percent. The increase in the share of property tax is attributable to anticipated higher property appraisals.

State aid for capital outlay purchases is estimated to be \$21.0 million in FY 2007, which the Governor includes in her budget. As it is such a new program, the amount will continue to be re-evaluated.

Base State Aid per Pupil. Pending the Legislature’s cost study and subsequent legislation to designate additional state revenues for education, the Governor does not recommend a change to base state aid per pupil in either FY 2006 or 2007. It is maintained at \$4,257.

Special Education Services Aid. State law now specifies the level of state aid for special education costs. For FY 2006, the state is to provide 89.3 percent of estimated excess costs. In FY 2007, state aid is increased to 92.0 percent, where it is to remain. As with several other state aid programs for schools, the Department of Education, Legislative Research Department, and Division of the Budget met in November to estimate special education costs in both years.

The Governor includes funding in both years for special education programs that complies with the new law. For FY 2006, \$292.8 million in state monies is recommended. For FY 2007, \$323.1 million is included. The table on this page outlines the excess cost calculations used by the group in its estimates.

Federal support is expected to be \$100.1 million in FY 2007. The recommendation will support services to over 80,000 students.

Special Education Excess Costs		
<i>(Dollars in Thousands)</i>		
	<u>FY 2006</u>	<u>FY 2007</u>
Estimated Expenditures	\$ 629,581	\$ 659,747
Excess Cost Computation:		
Regular Ed Costs	(169,130)	(172,023)
Federal Aid	(96,060)	(100,060)
Medicaid Reimburse.	(35,000)	(35,000)
SRS Admin. Costs	(1,500)	(1,500)
Total Excess Costs	\$ 327,890	\$ 351,164
Excess Costs Required by Law	89.3%	92.0%
State Appropriation*	\$ 292,806	\$ 323,071

**Includes \$1.2 million in FY 2006 and FY 2007 from the Children's Initiatives Fund.*

Four-Year-Old At-Risk Programs. In both FY 2006 and FY 2007, \$15.1 million in competitive grants is recommended for up to 6,000 four-year-old at-risk students’ education programs. This program was expanded a year ago by \$800,000 from the Children’s Initiatives Fund. The funding necessary to provide these preparatory services is financed by a combination of monies from the State General Fund (\$9.8 million) and Children’s Initiatives Fund (\$5.3 million).

KPERS—School Employer Contributions. Although employees of unified school districts are not state employees, the employer’s cost of providing them retirement benefits rests with the state. An annual State General Fund appropriation is made to the Department of Education to cover quarterly payments, requested by KPERS for this cost. The Governor’s recommendation in FY 2007 for this appropriation is \$184.7 million, a \$23.6 million increase over the current year. Using the large infusion of monies provided in FY 2006, districts increased staff salaries a substantial amount, increasing the state’s costs for retirement contributions proportionately. In addition, the state’s cost for this expenditure is affected by another increase in the state’s contribution rate to the KPERS system.

Parent Education. For FY 2007, the Governor recommends continued funding for the state's program to assist parents. Total state funding of \$7.3 million is financed by \$4.8 million from the State General Fund and \$2.5 million from the Children's Initiatives Fund. The program's local match has been stepped down from 100.0 percent to 65.0 percent 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 2006 is \$3,086.9 million, of which \$2,596.8 million is from the State General Fund. The recommendation for FY 2007 is \$3,157.8 million, with \$2,672.4 million 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 operating costs of the Department of Education itself, which are \$31.9 million in FY 2007.

In an effort to meet the reporting requirements of the federal No Child Left Behind legislation and reduce the administrative burden on school districts, the Department of Education is developing a student-level record system, known as Kansas Individual Data on Students, or KIDS. The KIDS system, when fully implemented, will maintain student confidentiality while allowing for more accurate data available in multiple formats in a more timely manner than is currently possible. To assist with the work for this and other data management projects, the Governor recommends 2.00 new FTE Application Developer II positions for the agency in FY 2007 at a cost of \$109,388. The additional expenditures are from the State General Fund.

Developing Teachers' Skills. For several years, no state funding of professional development aid was provided as a result of the state's financial difficulties. Professional development activities help educators improve their teaching skills and enhance student achievement. Research studies show that between 20.0 to 40.0 percent of the variation of student achievement is attributable to teacher expertise. For

FY 2007, the Governor again recommends increasing this state aid program. It is to be funded at \$3.0 million, a \$2.0 million increase over the current year. Requests for state aid are dependent on a written plan submitted by the district and approved by the State Board of Education.

To assist teachers in their first year of serving in the classroom, \$1,000 bonuses are continued for those senior teachers who are mentors to the new teachers under the state's mentoring program. The Governor maintains \$1.0 million in FY 2007 for this program, all from the State General Fund.

Also included is \$325,000 in both years from the State General Fund for the Teachers' Performance Assessment, which is part of the Department's ongoing updates to the teacher licensure program. Funding this program from the State General Fund keeps teachers' licensure fees from increasing.

In addition to addressing needs of new teachers, the Governor continues support for the National Board Certification Program for the state's finest experienced teachers. Six years ago, 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. National Board Certification is voluntary and open to all teachers who have a baccalaureate degree and three years of classroom experience in either a public or private school. Teachers who attain National Board Certification receive a master teacher's certificate from the State Board, valid for ten years, and a bonus of \$1,000 in each of those ten years. In the program's first year, the Department of Education received \$40,000 to provide 40 scholarship 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.

With the success of this program, funding for this program is recommended at \$230,000 in both FY 2006 and FY 2007. It is anticipated that 230 bonus awards for teachers who are certified and for those seeking certification will be paid. Professional certification takes the next step to provide assurance of high-quality practice.

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

	FY 2005 Actual		FY 2006 Gov. Rec.		FY 2007 Gov. Rec.	
	SGF	All Funds	SGF	All Funds	SGF	All Funds
State Aid:						
General State Aid	1,748,127	1,765,696	1,868,006	1,904,516	1,865,780	1,891,280
Four-Year-Old At-Risk Program	5,078	9,578	9,766	15,070	9,766	15,070
Subtotal--General State Aid	1,753,205	1,775,274	1,877,772	1,919,586	1,875,546	1,906,350
Supplemental General State Aid	159,687	159,687	218,891	218,891	238,709	238,709
Capital Improvement Aid	--	0	--	0	--	0
Capital Outlay Aid	--	--	19,197	19,197	21,000	21,000
Declining Enrollment Aid	--	--	43	43	100	100
Special Education Aid	249,792	341,824	291,581	389,216	321,846	423,481
Deaf-Blind Program Aid	110	110	110	110	110	110
KPERS Employer Contribution	138,181	138,181	161,134	161,134	184,656	184,656
Teachers' Professional Development	--	--	1,000	1,000	3,000	3,000
Teacher Mentoring	--	--	1,000	1,000	1,000	1,000
Teacher Excellence Grants	222	222	230	230	230	230
Juvenile Detention Grants	6,435	6,435	7,885	7,885	7,885	7,885
Optometric Vision Study and Services	--	300	--	300	--	300
Parent Education Grants	4,640	7,258	4,790	7,331	4,790	7,290
Driver Education Program Aid	--	1,621	--	1,618	--	3,020
Alcohol and Drug Abuse	--	2,653	--	2,650	--	2,425
Other State-Funded Grants	160	602	534	621	534	584
No Child Left Behind and Other Federal Aid:						
Elem. and Secondary Education Prog.	--	103,784	--	100,840	--	96,535
Improving Teacher Quality	--	21,771	--	21,000	--	21,000
21st Century Community Learning	--	6,415	--	6,000	--	5,700
Rural & Low Income Schools	--	44	--	45	--	45
Lang Assistance State Grants	--	2,849	--	2,700	--	2,850
Reading First	--	5,834	--	5,100	--	5,100
Ed. Research and Innovative Prog.	--	5,102	--	4,945	--	4,429
Vocational Education	--	5,143	--	5,100	--	5,100
School Food Assistance	2,510	117,877	2,510	121,870	2,510	125,105
Subtotal State & Federal Funding	\$ 2,314,941	\$ 2,702,985	\$ 2,586,677	\$ 2,998,413	\$ 2,661,916	\$ 3,066,004
<i>Amount Change from Prior Year</i>	<i>149,252</i>	<i>149,849</i>	<i>271,735</i>	<i>295,428</i>	<i>75,239</i>	<i>67,591</i>
<i>Percent Change from Prior Year</i>	<i>6.9%</i>	<i>5.9%</i>	<i>11.7%</i>	<i>10.9%</i>	<i>2.9%</i>	<i>18.5%</i>
Local General Fund Budgets *	--	720,714	--	793,703	--	842,583
Districts' Share of Local Option Budget	--	411,034	--	443,814	--	483,996
Subtotal Local Funding	\$ --	\$ 1,131,748	\$ --	\$ 1,237,517	\$ --	\$ 1,326,579
<i>Amount Change from Prior Year</i>	<i>--</i>	<i>(110,183)</i>	<i>--</i>	<i>105,769</i>	<i>--</i>	<i>89,062</i>
<i>Percent Change from Prior Year</i>	<i>--</i>	<i>(8.9%)</i>	<i>--</i>	<i>9.3%</i>	<i>--</i>	<i>7.2%</i>
Total State, Federal, & Local Funding	\$ 2,314,941	\$ 3,834,734	\$ 2,586,677	\$ 4,235,930	\$ 2,661,916	\$ 4,392,583
<i>Amount Change from Prior Year</i>	<i>149,252</i>	<i>39,666</i>	<i>271,735</i>	<i>401,196</i>	<i>75,239</i>	<i>156,653</i>
<i>Percent Change from Prior Year</i>	<i>6.9%</i>	<i>1.0%</i>	<i>11.7%</i>	<i>10.5%</i>	<i>2.9%</i>	<i>3.7%</i>

* Local General Fund budgets decreased in FY 2005 as a result of the property tax accelerator in FY 2004.

School Accountability Audits. Through the Governor's Business Education Partnership and the Kauffman Foundation, the State of Kansas has a contract with Standard and Poor's School Evaluation Services to review school district efficiency and use the results to help them effectively manage their resources. Currently, more than 50.0 percent of the state budget is dedicated to elementary and secondary education, and almost two-thirds of any school district's budget comes from the state. An initial look at data collected by the Department of Education reveals that there is wide variation in the dollars spent on administrative costs and instructional expenses.

Standard and Poor's, which is a well-respected financial management firm, brought a team of analysts and school finance experts to conduct a professional and sophisticated study in the current year. The firm's School Evaluation Services division used national, state, and local data to establish performance benchmarks. It identified the management practices used by the most efficiently run districts. Now that Standard and Poor's has analyzed the data, the firm will more closely scrutinize a select number of Kansas school districts and highlight best management practices and suggest ideas to achieve greater efficiency. In the current year, the review activities are privately funded by grants totaling \$400,000 from the Kauffman Foundation. The Governor includes \$250,000 in FY 2007 from the State General Fund to ensure that this project is ongoing.

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, such as the Flint Hills Job Corps Center. 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. In FY 2006, the Governor provides \$7.9 million from the State General Fund. Additional students in the state and the higher base state aid amount both increase the amount of monies distributed through this aid program. Funding is held at this same level in FY 2007, pending future enrollment data for this group of students.

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 2007 for the optometric services to students needing vision correction to improve learning. The Governor also recommends \$505,000 from the State General Fund for grants to be distributed at the discretion of the State Board.

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. State student assessments are to be administered at three grade levels as determined by the State Board and curriculum standards must be reviewed at least every three years.

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 counseling, science, social studies, music, and physical education are being reviewed and rewritten in the current year. The Governor's recommendation provides \$6.9 million for administration of student assessments in FY 2006 and another \$6.9 million in FY 2007.

No Child Left Behind (NCLB) Act. The latest reauthorization of the Elementary and Secondary Education Act signed in 2002 embodies four key principles: accountability for results; greater flexibility for states and school districts in the use of federal funds; more choices for parents; 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.

Under NCLB, a unitary accountability system must apply to all schools. State assessments must be the same for all students, aligned to state standards, provide accommodations to those who need them, and an alternative assessment for students with disabilities who cannot participate in the regular assessment. State, district, and school performance is measured

according to adequate yearly progress (AYP) toward the ultimate goal of 100.0 percent of students proficient in reading and mathematics by 2013-2014. NCLB prescribes a set of escalating consequences for schools that do not meet AYP.

The law requires each state to test every child every year from grade three through eight in reading and math and one year in the tenth through twelfth grade span. Federal funding is provided for states to design and implement tests, but not to administer them.

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. The Department of Education continues to work with school districts to ensure Kansas complies with all aspects of the new federal law.

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 instructions 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 2007, the Governor recommends \$5,657,052 from all funding sources, including \$5,065,031 from the State General Fund, for the School in operating and capital improvement projects. The budget includes funding for support of educational, residential, and additional outreach sources. Enrollment for the School during the regular and summer term is projected to be 150.

School for the Deaf

The Kansas State School for the Deaf provides a variety of services that include educational, residential, outreach, and health care for children with hearing and other impairments until the age of 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. 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 70.0 percent of its students increase math scores and 95.0 percent of students increase reading scores. Enrollment for the School during the regular and summer term is projected to be 150 for FY 2007. The School also serves 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 child's age.

For FY 2007, the Governor recommends \$8,768,921 from all funding sources, including \$8,215,731 from the State General Fund, for the School in operating expenses and capital improvements projects. The budget will include funding for support of educational, residential, and additional outreach sources. A staff of 173.50 FTE positions provides services to the students.

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 \$25.7 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 Program, which is administered by the University of Kansas Medical Center. The table on this page shows the Governor's recommendations for an increase in funding for postsecondary educational institutions and student financial aid in FY 2007.

total of \$43,050,015. However, the initiative was not funded in FY 2003 and FY 2004 because of declining revenues to the State General Fund.

Increased Funding for Postsecondary Education in FY 2007	
SB 345	SGF
Community Colleges	5,086,081
Washburn University	455,060
Regents Universities	3,333,426
	\$ 8,874,567
Student Financial Aid	
Nursing Student Scholarship	200,000
Comprehensive Grant	1,000,000
Tuition Waivers	90,000
	\$ 1,290,000
Other Postsecondary Ed.	
Vocational/Technical Sch.	1,000,000
Universities Operating Grant	20,000,000
Adult Basic Education	200,000
Aviation Research	2,000,000
Cancer Center	5,000,000
	\$ 28,200,000
Total Increase	\$ 38,364,567

Board of Regents

The Governor recommends a total of \$254,261,347 for FY 2007, including \$181,608,428 from the State General Fund, \$9,702,662 from the Economic Development Initiatives Fund, and the rest from various special revenue and federal funds. The budget for the Board includes additional funding for the vocational-technical schools, student financial aid, the Postsecondary Database, adult basic education, Higher Education Coordination Act, and operations support.

Kansas Higher Education Coordination Act (SB 345). The 1999 act created a higher education coordinating role for the Board of Regents; changed the funding mechanisms for the community colleges and Washburn University; and provided for Regents faculty salary increases. The four-year funding plan associated with the Higher Education Coordination Act was originally estimated to be \$69,673,715. The initiative was funded in FY 2001 and FY 2002 for a

In FY 2005, the Governor proposed that the original funding estimate be used to complete funding for the initiative. The Legislature concurred with this plan to fund the remaining \$26,623,700 from the original estimate over a three-year period. FY 2007 is the last year of funding based on the Governor's plan. Community colleges will receive an additional \$5,086,081 and Washburn University an additional \$455,060. State universities will receive \$3,333,426 for faculty salary enhancements, an area the universities have noted is underfunded in comparison with similar universities in other states.

Postsecondary Database System. In FY 2002, the Board of Regents began the development of a data collection system to enhance the management of postsecondary institutions. The project is entering the second of five phases and will be completed in FY 2009. The Administration Program at the Board's office receives a \$600,000 annual appropriation and employs 4.00 staff for the project. For FY 2007, the

Governor added \$75,000 for the infrastructure of the system, which includes more servers that are updated for the latest technology.

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 is 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 continued from this source through FY 2006 but could not exceed \$10.0 million a year. Current law phases out the Universal Service Fund support of the project beginning in FY 2007 and ends it in FY 2009. In FY 2007, the network will receive \$8.0 million in new monies from the Universal Service Fund and will have a \$2.0 million carry forward from FY 2006. This will allow the KAN-ED network to be fully funded for FY 2007.

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 for the project is shown in the table below.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 2004	\$ --	\$ 4,231,846	\$ 4,231,846
FY 2005	1,890,000	116,586	2,006,586
FY 2006	--	76,414	76,414
FY 2007	6,000,000	3,583,000	9,583,000

The Board of Regents estimates that the debt service will remain relatively stable at approximately \$9.6 million for the next few years. The state is responsible for the first \$50.0 million of debt service, with debt service not to exceed \$10.0 million in any one year. After that point, the universities will assume responsibility for the debt service from revenue generated by the facilities.

Postsecondary Education

In FY 2007, the Governor recommends \$180,338,337, including \$158,382,497 from the State General Fund, \$9,702,662 from the EDIF, and the rest from various special revenue and federal funds, to finance adult basic education, community colleges, vocational-technical schools, and Washburn University.

Adult Basic Education. The Adult Basic Education Program assists individuals in the completion of their high school education, and a high school diploma improves their earning potential and allows those who desire to further their education to do so. For FY 2007, the Governor recommends an additional \$200,000 from the State General Fund to be used as part of the federal matching funds. That brings the State General Fund to a total of \$1,348,998 for the program. The Board currently has \$3,938,144 available in federal funding.

Community Colleges. The 19 community colleges in the state provided educational opportunities to 119,611 students in the 2004-2005 school year. In addition to the traditional students who enter community colleges 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 \$96,216,412 for community college operating grants for FY 2007 from the State General Fund. This is a State General Fund increase of \$5,086,081 over the FY 2006 appropriation.

Area Vocational-Technical Schools. Sixteen area vocational-technical schools operate in Kansas. The schools educate both high school students and postsecondary students, as well as provide training opportunities in cooperation with local businesses. The Governor recommends \$43,995,981, including \$21,673,603 from the State General Fund, \$9,522,162 from the Economic Development Initiatives Fund, and \$6,800,216 in federal funding. The majority of this funding will be used for operating expenditures at the schools. The Governor's recommendation for FY 2007 includes an additional \$1.0 million, as it did for both FY 2005 and FY 2006. Although the Higher Education Act does not include area vocational-

technical schools in the funding it provided, the Governor recognizes they play an important role in the state's educational system.

Washburn University. The state has provided financial support to Washburn University since 1961. Currently, the Board of Regents administers the state operating grant for the University. For FY 2007, the Governor recommends \$11,467,516 from the State General Fund, an increase of \$455,060 over FY 2006 as part of the final year of funding for SB 345. Washburn served 7,261 students in the fall of 2004. In addition, it provides free educational opportunities to individuals over 65 years old. The University reported that 83 individuals took advantage of this opportunity in FY 2006.

University Operating Grant. The Board of Regents will distribute the \$20.0 million State General Fund operating grant that the Governor has recommended for FY 2007. This will be approximately \$8.4 million more than the FY 2006 operating grant.

Student Financial Assistance

Financial aid administered by the Board of Regents includes funding for student scholarships and grants. For FY 2007, the Governor recommends \$19,757,207 from all funding sources, including \$18,624,162 from the State General Fund. The Governor adds \$1.2 million in FY 2007. From the State General Fund \$1.0 million is added to the Comprehensive Grant to assist financially needy students, and \$200,000 is added to the Nursing Service Scholarship. Financial assistance programs administered by the Board of Regents are described below.

Comprehensive Grant. Initiated in FY 1999, this grant is for 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 \$14,785,321, including \$14,189,878 from the State General Fund, for FY 2007. This is a State General Fund increase of \$1.0 million over FY 2006. The average grant is \$1,100.

State Scholarship Program. This grant is designed to assist Designated State Scholars. Students are

designated scholars on the basis of completing the Kansas Scholars Curriculum, the ACT Composite Score, and the cumulative high school GPA. For FY 2007, the Governor recommends \$1,133,199 from the State General Fund for this program.

Vocational Scholarship Program. The Governor recommends \$121,275 from the State General Fund for FY 2007. This will finance approximately 242 awards for vocational training programs.

Minority Fellowship Program. The purpose of this program is to recruit and retain minority students in graduate education programs at Regents institutions. For FY 2007, the Governor recommends \$24,000 for this fellowship program. The funding will assist three 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.

Optometry Scholarship Programs. The Governor and the Legislature authorized contracts between the Board of Regents and selected out-of-state schools of optometry for approximately 34 students. This is necessary because optometry is not offered at any Kansas university. The Governor recommends \$113,850 from the State General Fund in FY 2007. Students are ranked academically by the optometry schools and are funded in that order.

Teacher Service 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 143 students in FY 2007, the Governor recommends \$370,744, including \$326,744 from the State General Fund.

Nursing Service Scholarship Program. For this need-based scholarship, the Governor recommends an additional \$200,000 for FY 2007. The increase in funding will help meet the needs of students on the waiting list for this program and the needs of the communities in which the nurses will serve. Total funding for the program is \$648,592, including \$443,592 from the State General Fund. Students seeking a nursing scholarship must locate a sponsor who will pay up to one-half of 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 200 scholarships.

ROTC Scholarship Program. For FY 2007, the Governor recommends \$186,401 from the State General Fund for Reserve Officer Training Corps scholarships. This funding will provide approximately 103 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 in FY 2003. Since that time, funding has been increased to encourage participation in the National Guard. For FY 2007, the Governor recommends \$925,838 from the State General Fund, which will finance approximately 514 awards for students participating in the National Guard Program.

Math & Science Teacher Service Scholarship. For FY 2007, the Governor recommends \$500,000 for the second year of this program from the State General Fund. Qualified applicants will receive a scholarship of \$2,500 per semester for up to two years. In order to be eligible, a student must be a Kansas resident, enrolled in a program leading to licensure as math or science teacher for grades six through 12, and have demonstrated scholastic ability. Preference is given to students who have completed at least 60 hours in their course of study. In addition, students must agree to teach in Kansas for at least four years: two years for each year of financial aid.

Tuition Waivers. The Governor recommends \$90,000 from the State General Fund for tuition waivers in FY 2007. The Board of Regents administers two tuition waiver programs. The first is the Foster Care Tuition Waiver Program, which provides waivers to cover the cost of tuition and fees for young people who have grown-up in foster care. The federal Chaffee Foster Care Independence Grant funds 80.0 percent of the costs. The second is the Dependents of Deceased Public Safety Officer Tuition Waiver Program. Eligible students include dependents and spouses of deceased public safety officers and military personnel who died on or after September 11, 2001, and prisoners of war.

Regents Institutions

How Regents universities have been funded by the state has undergone a number of changes in recent years. The operating grant method of funding has provided the universities with control of all their funding sources without restriction from the state. In response to this and other factors, the universities have entered into a five-year plan to increase tuition. FY 2006 will be the fifth and final year of the universities' five-year plan. The following table lists the major increases to the state universities.

Increases to State University Budgets	
	<u>SGF</u>
SB 345--Faculty Salary Enhancement	3,333,426
Universities' Operating Grant	20,000,000
Aviation Research	2,000,000
Cancer Center	5,000,000
Total	\$ 30,333,426

Operating Grant. In the fall of 2000, the Board of Regents proposed a university operating grant model to the Governor to increase funding at universities. The Governor recommended the concept to the Legislature, and during the 2001 Legislative Session, an operating grant for the universities' FY 2002 budgets was implemented.

The operating grant is adjusted entirely through the appropriations process. No formula governs the amount of the grant. The state may take into account a number of variables, including the economy, the needs of the universities, and spending mandates. In addition, an appropriation can be made directly to a university for a specific purpose, if the need arises. The funding for the grant is appropriated to the Board of Regents for distribution to individual universities without restriction. The Board is also at liberty to use its own criteria when distributing the funding. In addition, the Board has the authority to redistribute funds at any time. For FY 2007, the Governor recommends an operating grant increase of \$20.0 million from the State General Fund. The increase, if approved, will be appropriated to the Board of Regents for distribution to the universities. Total funding for Regents universities is shown on the following page.

Enrollments. Kansas has an unusually high level of demand for postsecondary education. Systemwide

Funding for Regents Universities

FY 2006*	State General Fund	Other State Funds	**Tuition	Other General Use Funds	Restricted Use Funds	Total
KU	143,506,291	7,622,173	163,627,174	2,020,000	178,769,658	495,545,296
KU Med. Ctr.	109,675,976	2,025,232	20,200,000	9,121,838	112,397,622	253,420,668
Kansas State U.	109,596,494	5,330,493	105,654,457	100,000	248,595,195	469,276,639
KSU--ESARP	51,253,277	--	--	8,289,168	61,446,784	120,989,229
KSU--Vet. Med.	10,529,658	--	12,308,135	11,143,155	2,317,600	36,298,548
WSU	71,668,249	3,130,450	45,257,257	--	65,289,585	185,345,541
ESU	32,853,033	1,349,948	16,225,103	--	18,916,027	69,344,111
PSU	35,491,460	1,380,291	19,500,000	--	26,916,261	83,288,012
FHSU	33,489,742	1,294,140	17,864,541	--	24,593,474	77,241,897
Total	\$ 598,064,180	\$ 22,132,727	\$ 400,636,667	\$ 30,674,161	\$ 739,242,206	\$ 1,790,749,941

FY 2007	State General Fund	Other State Funds	**Tuition	Other General Use Funds	Restricted Use Funds	Total
KU	140,046,474	40,000	166,680,348	2,027,591	173,553,914	482,348,327
KU Med. Ctr.	112,221,166	250,000	20,521,777	8,621,929	115,756,918	257,371,790
Kansas State U.	107,214,633	--	100,083,700	100,000	253,030,691	460,429,024
KSU--ESARP	50,356,962	--	--	8,360,179	62,303,790	121,020,931
KSU--Vet. Med.	10,245,026	--	10,972,255	6,933,385	2,367,939	30,518,605
WSU	70,882,725	--	43,690,585	--	66,758,875	181,332,185
ESU	31,906,246	--	16,003,172	--	19,186,001	67,095,419
PSU	34,583,136	--	19,737,634	--	20,978,045	75,298,815
FHSU	32,803,701	--	17,975,343	--	24,951,294	75,730,338
Board Transfers***	23,333,426	15,000,000	--	--	--	38,333,426
Total	\$ 613,593,495	\$ 15,290,000	\$ 395,664,814	\$ 26,043,084	\$ 738,887,467	\$ 1,789,478,860

* Expenditures for the 27th payroll cause FY 2006 to be higher than FY 2007 in some cases.

** Tuition expenditure estimates for FY 2006 are based on FY 2005 student enrollment. For universities at which enrollment has increased, additional revenues will be available. Tuition expenditure estimates for FY 2007 are based on FY 2005 student enrollment and FY 2006 tuition rates. Tuition will increase in FY 2007 but the amount will not be determined until the summer of 2006.

Based on the increases in tuition and enrollment, revenues could increase in FY 2007.

*** These funds are transferred by the Board of Regents to state universities.

university enrollments increased 0.6 percent in the fall of 2005.

University Headcount Enrollment			
	FY 2004	FY 2005	FY 2006
Univ. of Kansas	26,814	26,980	26,934
KU Med. Ctr.	2,458	2,610	2,690
Kansas State	23,050	23,151	23,182
Wichita State	14,896	14,298	14,076
Emporia State	6,278	6,164	6,288
Pittsburg State	6,731	6,537	6,628
Fort Hays State	7,373	8,500	9,019
Total Regents	87,600	88,240	88,817
Washburn	7,002	7,251	7,261

Tuition. Regents universities estimate that they will expend over \$400.0 million from tuition revenues in FY 2006. In making the estimates, the universities assume the number of students will be at the FY 2005 level. The expenditure of tuition receipts could change as new students are added or subtracted. In addition, the FY 2007 tuition rates will not be set until the summer of 2006. Revenue from tuition is a significant source of income for the universities. This is especially true for the regional institutions that do not have the alternative sources of income that the large research universities have. The tuition increases for the 2005-2006 school year for each state university are shown in the table in the left column on the following page.

Resident Tuition & Fees			
			FY 2006
	FY 2005	FY 2006	Increase
KU	\$ 2,368	\$ 2,707	14.3 %
KUMC	8,543	9,668	13.2
KSU	2,333	2,562	9.8
KSU--Vet. Med.	4,598	5,082	10.5
WSU	1,954	2,116	8.3
ESU	1,518	1,653	8.9
PSU	1,451	1,526	5.2
FHSU	1,016	1,107	9.0

Despite the large increase in tuition, the cost on average of attending a Kansas public institution is comparable to that of peer averages. At the University of Kansas, Kansas State University, and Wichita State University, the fall semester increase in tuition and fees was an average of \$142 more than their peer institutions. While Emporia State University, Pittsburg State University, and Fort Hays State University were on average \$63 below the average increase of their peers. The table in the adjacent column compares the tuition in state universities with their peers in other states.

Emporia State University

Emporia State University's instructional programs include 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 ability to prepare teachers and specialized staff for careers in education.

Educational programs are addressed by the University on a number of levels from pre-school 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 programs are offered, including liberal arts and sciences, business, and library management.

The Governor's recommendation for FY 2007 is \$31,906,246 for operations from the State General Fund. In addition, the Governor recommends \$242,889 for the Reading Recovery Program and \$145,766 for the National Board Certification/Future Teacher Academy, all from the State General Fund. Emporia State's enrollment has increased by 94

students over the past year, for a total enrollment of 6,288 in FY 2006.

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

FY 2006 Undergraduate Tuition & Fees for Full-time Students		
	Cost per Semester	
	Resident	Non-Resident
University of Kansas	\$ 2,707	\$ 6,933
University of Colorado	2,686	11,413
University of Iowa	2,806	8,499
U. of N. Carolina-Chapel Hill	2,258	9,407
University of Oklahoma	2,204	6,151
University of Oregon	2,903	9,101
<i>Peer Average</i>	<i>2,571</i>	<i>8,914</i>
<i>KU as % of Peer Average</i>	<i>105 %</i>	<i>78 %</i>
Kansas State University	\$ 2,562	\$ 7,227
Colorado State	2,131	7,612
Iowa State	2,817	7,862
North Carolina State	2,169	8,268
Oklahoma State	2,183	6,194
Oregon State	2,721	8,751
<i>Peer Average</i>	<i>2,404</i>	<i>7,737</i>
<i>KSU as % of Peer Average</i>	<i>107 %</i>	<i>93 %</i>
Wichita State University	\$ 2,116	\$ 5,842
University of Akron	3,967	8,472
Portland State University	2,601	8,564
Univ. Nevada-Las Vegas	1,530	6,264
Old Dominion	2,807	7,697
Oakland University	2,491	5,371
<i>Peer Average</i>	<i>2,679</i>	<i>7,274</i>
<i>WSU as % of Peer Average</i>	<i>79 %</i>	<i>80 %</i>
Emporia State University	\$ 1,653	\$ 5,329
Pittsburg State University	1,781	5,222
Fort Hays State University	1,526	4,788
NW Missouri State University	2,768	4,770
Western Carolina University	1,812	6,530
Salisbury State University	3,188	7,027
Eastern Washington University	2,151	6,787
Northern Michigan University	2,929	4,801
<i>Peer Average</i>	<i>2,570</i>	<i>5,983</i>
<i>ESU as % of Peer Average</i>	<i>64 %</i>	<i>89 %</i>
<i>PSU as % of Peer Average</i>	<i>69 %</i>	<i>87 %</i>
<i>FHSU as % of Peer Average</i>	<i>59 %</i>	<i>80 %</i>

Source: Board of Regents

continuously upgrades the telecommunications and computing infrastructure, as well as integration of technology with the learning environment.

For FY 2007, the Governor recommends \$32,803,701 for operations 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 taught over the Internet. The headcount enrollment at the University has increased by 519 students over the past year with a total headcount of 9,019 in FY 2006.

Kansas State University

For the Manhattan and Salina campuses of Kansas State University, the Governor’s recommendation for FY 2007 is \$107,025,187 for operations and \$189,446 for a lease payment from the State General Fund. Funding will permit the University to maintain service to its growing population of 23,182 students.

The University believes that its ranked faculty should teach undergraduate courses. It plans to continue to increase the percentage of undergraduate credit hours taught by full-time ranked faculty and to ensure the overall quality of instruction. 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.

Kansas State University—ESARP

For FY 2007, the Governor recommends \$50,356,962 for operations from the State General Fund. In FY 2005, the Legislature provided an additional \$300,000 from the Economic Development Initiatives Fund (EDIF) for operations because the Extension Systems and Agriculture Research Program (ESARP) does not have tuition revenue at its disposal. The Governor recommends that the funding source be changed from EDIF to State General Fund in FY 2007.

The Extension Systems and Agriculture Research Program conducts research and provides community services. It focuses on food, nutrition, agricultural industry competitiveness; health, and safety; and

youth, family, community development, and natural resources and environmental management. ESARP receives federal land grant funding. In FY 2007, it is expected that it will receive almost \$8.3 million from this source. ESARP has 1,390.59 FTE positions, including agents in the communities.

KSU—Veterinary Medical Center

The Governor recommends \$10,245,026 for the Center’s operations from the State General Fund for FY 2007. The Center provides veterinary medical education to over 400 students. The teaching hospital is one of the largest in the nation. Each year, 17,000 animals are treated in this state-of-the-art facility. The hospital is equipped to manage routine and complex health problems in animals of all species. The hospital has completed, with fees from services, a new oncology unit for the study of tumors and a new equine section. An Equine Performance Testing and Locomotion Center provides clinicians and horse owners with access to sophisticated diagnostic instruments for evaluation of many performance-related issues. These and other services encourage animal owners to use the Center, generating teaching cases for the veterinarian students.

Pittsburg State University

Pittsburg State University’s primary objective is to offer strong undergraduate and graduate education programs. It will fulfill its statewide mission in technology and economic development by facilitating partnerships with secondary and postsecondary educational institutions, businesses, and industries. The University’s College of Technology is the center of technological excellence in the state. The college gives particular attention to supporting economic development. The Governor’s budget recommends \$34,583,136 from the State General Fund for the University’s operations for FY 2007. The University’s current enrollment is 6,628 students, an increase of 91 students over the previous year.

University of Kansas

The Governor recommends \$140,046,474 for the University’s operations grant for FY 2007 from the

State General Fund. The state's largest research and education institution will provide graduate and undergraduate education to approximately 27,000 students in the current year. *U.S. News & World Report* ranked KU as one of the top 50 public universities in the nation. In addition, the freshman class included 72 National Merit Scholars. The University's tuition is still considered reasonable by many despite the five-year plan to increase tuition. The University targeted 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 included in the state budget. However, the Hospital still contracts and shares certain operating costs with the portion of the University of Kansas Medical Center that remains a state agency.

For FY 2007, the Governor recommends \$104,434,402 for operations and \$2,786,764 for the Medical Student Loan Program from the State General Fund. In addition, the Governor recommended \$5.0 million from the State General Fund for support of the new Cancer Center. The Center will deliver state-of-the-art cancer care to the citizens of the region. The goal is to attain the National Cancer Institute designation by 2010. This designation denotes the highest recognition for cancer research and care.

In general, 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 technological means, medical service to rural areas and training for medical residents in family practice are 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 Medical Student Loan Program is designed to provide an increased supply of general practice physicians to rural areas. For FY 2007, the Governor has included \$4,158,279, including \$2,786,764 from the State General Fund for the program. This will fund 108 students, including 30 first-year students. The Program provides tuition and a monthly stipend for students at the School of Medicine. Students must enter a primary care specialty and then practice in a non-urban county in Kansas. Failure to satisfy the service commitment requires repaying the loan together with a severe interest penalty.

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. Wichita and rural children will also benefit from telemedicine technology that can bring health services directly into the schools; therefore, the Governor recommends that \$250,000 in FY 2007 from the Children's Initiatives Fund.

In Wichita and rural areas, 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 2007, the Governor recommends \$70,882,725 from the State General Fund for operations. The urban University has an enrollment of more than 14,000 students in the current year. Unique to this institution are the demographics of its students. The average age of Wichita State's students is late 20s, and they usually have a number of hours of transfer credit from other institutions upon receipt of a bachelor's degree. In keeping with this institution's demographics, many

students take courses at the three sites that are in the city of 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 an effort to improve the quality of research proposals. Collaboration is encouraged with local industries, such as Boeing, and with the faculty of other universities to provide joint projects and proposals. One of the University's primary strengths is aviation engineering education and research. The Governor has included \$2.0 million from the State

General Fund in the FY 2007 recommendation for aviation research. A total of \$7.0 million will have been appropriated for this purpose since FY 2004.

The University will be participating in the Board of Regents research initiative to upgrade its aviation research facilities. In addition, debt service for aviation research equipment began in FY 2005. The University has the authority to bond \$13.0 million for this equipment. A \$7.0 million bond was issued in FY 2003 and a \$6.0 million bond was issued in FY 2005. The cost from the State General Fund for principal and interest on aviation research equipment is \$1,308,500 in FY 2006 and \$1,645,711 in FY 2007.

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 \$1,977,270 from all funding sources for FY 2007, with \$1,497,616 from the State General Fund. The budget will support the existing 8.00 FTE positions. Of the total of \$1,977,270, \$1,432,577 is for arts programming and \$544,693 is for administration. Funding is primarily from State General Fund appropriations and grants from the National Endowment for the Arts. The Commission expects to sponsor arts programs in 69 counties in FY 2007.

Historical Society

The State Historical Society collects, interprets, and disseminates materials and information related to Kansas history to assist the public in 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 2006 includes \$184,420 in supplemental funding from the State General Fund to allow the agency to replace skylights at the Kansas History Museum that have created a significant safety issue. For FY 2007, \$8,665,189 is recommended from all funding sources, with \$5,964,582 from the State General Fund.

The FY 2007 budget includes a pass-through grant of \$27,930 for the Heritage Center in Dodge City and an \$81,830 grant to the Kansas Humanities Council. In addition to the base grant funds, the Governor includes \$70,000 from the State General Fund for an enhancement project titled "Kansans Tell Their Stories," for total funding of \$151,830 for the Kansas Humanities Council. In FY 2007, the Humanities Council will use the state funds to match federal monies received through the National Endowment for the Humanities, as well as local funds across the state, for community-based programming.

State Library

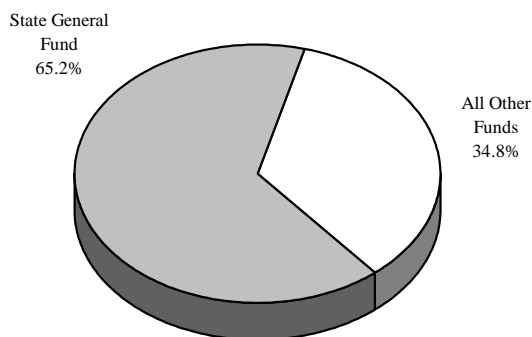
The State Library provides information services for state and local governments, for local libraries and their users, and for people who communicate with the library in the Statehouse or at its other service locations. The State Library distributes grants to libraries and serves in a coordinating and technical resource role to encourage cost-effective, community-based library services. The Governor recommends \$7,069,236 from all funding sources, including \$5,284,397 from the State General Fund, for FY 2007 for services provided by the State Library. The Governor's recommendation includes \$265,000 in new monies from the State General Fund for the purchase of access to the Tutor.com database. This will allow all students throughout the state to access real-time tutorial help from certified teachers via Internet access. The recommendation supports the Library's existing 27.00 FTE positions.

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, investigation of crimes, regulation of emergency services, enforcement of fire regulations, serving the public in emergencies, and enforcement of state laws.

The Governor recommends a budget of \$574.8 million from all funding sources, including \$369.0 million from the State General Fund, for this function in FY 2006. For FY 2007, \$579.4 million from all funding sources, including \$377.8 million from the State General Fund, is recommended. For FY 2007, 5,102.20 FTE positions and 478.93 non-FTE positions are recommended.

How It Is Financed

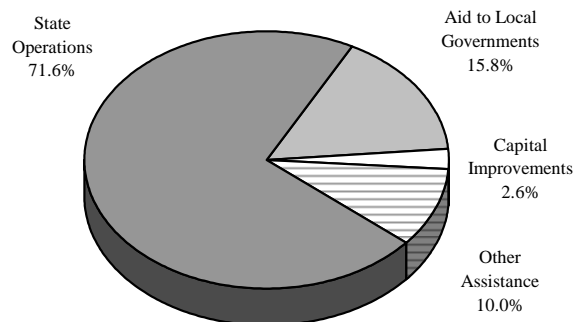


Fiscal Year 2007

The Governor's recommendation for operation of the adult correctional facilities is based on an average daily population (ADP) of 9,100 inmates in FY 2006 and 9,215 inmates in FY 2007. These ADP estimates are based on the official adult prison population projections from the Kansas Sentencing Commission that were released in September 2005. The Governor recommends expenditures of \$3.1 million from the

State General Fund in FY 2007 to consolidate the Corrections Officer IA, IB, and II position classes at pay grade 20 on the classified pay matrix. This recommendation will help eliminate a cycle of high turnover with these positions.

How It Is Spent



Fiscal Year 2007

The Governor recommends \$1.1 million from the State General Fund and 9.00 FTE positions in the Department of Corrections for a new sex offender GPS monitoring project to improve the safety of all Kansans by enabling early detection of violations of offender supervision. The project will place approximately 225 sex offenders under 24-hour electronic surveillance.

To assist with the needs of the Criminal Justice Information System, the Governor recommends additional expenditures of \$1.4 million in FY 2007. This project will aid law enforcement agencies in accessing the most up-to-date information that is needed to keep Kansans safe. These expenditures can be found in the Kansas Bureau of Investigation and the Department of Corrections.

The Governor recommends expenditures totaling \$490,000 from the State General Fund in FY 2007 to continue activation payments, military emergency relief, and life insurance reimbursement payments for Kansas National Army and Air Guard members. This recommendation will retain the benefit plan for Kansas National Army and Air Guard members that was started during FY 2005.

Adult Corrections

Department of Corrections

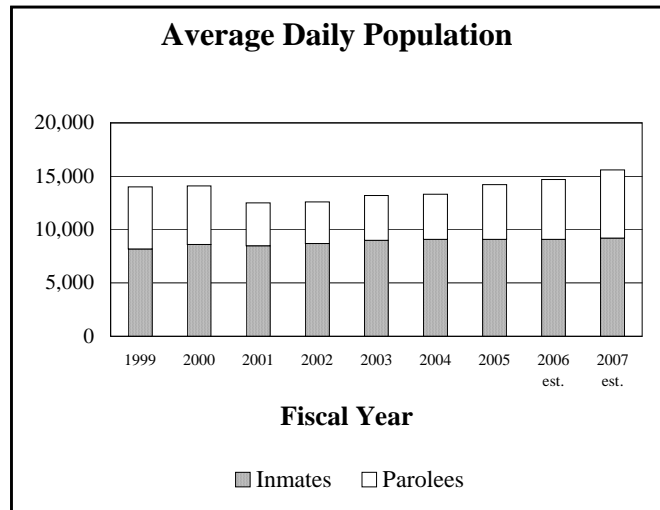
The Kansas Correctional System comprises eight prison facilities throughout the state as well as the oversight of community corrections agencies. The eight adult prison facilities are in the communities of Norton, Winfield, Ellsworth, Larned, El Dorado, Hutchinson, Topeka, and Lansing. There are also 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 serve multiple counties.

Adult Prison Population

Each year the Kansas Sentencing Commission releases its adult inmate prison population projections in September. The projected average daily population (ADP) for each facility is derived from this official projection. Many expenditures in the Department’s budget are based on ADPs, including medical and food service contracts that are included in the Central Office. At the end of FY 2006, the Commission estimates that 9,166 inmates will be in the custody of the Secretary. At the end of FY 2007, the Commission estimates a population of 9,216 inmates, an increase of 50 inmates from the FY 2006 projections.

The graph in the next column shows the history of the correctional system’s average daily population from FY 1999 through FY 2005 and the projected levels for FY 2006 and FY 2007. Inmate populations are projected to increase each year, and by the end of FY 2015, the Commission projects a population of 9,749 inmates. To put this level in perspective, the operating capacity of the eight existing facilities is 9,159 inmates in FY 2006.

To address the projected population increases, the 2004 Legislature authorized the formation of the “3-Rs” Committee, which is reviewing the restoration, rehabilitation, and recodification of the state’s current sentencing system. The recommendations from this committee will likely determine the long-term policy direction that the state will have for housing adult felony offenders.



Corrections Officer Compensation

For FY 2007, the Governor recommends a Corrections Officer enhancement package, which totals \$3,174,296 from the State General Fund. This recommendation will combine the Corrections Officer IA, IB, and II position classes into a single Corrections Officer class on pay grade 20 of the civil service pay matrix. The Governor makes this recommendation to address the cycle of high turnover with these positions and the difficulty in filling vacant positions, which leads to overtime and fatigue for existing employees.

KPERS Corrections Officer Employer Contribution Rate. For corrections officers, the employer contribution rate under current law will increase from 5.74 percent in FY 2006 to 7.72 percent for FY 2007. The reason for this sizeable increase is complex. One issue results from a change to the actuarial cost method for the retirement system from a “projected unit credit” method to an “entry age normal” method. Second, the Legislature separated KPERS state employees from local school employees in the making of actuarial calculations and rate determinations. In addition, the KPERS actuary made an adjustment of mortality and retirement assumptions to reflect actual experience.

As a result of this large increase, the Governor recommends supporting legislation that has been

introduced by the Joint Committee on Pensions and Investments to include the corrections officer group in the regular rate cap. For FY 2007, the 0.5 percent cap for corrections officers will cost \$281,378 from the State General Fund and has been included in each correctional facility budget.

Contract Prison Beds

The Governor recommends expenditure reductions in the amount of \$888,575 to decrease the amount of contract beds available to the Department of Corrections. The 2005 Legislature approved funding for 111 contract beds during FY 2006 at a cost of \$1.6 million. However, the revised inmate population projections from the Sentencing Commission have been lowered and the Department will not need to use all 111 beds. As a result, the Governor recommends the Department have access to only 50 contract beds during FY 2006. Of the total reduction of \$888,575 from the State General Fund, the Governor recommends transferring \$400,000 to various correctional facilities to aid in operating shortfalls and lapsing \$488,575. For FY 2007, the Governor recommends the Department have access to 50 beds as well. The cost of these beds will increase to \$45.84 per day per bed, for a total cost of \$836,580, all from the State General Fund.

Sex Offender GPS Monitoring Project

The Governor recommends \$1,131,228 from the State General Fund in FY 2007 and 9.00 FTE positions for a new sex offender GPS monitoring project. This project will place approximately 225 sex offenders, who are supervised by the Department of Corrections and whose victims are children, under 24-hour electronic surveillance. It will improve the safety of all Kansans by providing greater structure to help sex offenders comply with conditions of supervision and will enable earlier detection of violations and return to prison when necessary, if violations do occur. The program can also serve as an effective prosecutorial tool for sex offenders unwilling to live safely in Kansas communities. While this is not a fail-safe system that will provide absolute assurance of compliance, it does add a comprehensive and effective tool to the arsenal used by corrections, law enforcement, and prosecutors in this state.

Sex Offender Database

The Governor recommends adding \$73,254 from the State General Fund to finance 2.00 new FTE sex offender database administrators in FY 2007. This budget recommendation is made to update the state's sex offender database at the KBI with the most recent information from the Department of Corrections' offender supervision database. The Governor also recommends adding the same amount of funding and FTE positions in the KBI's budget for this same project.

CJIS Enhancements

The Governor recommends adding \$472,500 from the State General Fund in FY 2007 for Kansas Criminal Justice Information System (CJIS) enhancements. This recommendation will replace the Total Offender Activity Documentation System (TOADS), which supports the supervision activities of offenders on parole and post-release supervision. TOADS is falling behind in its ability to support ever-higher levels of demand, as required by its users from increased workloads. Also, the present system does not have the ability to operate when it is not connected to the network. The additional funding will build a new system that will improve functionality, as well as reduce out-year costs for maintenance and software licensing. The budget recommendation also includes 1.00 FTE database administrator for the project.

FY 2007

For FY 2007 expenditures by the Department of Corrections, the Governor recommends \$127.0 million from all funding sources, including \$106.3 million from the State General Fund. This amount includes \$9.2 million for Kansas Correctional Industries and \$117.8 million for the Department itself. 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 adult correctional facilities and community-based programs. The Governor's recommended budget provides funding for administrative costs, community-based programs, offender programs, Kansas Correctional Industries, debt service, and capital improvements.

Central Office Programs

	FY 2007
Expenditures:	
Central Administration	8,153,101
Inmate Medical/Mental Health Care	42,808,064
Food Service	13,595,076
Offender Programs	7,171,513
Community Supervision:	
Community Corrections	15,548,912
Parole & Post Release Supervision	10,238,703
Day Reporting Centers & Reentry	3,458,261
Correctional Conservation Camps	3,210,751
Special Programs	4,945,028
Debt Service & Capital Improvements	8,626,170
Total	\$117,755,579
Funding:	
State General Fund	106,311,815
Corr. Institutions Building Fund	4,935,867
Inmate Benefit Fund	3,402,319
Federal Funds	921,429
Other Funds	2,184,149
Total	\$117,755,579

Medical & Mental Health Care. The Governor recommends expenditures of \$42.8 million to fund adult offender health care services in FY 2007. This contract covers all medical and mental health expenses for inmates housed in the state's correctional facilities. The contract was awarded to Correct Care Solutions, Inc. on July 1, 2005.

Food Service. The Governor recommends FY 2007 expenditures of \$13.6 million to fund the food service contract with Aramark Corporation. This contract is funded from the State General Fund. All food service contract expenditures for the eight facilities are funded through the Central Office to minimize administrative costs. The FY 2007 level of expenditure is the same as FY 2006, adjusted for the slightly higher average daily population.

Offender Programs. For FY 2007, the Governor recommends \$7.2 million for offender programs. 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.

Community Supervision. This program includes four subprograms: Community Corrections, Parole and Post Release Supervision, Day Reporting Centers and Reentry Programs, and the Correctional Conservation Camps. 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 6,591 offenders that are in community corrections is expected to be served by community corrections agencies in FY 2007. For parole and post release supervision in FY 2007, the Governor recommends expenditures of \$10.2 million from all funding sources, including \$748,949 from the State General Fund.

For FY 2007, the Governor recommends \$3.5 million from the State General Fund for operation of the day reporting centers (DRCs) and the state's reentry programs. Of this amount, expenditures for the DRCs are as follows: \$1,396,125 for the Wichita DRC, \$655,246 for the Topeka DRC, and \$100,000 for the Kansas City DRC. Recommendations for the reentry programs are as follows: \$550,000 for Sedgwick County, \$437,954 for Shawnee County, and \$312,842 for Wyandotte County.

The reentry programs work with community service providers, volunteers, neighborhood representatives, victim services, and family members to prepare high-risk offenders for a successful return to communities. The program also provides housing and credit counseling and pre-release substance abuse assessment for offenders soon to be released. By offering this support to offenders, the program has shown a reduction in recidivism for these offenders.

For FY 2007, the Governor recommends expenditures of \$3.2 million to fund the operations of the Labette Conservation Camp and the Female Conservation Camp in Oswego. This level of funding is the same as FY 2006.

Special Programs. The Governor includes \$4.9 million in her budget for special programs. The Sex Offender Monitoring Project and Sex Offender Database expenditures, totaling \$1.2 million, were discussed on the previous page. The remaining \$3.7 million includes various federal grant expenditures, including Byrne Grant expenditures, to finance crime victim services.

Correctional Facilities

The table on this page summarizes the recommended level of expenditures for the eight correctional facilities, along with the estimated average daily populations for FY 2007. The recommended amounts drop in FY 2007 because there are capital improvement expenditures in FY 2006 that are budgeted in the Department in FY 2007.

Winfield Correctional Facility Operations Shortfall.

The Governor recommends \$453,379 from the State General Fund in FY 2007 to cover a shortfall that will occur in operations. For the past two years, the facility has been able to keep more positions filled than historical experience has allowed. As a result, the agency has had to shift expenditures from other parts of the budget to cover salary and wage expenditures. This recommendation, which will now provide adequate funds for salaries and wages, will allow the agency to resume expenditures of contractual services and capital outlay at their normal level.

Kansas Correctional Industries

The Governor recommends expenditures of \$9.2 million from the Correctional Industries Fund for

Adult Correctional Facilities			
	FY 2006	FY 2007	
	Gov. Est.	Gov. Rec.	ADP
Correctional Facility:			
Ellsworth	11,341,154	11,311,418	825
El Dorado	22,235,934	22,174,192	1,365
Hutchinson	26,605,075	26,414,485	1,830
Lansing	34,782,667	34,265,358	2,470
Larned Mntl. Hlth.	8,743,434	8,734,129	350
Norton	13,719,618	13,256,115	805
Topeka	12,556,772	12,323,938	680
Winfield	11,818,731	11,464,749	790
Total	\$ 141,803,385	\$ 139,944,384	9,115
Funding:			
State General Fund	137,885,642	137,711,690	
Federal Funds	828,121	734,229	
CIBF *	1,825,449	--	
Other Funds	1,264,173	1,498,465	
Total	\$ 141,803,385	\$ 139,944,384	

* Funds for FY 2007 are budgeted in the central office.

Kansas Correctional Industries. KCI is entirely self-supporting from the manufacture and sale of a variety of products and services. These are sold to state agencies and local governments. The Governor recommends transferring \$869,000 in FY 2007 from the Correctional Industries Fund to the Department of Corrections General Fees Fund. This transfer will aid the Department in financing offender programs.

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 42.00 FTE positions and \$67.8 million, including \$30.5 million from the State General Fund, for FY 2006. This includes \$690,989 in supplemental funding from the State General Fund for a rate increase for Level V Group Homes. The recommendation also includes a transfer of \$12.0 million in federal Title XIX funds from SRS. The Governor recommends \$67.0 million, including \$30.4 million from the State General Fund, for FY 2007. These recommendations will allow the agency to provide immediate intervention and community-based graduated sanctions programs. The Governor recommends \$34.1 million, with \$33.0 million from the State General Fund, for operation of the four juvenile correctional facilities in FY 2007. The four juvenile correctional facilities have experienced a decrease in population. The total daily population at the four facilities has dropped from 487 at the end of FY 2005 to 390 as of December 2005, allowing savings of \$269,757 in FY 2006 and \$906,309 in FY 2007 for a total savings of \$1,176,066.

A goal of the Juvenile Justice Reform Act is to reserve juvenile correctional facility placement for the most violent and chronic offenders. Those not committed to a facility are rehabilitated through a network of community-based programs. Included in this network are graduated sanctions and delinquency prevention programs. Graduated sanctions programs include intake and assessment, community corrections, and community case management, which are targeted at adjudicated offenders. Delinquency prevention programs are aimed at juveniles not yet adjudicated but who exhibit at-risk behavior. During FY 2007

\$58.4 million will be distributed to community providers. Of this total, \$12.5 million will be provided for graduated sanctions programs, and \$6.5 million will be provided for delinquency prevention programs.

The table below summarizes the programs managed by the central office for FY 2007. Also included are the sources of funding for these programs. A key component of the state-local partnership in the delivery of juvenile justice programs is the purchase of services budget. The Juvenile Justice Authority has entered into numerous agreements with foster care, treatment center, group home, and vocational and educational service providers. Community case management agencies refer offenders to these providers if it is determined that such services are critical to an offender's rehabilitation. The Governor recommends \$33.6 million for purchase of services funding, including a \$12.0 million transfer of Title XIX funding from SRS.

Central Office Programs	
	<u>FY 2007</u>
Expenditures:	
Administration	2,771,411
Management Information Systems	1,124,148
Case Management	5,843,826
Graduated Sanctions	12,465,493
Prevention	6,544,365
Purchase of Services Payments	33,553,464
Debt Service & Capital Improvements	4,735,563
Total	\$ 67,038,270
Funding:	
State General Fund	30,442,208
Children's Initiatives Fund	9,000,000
State Institutions Building Fund	4,735,563
Federal Funds	18,072,495
Other Funds	4,788,004
Total	\$ 67,038,270

Juvenile Correctional Facilities

The Authority oversees the juvenile correctional facilities at Atchison, Beloit, Larned, and Topeka. The

facilities house juvenile offenders ages ten 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 and renovation. This expansion included the construction of a 152-bed replacement facility at Larned, the conversion of a living unit at Beloit in order to house maximum-security offenders, and the construction of a 210-bed maximum-security and reception and diagnostic complex in Topeka. The Beloit project was completed in May 2002 and the new Larned facility opened in July 2003. The Kansas Juvenile Correctional Complex opened in September 2004. Estimates for the juvenile correctional facilities are listed in the following table, along with the funding sources included in the budgets.

Juvenile Correctional Facilities		
	FY 2006 Gov. Est.	FY 2007 Gov. Rec.
Juvenile Corr. Facility:		
Atchison Juv. Corr. Fac.	6,406,007	5,926,560
Beloit Juv. Corr. Fac.	4,861,734	4,562,612
Larned Juv. Corr. Fac.	8,480,742	8,217,425
Kansas Juv. Corr. Comp	15,624,881	15,378,950
Total	\$ 35,373,364	\$ 34,085,547
Funding:		
State General Fund	33,697,484	33,049,625
Federal Funds	1,346,621	978,652
State Inst. Bldg. Fund*	312,069	--
Other Funds	17,190	57,270
Total	\$ 35,373,364	\$ 34,085,547

**Funds for FY 2007 are budgeted in the central office.*

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. The Governor recommends \$61,343,455 from all funding sources, including \$10,149,138 from the State General Fund, in FY 2006. This is a decrease of approximately \$14.2 million from the agency's approved budget. This decrease results from revised estimates for disaster relief and federally-funded non-FTE positions. Included in the Governor's recommendation is \$15,424 from federal funds to replace a wrecked vehicle.

The Governor's recommendation includes \$70,610 from federal funds to establish 2.00 new Resource Advisor positions. One Resource Advisor position will be at Forbes in Topeka and one Resources Advisor position will be at McConnell in Wichita. These positions will provide accounting services for funds received by the Civil Engineering Section of the two respective bases.

For FY 2007, the Governor's recommended budget totals \$66,090,004 from all funding sources, including \$9,929,670 from the State General Fund. Included in the recommendation are salaries and wages for 217.00 FTE positions and 269.20 non-FTE unclassified permanent positions. The recommendation includes \$27,000 from all funding sources, including \$6,570 from the State General Fund, to purchase fuel and enter into a maintenance contract to perform maintenance checks on the back-up power plant at McConnell. The Governor's recommendation also includes \$97,510 from federal funds for 2.00 Resource Advisor positions. These positions are part of the Governor's recommendation for FY 2006. In addition, the Governor recommends \$25.8 million from all

funding sources, including \$3.0 million for weather-related disaster relief to many counties across Kansas. Additional federal disaster relief funds are anticipated during FY 2007. As these funds become available, and as disaster cost estimates are updated, additional state funding for match requirements may be needed.

Military Bill of Rights. In support of the members and their families of the Kansas National Guard and Reserve, the Governor signed the *Kansas Military Bill of Rights* in January 2005. The Bill of Rights included activation payments, tuition assistance, emergency relief, pay differential, hunting and fishing license, and other items.

For FY 2007, the Governor recommends \$50,000 from the State General Fund to continue activation payments of \$1,000. This payment is given to state employees who are Kansas National Guard or other military reserve members and who are called to active military duty on or after September 11, 2001.

The Governor recommends \$50,000 in FY 2007 from the State General Fund to continue financing the military emergency relief program. This program provides grants and interest-free loans to members and families of the Kansas Army and Air National Guard and Reserve who experience financial emergencies.

Life Insurance Reimbursement. For FY 2007, the Governor recommends \$390,000 from the State General Fund for the life insurance reimbursement program. This program provides reimbursement of life insurance premiums for Kansas Army and Air National Guard members while on active duty in a combat zone. The \$390,000 estimate is calculated by multiplying the current 2,000 reserve members deployed by the total amount of one year's life insurance premium payments of \$195.

Maintenance & Repair. For both FY 2006 and 2007, the Governor recommends \$400,000 from all funding sources, including \$100,000 from the State General Fund, for maintenance and repair projects. The funding for these projects will be distributed to Kansas Army and Air National Guard bases that will receive additional personnel and equipment as a result of realignment. The Adjutant General will determine

which bases need the greatest assistance for maintenance and repair projects.

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 enforces a set of minimum standards to accomplish this purpose. In addition, it is the Board's responsibility to provide training and technical assistance to ensure that these minimum standards are met or exceeded and to investigate and take action when they are not. KSA 65-6152 exempts the EMS Board from paying a portion of its revenues to the State General Fund, as other agencies do, for the benefit it receives from central statewide administrative services.

The 2002 Legislature directed that a 0.25 percent levy on fire insurance premiums, which is authorized by current law, be remitted to the Emergency Medical Services Board, instead of the State Fire Marshal, to finance the operation of EMS. For FY 2007, the Governor recommends \$1,507,139, all from the Emergency Medical Services Operating Fund. The Governor recommends the addition of \$200,000 from this fund to finance the statewide collection of information on pre-hospital care. The funding will provide important information that will improve access to pre-hospitalization emergency care and help the state obtain additional federal funding.

State Fire Marshal

The Kansas Fire Marshal's mission is to protect the lives and property of citizens from hazards of fire and explosion. The Governor recommends \$4,392,194 with \$3,489,873 from the agency's fee fund, in FY 2007. The agency has 51.00 FTE positions and 3.00 non-FTE unclassified permanent positions. The Fire Marshal expects 495 requests for fire investigation from communities for FY 2007. The Governor's recommendation includes \$385,629 to continue the HAZMAT Program, which provides local fire departments with training in how to handle various hazardous materials. The agency is also responsible for coordinating 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.

For FY 2006, the Governor recommends \$105,468,844 from all funding sources, including \$34,641,983 from the State General Fund. This is an increase of approximately \$5.9 million over the approved amount. The majority of the increase represents additional federal monies for aid to local governments, which is primarily from grants from the U.S. Department of Homeland Security. The source of the \$34.6 million State General Fund expenditures is a transfer from the State Highway Fund to the State General Fund.

The Governor recommends the establishment of an aircraft fund, which will be used for regular operating expenses, maintenance, repair, as well as for new aircraft purchases. The recommendation includes transferring \$500,000 from the agency's Motor Vehicle Fund in FY 2006. The transferred amount will be used to finance aircraft expenditures not covered by current revenues from other state agencies for the use of the Patrol's aircraft.

In FY 2007, the Governor recommends \$103,714,717 from all funding sources, including \$34,558,672 from the State General Fund. This is an increase of \$898,365 above the agency's base budget. The recommendation includes \$311,808 for increased fuel expenditures. Also included in the Governor's recommendation is \$6.3 million for the replacement of approximately 265 trooper vehicles.

Motor Carrier Civil Assessment Program. The Kansas Corporation Commission (KCC) statutorily has the power to regulate motor carrier laws. The Patrol assists the KCC in enforcing those laws. Currently, the Patrol charges fines to drivers that violate commercial motor vehicle laws. Starting in January 2006, the Patrol will begin to assess fines not only to the driver, but also to the driver's company.

Revenues generated from the fines will be collected by the KCC and a portion will be transferred to the Patrol to cover its increased expenditures. The Governor recommends \$483,846 from all funding sources for increased motor carrier compliance. This budget will finance 3.00 new FTE positions, operating costs, and technology equipment.

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 also collects and disseminates criminal information for the purpose of promoting public safety and the prevention of crime. The agency will continue 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 state and local law enforcement agencies.

For FY 2007, the Governor recommends \$25,347,233 from all funding sources, including \$15,903,754 from the State General Fund. The recommendation includes \$150,000 from the State General Fund for DNA materials to replace a reduction in federal funding. The Governor also recommends \$145,953 for 3.00 new FTE positions. The recommendation includes 1.00 biology position, 1.00 toxicology position, and 1.00 latent fingerprint position. These positions will assist in reducing a backlog of work.

Offender Registration. The Governor recommends adding \$73,254 from the State General Fund to finance 2.00 FTE sex offender database administrators in FY 2007. This recommendation is made to update the sex offender database at the KBI with the most up-to-date information from the Department of Corrections' offender supervision database. The Governor also recommends adding the same amount of funding and positions in the Department of Corrections for this project.

Criminal Justice Information System (CJIS). The KBI maintains and supports the state's core CJIS hardware, software, and data interfaces. CJIS provides Kansas criminal justice agencies with immediate criminal justice-related information. The database

includes information on the FBI's National Crime Information Center wanted persons, suspected terrorists, stolen property, registered sex offenders, driver's license and vehicle registration files, the Interstate Identification Index, and other states' criminal history records. The Governor recommends \$943,090 from the State General Fund for CJIS enhancements. The recommendation includes \$62,090 for 1.00 FTE position for technology support. The remaining \$881,000 is for replacement equipment, interface software, maintenance, and a back-up site.

Automated Fingerprint Identification. In February 2005, the Kansas Bureau of Investigation was authorized \$752,000 of Homeland Security funds to finance the first debt service payment for the purchase of a new automated fingerprint identification system. This system is used to assist law enforcement agencies with criminal investigations and is estimated to cost \$4.5 million. These funds were originally anticipated to be used in FY 2006. However, the KBI has not yet purchased the system. Therefore, the funds will not be used until FY 2007. The budget recommendation also includes \$752,070 from the State General Fund in FY 2007 for the second debt service payment. Because the total cost of the system and the debt service payment schedule will not be known until the bonds are issued, the State General Fund recommendation has not been reduced. If the state funds are not needed in FY 2007, then the remaining funds will be lapsed at the end of the year.

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. There are three members who serve on the Board. The Department of Corrections provides the Board with administrative support. The Governor recommends expenditures of \$453,659 from the State General Fund in FY 2007 to continue the Board's operations at the current level.

Kansas Sentencing Commission

The mission of the Kansas Sentencing Commission is to develop monitoring and reporting procedures to

determine the effect of sentencing guidelines on the Kansas adult correctional system. The agency also performs the annual Juvenile Justice Authority population projections. In addition, the agency is responsible for the implementation and management of 2003 SB 123, the sentencing alternative to incarceration for offenders convicted of drug possession. All offenders who are sentenced under this law are placed under the supervision of community corrections. The Sentencing Commission manages all payments to treatment providers.

For FY 2006, the Governor recommends expenditures totaling \$9,355,361 from all funding sources, including \$9,042,093 from the State General Fund. For FY 2007, the Governor recommends expenditures of \$9,791,934 from all funding sources, including \$9,452,189 from the State General Fund.

SB 123 Drug Treatment. Included in the Governor's recommendation for the Sentencing Commission is a supplemental State General Fund appropriation in the amount of \$1,671,113 for FY 2006. After analysis of expenditure trends, there are approximately 1,850 offenders who will be treated during FY 2006 at an average cost of \$4,634 per offender. As a result, total

expenditures for the program are now estimated at \$8,693,760 from all funding sources, including \$8,466,291 from the State General Fund.

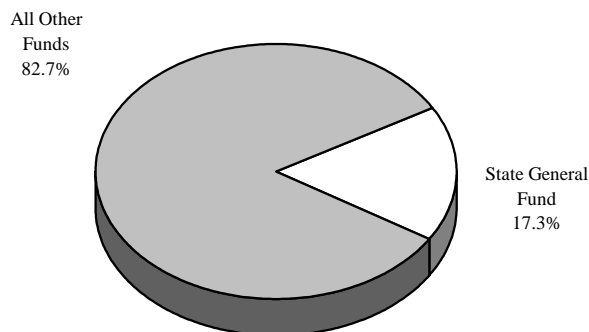
For FY 2007, the Governor recommends total drug treatment expenditures of \$9,097,359 from all funding sources, including \$8,850,000 from the State General Fund. The Governor recommends that the Kansas Sentencing Commission closely watch expenditure trends for this program over the next year to see whether this level of funding is adequate to treat all eligible offenders for FY 2007. The Governor also recommends that the Sentencing Commission work closely with the Department of Social and Rehabilitation Services to negotiate contract prices for drug treatment services so that the state pays similar prices for similar services.

New Office Assistant. The Governor recommends funding an additional 1.00 FTE Office Assistant position for the Sentencing Commission in FY 2007 at a cost of \$33,476 from the State General Fund. Although inmate workers have filled the duties of this position in the past, these workers can no longer open mail that contains information on sentencing or probation revocation journal entries.

Agriculture & Natural Resources Summary

Seven state agencies manage the agriculture and natural resources functions: 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. They promote, protect, improve, and restore natural resources in Kansas. These functions include 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 management by the Conservation Commission; the development of policy, providing of technical assistance, and study of water resources 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 Financed

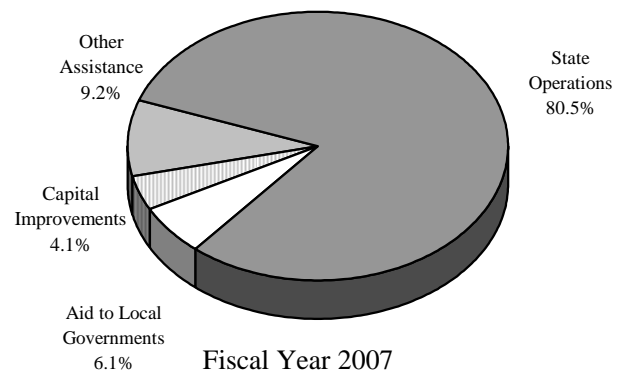


Fiscal Year 2007

The Governor recommends \$171.5 million from all funding sources, including \$29.7 million from the State General Fund and \$18.8 million from the State Water Plan Fund, for FY 2007. There are 1,412.50 positions in this function: 1,283.50 FTE positions and 129.00 non-FTE unclassified permanent positions.

The Governor recommends \$19,960 from the EDIF for the Largest Classroom Program at the State Fair to increase teacher and student attendance. Also, the Governor recommends \$50,000 from the EDIF to promote Fair attendance by enhanced ticket marketing sales for special events.

How It Is Spent



Fiscal Year 2007

Included in the FY 2007 budget is \$18,795,766 in State Water Plan Fund expenditures, which finances the annual Kansas Water Plan to promote the management, conservation, and development of the state's water resources. The Governor's budget includes a \$2.2 million shift of operating expenditures from water funds to the State General Fund, freeing-up water plan funding to expand existing programs and implement initiatives to improve water quantity and quality. The Governor recommends State Water Plan expenditures of \$5.9 million related to the *Kansas v. Colorado* damage award from the lawsuit filed in 1984.

The Department of Agriculture will create a river water model to ensure measurable water usage compliance under the Republican River Compact. The Governor recommends \$1,023,817 from water funds as an enhancement for river monitoring for FY 2007. The Department of Wildlife and Parks continues to experience reductions in fee funding for the state parks to meet operating expenses. Therefore, the budget recommends again temporary use of the Department Access Roads Fund for agency operations.

Agriculture & Natural Resources Agencies

Department of Agriculture

The mission of the Department of Agriculture is to protect food safety for human consumption, and natural resource protection for the citizens of Kansas. The Department is also a national leader in the research and prevention of agricultural threats, such as Karnal Bunt disease. The agency monitors agriculture product inspection and analysis, weights and measures regulations, and development of water resources through various agency programs. In addition, the Department coordinates with other natural resource agencies to ensure efficient resources for all citizens. The budget recommended by the Governor for the Department of Agriculture for FY 2007 includes \$25,201,492 from all funding sources: \$11,047,255 from the State General Fund, \$5,084,651 from federal funds, \$7,296,149 from fee funds, and \$1,773,437 from the Water Plan Fund.

Damage Award. To protect Kansas' interest on the Arkansas River and the Republican River, the budget includes \$1,023,817 from the State Water Plan Fund to finance the creation of a Hydrologic-Institutional water model and to pay for monitoring activities, such as estimating the amount of water that crops need and field irrigation water usage. Creating a model as a tool will allow engineers to collect and update data reports for water usage in order to monitor compliance. This model will require 3.00 FTE positions along with other operational expenditures. Of that amount \$838,767 are one-time expenditures that the Governor recommends for this water model.

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 harbor companion animals. The agency is also responsible for registering and inspecting livestock brands designed to identify lost or stolen livestock. The effectiveness and responsiveness of the agency's activities have prevented the spread of

tuberculosis in the state. As a result, the state was designated a "tuberculosis free" state in 2002. The Governor's recommendation will allow the agency to maintain that status.

For FY 2007, the Governor recommends \$2,687,388 from all funding sources, including \$685,074 from the State General Fund, \$1,687,180 from fee funds, and \$315,134 from federal funds. In addition, the Animal Disease Program includes federal monies to assist the Department in detecting and responding to a foreign animal disease if one occurs within the state.

State Conservation Commission

The State Conservation Commission (SCC) protects and conserves Kansas' natural resources through the efficient implementation of state programs. A nine-member commission governs the agency, which establishes policy and delegates responsibility for the implementation of programs. For FY 2007, the Governor recommends \$17,166,603, including \$874,302 from the State General Fund and \$15,451,124 from the State Water Plan Fund.

The Governor recommends enhanced funding of \$189,000 from the State General Fund to replace some operational costs that have been previously financed by the State Water Plan Fund. That will have the effect of freeing up water plan funds for programs, which it will be using for both new programs and existing programs. The new programs include Quick Response Incentive Grants, Lake Restoration, and Water Rights Purchase. Funding for the Horsethief Reservoir Project, through the Multipurpose Small Lakes programs, has been increased to \$1.1 million. The Governor's recommendations for FY 2007 maintain existing State Water Plan funding levels for the Water Resources Cost Share, Nonpoint Source Pollution Assistance, Watershed Dam Construction, Water Quality Buffer Initiative, and Riparian and Wetlands Programs. The enhanced funding for these programs is described below.

Quick Response Area Incentive Grants. The Chief Engineer of the Division of Water Resources in the

Department of Agriculture and the four western groundwater management districts have identified five priority areas of the High Plains aquifer, which are referred to as quick response areas. Eligible landowners in these priority areas could apply to the agency for incentive grants to transition to dryland farming, or establish other practices that reduce the consumption of water. The Governor recommends State Water Plan funding of \$450,000 for FY 2007.

Conservation Easements. In addition, the Governor recommends enhanced funding of \$311,500 for conservation easements from the Economic Development Initiatives Fund for FY 2007. A conservation easement is an interest in a parcel of land, whereby a landowner voluntarily limits future development of that parcel of land. This is a cooperative program whereby state, local, non-governmental, and federal groups recruit landowners to participate in the USDA Farm and Ranchlands Protection Program to conserve Kansas' natural resources. The federal funding provides up to 50.0 percent of the fair market value of the easement to the cooperating organization, which acquires and manages the easement. The remainder consists of 25.0 percent to be paid by the landowner and the final 25.0 percent, or \$311,500, to be the state match from the EDIF. The agency estimates that there are 4,820 acres that would be eligible for the program.

Lake Restoration. The agency will develop and implement a lake restoration demonstration project with \$400,000 from the State Water Plan Fund that is recommended by the Governor for FY 2007. Restoration activities will include the development and execution of a plan to dredge sediment from a municipal water supply lake.

Conservation Reserve Enhancement Program (CREP.) The Governor recommends State Water Plan funding of \$4.0 million as the non-federal matching funds needed to establish the Upper Arkansas River CREP in FY 2007. This is a voluntary program for agricultural landowners. State and federal partnerships allow landowners to receive incentive payments for setting aside land for soil and water conservation. Farmers will receive annual rental payments and cost-share assistance to establish long-term conservation practices on eligible land. Up to 100,000 acres could be enrolled in the program, which has a match of 20.0 percent state funds and 80.0

percent federal. The program will be similar to the \$170.0 million CREP developed by the State of Nebraska to address water quantity concerns and will be targeted for areas adjacent to the Arkansas River between the Colorado state line and Great Bend.

Reduction of Irrigation Water Use. The State Conservation Commission will establish an irrigation water right retirement program for over appropriated areas with sustainable irrigation potential. The Governor recommends State Water Plan funding of \$786,268 for FY 2007, which will target areas in three western Groundwater Management Districts and the Ogallala fringe outside those three districts.

Horsethief Reservoir. The Governor recommends State Water Plan funding of \$1.1 million in FY 2007 as part of the agency's Multipurpose Small Lakes Program. The reservoir project, which will be located in Hodgeman County, will provide 452 acres of permanent water for recreation and have a floodwater storage capacity of 12,868 acre feet. In addition to the state funding, financing for the project is proposed from the Pawnee Watershed Joint District No. 81, local bonding sources, and other state and federal sources. The voters of five affected counties in southwest Kansas passed a revenue bond proposal that provides approximately \$9.0 million of the funding needed to construct the reservoir. The estimated total cost of the project is \$15.9 million, including state funding of \$4.5 million. Total state funding to date, including the Governor's recommendation for FY 2007, is \$2.1 million.

Aid to Conservation Districts. The Governor recommends enhanced funding of \$4,000 for the Aid to Conservation Districts Program for FY 2007. Because four counties have increased their level of funding for conservation district projects, the state is required to match those amounts, with a limit of \$10,000 per district. Elk, Gove, Norton, and Pawnee Counties will each be eligible for an additional \$1,000 per year, beginning in FY 2007.

Health & Environment—Environment

The Division of Environment of the Department of Health and Environment is organized into five distinct programs, with the goal of improving and protecting the health and environment of Kansans. The FY 2007

recommendation from all funding sources is \$60.9 million, of which \$9.7 million is from the State General Fund and \$3.8 million is from the State Water Plan Fund. The budget recommendation includes a State General Fund reduction of \$135,922 in the Bureau of Environmental Remediation targeted at educating retailers about procedures to reduce the purchase of items used in making methamphetamine. Recent Kansas legislation diminishes the need for the education component of the Meth Lab Clean-Up Program; however, the Governor recommends the continuation of funding for the clean-up and remediation components of the program.

The Governor's recommendation also includes enhanced State General Fund financing of \$526,693 to replace some operating expenditures that were previously financed by the State Water Plan Fund. This substitution allows more water monies to be available for programs among the agencies that make use of these funds. The third and final year of the Use Attainability Analyses will be financed by \$369,931 from the State General Fund in FY 2007 as part of the enhancement recommended by the Governor. The remaining \$156,762 will fund operating expenditures in agency programs currently funded by the State Water Plan.

Clean Air Act Activities. The Governor recommends expenditures of \$3.3 million from the Air Quality Fee Fund, \$1.4 million in federal funds, and \$794,000 in State General fund matching funds to maintain compliance with mandates of the federal Clean Air Act. These monies finance regulatory, air quality monitoring, and educational activities of the Department of Health and Environment. In addition to monitoring air quality, the Department makes information available to the public regarding air quality pollutants in Kansas.

Clean Water Activities. The Governor recommends total expenditures of \$12.8 million for activities to implement the federal Clean Water and Safe Drinking Water Acts. The Division of Environment utilizes \$8.5 million in federal funds, \$3.9 million in State Water Plan funds, and \$928,368 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 Division also issues permits and performs sampling and enforcement activities related

to contamination of water supplies from animal feedlots.

Stream Segment III. The Governor recommends State General Fund expenditures of \$369,931 in FY 2007 for the third and final year of the stream classification study based on the statutory requirements of SB 204 passed during the 2001 Legislative Session. The agency will be able to complete the classification of all stream segments for which use attainability analyses have not been conducted. For FY 2007, the agency estimates that there will be 365 stream segments that need to be classified by the December 31, 2007 deadline.

Watershed Restoration & Protection Plans (WRAPS.) State Water Plan expenditures of \$800,000 for the WRAPS Program is recommended by the Governor for FY 2007. This program addresses a variety of water quality and water resource concerns, including achievement of Total Maximum Daily Loads (TMDL), protection of public water supply reservoirs, and protection or restoration of wetland habitats.

Kansas State Fair

The State Fair is held in the City of Hutchinson over a ten-day period at the beginning of September each year. The 2005 Fair attracted 362,815 people. Non-fair events at the fairgrounds attract approximately 160,000 people and include the Family Motor Coach Association, facility rentals, stall fees, and dormitory rentals. These events generate revenue and increase utilization of the grounds and facilities. In FY 2007, the Governor recommends \$6,391,635, which includes \$1,547,251 from the State General Fund. Continuation of the revenue transfer of \$300,000 from the State General Fund to the State Fair Capital Improvements Fund is included in the Governor's budget, which was resumed in FY 2006 after being suspended when the balances in the State General Fund were insufficient to make the transfer.

The "Kansas' Largest Classroom" Program was created using monies from the EDIF in FY 1991. This program emphasizes the educational opportunities available at the Kansas State Fair. The Governor recommends \$19,960 for this program in FY 2007 from the EDIF. Also, for FY 2007, the Governor

recommends \$50,000 for enhanced ticket marketing, which is also financed from the EDIF. The additional marketing expenditures will promote a multi-cultural day at the Fair and promote additional radio and television advertising.

Kansas Water Office

The Kansas Water Office evaluates and develops water policy by coordinating the water resource operations of state agencies, local governments, and the federal government. The agency also provides staffing and assistance to the Kansas Water Authority. The Kansas Water Authority develops water resource policy and monitors the progress of the numerous water resource programs. The Water Authority also makes recommendations to the Governor and the Legislature annually regarding State Water Plan Fund expenditures.

The FY 2007 Governor's recommendation is \$10,878,853 from all funding sources, including \$2,196,044 from the State General Fund and \$2,308,643 from the State Water Plan Fund. The State Water Plan Fund recommendations include a \$44,310 increase for Water Resource Education and funding of \$60,000 for a new program, Weather Stations, which will support crop water management by irrigation-scheduling weather stations, a mobile irrigation lab, and field demonstration projects.

The Governor recommends enhanced funding of \$779,764 from the State General Fund to replace State Water Plan funding for three programs that have traditionally been financed by the State Water Plan Fund. The following agency programs will be financed from the State General Fund in FY 2007: Stream Gaging, Water Planning Process, and Kansas Water Authority. The freed up State Water Plan money will be used to fund new programs or increase funding for existing programs. For the Water Office, a new program, Weather Stations, will be implemented, and two existing programs, Assessment and Evaluation and Water Resource Education, will receive additional funding. The recommendation also includes Water Conservation Project Fund expenditures of \$733,058 in FY 2006 and \$3.5 million in FY 2007. The FY 2006 and FY 2007 project expenditures are from the *Kansas v. Colorado* damage award.

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, and the result will be a deeper understanding of the inherent value of these 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 to maintain the well-being of fish, wildlife, and outdoor recreational activities is based on applied research and is a basic function of the Department. The Department's focus on conserving natural resources and providing recreational opportunities is reflected in its major programs, including the Parks Program and Grants-in-Aid. The Parks Program manages the Prairie Spirit Rail Trail and 24 parks.

For FY 2007, the Governor recommends \$48,317,801 in expenditures, of which \$3,603,045 is from the State General Fund. This amount includes enhanced funding of \$65,000 from the State General Fund to pay for operating expenses associated with opening the third stage of the Prairie Spirit Rail Trail and \$120,000 from the State Water Plan Fund to cover the cost of maintaining the water level at the Sebelius Reservoir. The recommendation supports 407.50 FTE positions and 54.00 temporary positions.

Financing Parks. Increased fees for park use, as well as an unusually cool and wet summer and fall in 2004, left the parks' revenues significantly lower than had been projected for FY 2005. This trend of lower than expected parks' revenues has continued into FY 2006. To address the Parks Fee Fund shortfall in FY 2006, the 2005 Legislature authorized the Department to use appropriations to the Department Access Road Fund for agency operations. For FY 2007, the budget includes a transfer of \$2.5 million from the State Highway Fund to the Wildlife and Parks Access Road Fund with the recommendation that the agency again be allowed to use Access Road Fund balances for park operations.

Grants-in-Aid. The Governor recommends \$1.6 million from a combination of federal funds and state

fee funds in FY 2007 to support programs provided through Grants-in-Aid, such as Community Lake Assistance, Local Shooting Range Development, Outdoor Wildlife Learning Sites, Local Recreation

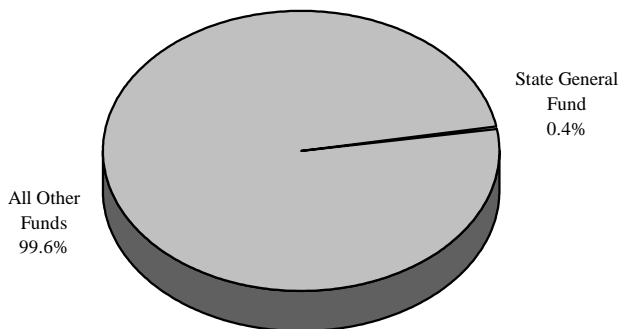
Grants, and WILDSCAPE. Grants-in-Aid reflects the Department's emphasis on enhancing recreational activities through aid to local jurisdictions and assistance to individuals.

Transportation Summary

The Kansas Department of Transportation (KDOT), and, beginning in FY 2007, the Department of Administration are the only agencies in the Transportation function. KDOT is responsible for maintaining and improving the state highway system, which contains more than 10,000 miles of roadway. It also provides planning, design, project development, and financial assistance to local governments to improve the overall quality and safety of local streets. The Kansas Department of Transportation uses the Comprehensive Transportation Program (CTP) as its model for determining the best course to accomplish these initiatives. The Department of Administration will be responsible for administering a portion of the debt service authorized by the 2004 Legislature to support the CTP.

Financing for activities of KDOT comes primarily from the State Highway Fund. The Highway Fund receives income from motor fuel taxes, motor vehicle registration fees, a dedicated state sales tax, and the federal government. The 2004 Legislature increased the amount of the dedicated sales tax transferred to the State Highway Fund beginning in FY 2007 and again in FY 2008. In FY 2004, transfers totaling \$32.5 million were made from the Highway Fund to the State General Fund to bolster the balances at a time when the State General Fund was experiencing financial problems. In FY 2007, the Highway Fund will begin to receive these dollars back from the State General Fund.

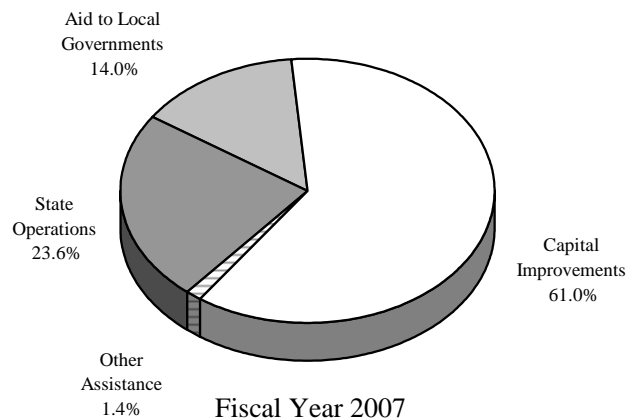
How It Is Financed



Fiscal Year 2007

The Governor recommends a total of \$1,505,829,506 in FY 2006 and \$1,233,021,623 in FY 2007. The State Highway Fund will fund the majority of these expenditures for both fiscal years, with \$1,191,821,594 and \$925,235,234 being spent in FY 2006 and FY 2007, respectively. The State General Fund will finance \$4,992,724 of the FY 2007 recommendation to pay the debt service on \$210.0 million in State General Fund backed CTP bonds that will be issued in January 2006 through the Department of Administration's budget.

How It Is Spent



Fiscal Year 2007

A revenue transfer moves State General Fund money to the Special City and County Highway Fund (SCCHF) to aid local governments in road construction. The SCCHF also receives income from motor fuel taxes. The SCCHF received only half of its scheduled transfer in FY 2003 and did not receive any transfer from the State General Fund in FY 2004. The FY 2004 aid was still distributed, however, using uncommitted fund balances. The FY 2005 State General Fund transfer to the SCCHF was reinstated as a \$10.1 million revenue transfer. The FY 2006 and FY 2007 revenue transfers are continued at the same level as FY 2005.

Transportation Agencies

Department of Transportation

FY 2006. The Governor’s revised estimate of expenditures for FY 2006 increases the operating budget from the State Highway Fund that was approved a year ago by \$1,726,331. This amount represents the agency’s request for additional expenditure authority to cover increased fuel and material costs for construction. The Governor recommends funding for the increased expenditure authority.

FY 2007. The Governor recommends FY 2007 expenditures from the State Highway Fund of \$1,228.0 million. This total represents a decrease of \$277.8 million when compared to the revised FY 2006 estimates. The size of the decrease is the result of a large number of scheduled projects being let in FY 2006 compared to those being undertaken in FY 2007. However, the Governor’s recommendation does increase KDOT’s operating budget by approximately \$6.5 million.

One of the increases for FY 2007 is \$2.7 million in capital outlay for the purchase of passenger cars and trucks. The remainder of the increase is funding for the Governor’s recommended salary increase for the Department’s 3,237.50 FTE positions. The budget also includes monies for improvements to the agency’s own buildings of approximately \$5.2 million. Projects in the program include rehabilitation and repair, replacement of deteriorating roofs on existing buildings, construction of equipment storage sheds to protect equipment, and miscellaneous renovation projects.

Under the Governor’s recommendation in FY 2007, the Department of Transportation will repair more than 3,534 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 88.0 percent of all highway miles will be rated as having a “good” or “acceptable” surface condition in FY 2007. 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.

Department of Administration

New CTP Bonds. The 2004 Legislature authorized the issuance of up to \$210.0 million in bonds in order to support the Department of Transportation’s Comprehensive Transportation Program. The bonds are subject to approval by the State Finance Council, which is authorized to meet for this purpose while the Legislature is in session. The Finance Council is currently scheduled to meet in mid-January to approve the bonds. These bonds will be repaid through appropriations from the State General Fund to the Department of Administration. The Governor recommends that the full \$210.0 million in bonds be issued in FY 2006. The first debt service payment will be in FY 2007 for \$4,992,724.

Comprehensive Transportation Program

The 1999 Legislature enacted the Comprehensive Transportation Program to cover a ten-year period to plan, develop, and operate the various modes of transportation in Kansas. The plan provides funding to preserve, modernize, and enhance the existing Kansas highway system and provides increased support for local roads, airports, railroads, and public transportation. As originally passed, the CTP would provide \$12.8 billion in improvements throughout the life of the program.

Project Categories. The CTP continues to make use of the same four categories of improvement that were used during the original Comprehensive Highway Program that ended in FY 1998:

Comprehensive Transportation Plan		
Construction Costs		
<i>(Dollars in Thousands)</i>		
	<u>FY 2006</u>	<u>FY 2007</u>
Routine Maintenance	134,831	137,471
Substantial Maintenance	180,929	162,297
Major Mods.-Priority Bridge	359,040	301,920
System Enhancements	160,736	155,267
Total	\$835,536	\$756,955

Substantial maintenance projects protect the public's investment in the state highway system by undertaking improvements that preserve 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.

Program Status. When the CTP started, one of its main sources of funding was an annual transfer from the State General Fund based on a formula established by statute. However, difficult financial times for the State General Fund forced the transfers to be reduced and eventually eliminated altogether. 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 State Highway Fund at the end of FY 2003. At the end of FY 2003, the amount was not repaid, because the conditions of the State General Fund had not improved sufficiently to do so.

As a result, a new repayment schedule was put into place with the first installment due in FY 2007. The scheduled FY 2003 and FY 2004 transfers were not made at all. The 2004 Legislature eliminated future transfers entirely as part of a larger restructuring of the CTP. The Governor now includes a transfer of \$32.5 million from the State General Fund to the Highway Fund in FY 2007 as the first of four years of "payback" of the amounts not paid in FY 2003, as well as for several other adjustments made during the 2003 Session.

With the loss of the transfers, measures needed to be taken to complete the CTP without State General Fund support. The 2001 Legislature granted additional bonding authority of \$277.0 million and increased motor fuel taxes to pay off the bonds.

At the time the 2004 Legislature eliminated the remaining transfers, it also authorized the issuance of an additional \$150.0 million in bonds to finance the CTP. In addition, up to \$60.0 million in bonds was authorized, but only if needed to offset potential shortfalls in anticipated federal receipts. The total amount of bonds to be authorized cannot exceed the amount of the projected shortfall, or \$60.0 million, whichever is the lesser amount. The Governor recommends that all bonds authorized by the 2004 Legislature be issued in FY 2006. The estimated payment in FY 2007 for the combined \$210.0 million in bonds is \$4,992,724. These bonds will be repaid through an appropriation from the State General Fund in the Department of Administration.

Besides additional bonding authority, the agency was granted a greater portion of the dedicated state sales tax beginning in FY 2007 from .25 percent to .38 percent, and this portion will increase further in FY 2008 to .65 percent. These increased portions are estimated to increase the amount collected for the CTP under the dedicated sales tax by approximately \$52.8 million in FY 2007 and \$168.9 million in FY 2008. The effects of this tax change are also discussed in the State General Fund Consensus Revenue Estimate section of this volume.

The 2004 Legislature also approved a transfer of \$30.7 million in FY 2005 from the State Highway Fund to the State General Fund to finance the operations of the Highway Patrol. The Legislature recommended that these transfers continue for the remainder of the CTP. The Governor recommends that this transfer continue in FY 2007 for approximately \$34.6 million.

These measures leave the CTP with a positive ending balance in FY 2009. The table on the next page highlights the CTP cashflow. The table does not show actual expenditures for FY 2000, FY 2001, and FY 2002. It represents only the final seven years of the CTP. However, the total column covers the entire ten-year period for the Comprehensive Transportation Plan, including those first three years.

Comprehensive Transportation Program Cashflow

(Dollars in Thousands)

	2003	2004	2005	2006	2007	2008	2009	Total FY 00-2009
Beginning Balance	826,877	718,181	645,367	714,065	525,812	298,739	253,283	559,875
Revenues:								
SGF Sales Tax Transfer	--	--	--	--	--	--	--	208,237
All Other Receipts	1,118,580	1,027,667	1,102,172	1,015,512	1,202,562	1,383,957	1,369,667	11,123,432
Subtotal	\$ 1,118,580	\$ 1,027,667	\$ 1,102,172	\$ 1,015,512	\$ 1,202,562	\$ 1,383,957	\$ 1,369,667	\$ 11,331,669
Net from Bond Sales	2,043	258,770	347,000	--	--	--	--	1,288,111
SGF-Backed Bond Revenues	--	--	--	210,000	--	--	--	210,000
Total Receipts	\$ 1,120,623	\$ 1,286,437	\$ 1,449,172	\$ 1,225,512	\$ 1,202,562	\$ 1,383,957	\$ 1,369,667	\$ 12,829,780
Available Resources	\$ 1,947,500	\$ 2,004,618	\$ 2,094,539	\$ 1,939,577	\$ 1,728,374	\$ 1,682,696	\$ 1,622,950	\$ 13,389,655
Expenditures:								
Maintenance	245,076	283,810	299,819	333,555	365,473	343,745	358,052	3,019,685
Construction	475,476	568,387	520,834	519,660	456,796	459,444	460,049	4,791,123
Modes	21,719	19,515	21,645	21,926	32,200	22,813	23,520	205,807
Local Support	247,989	258,461	275,764	260,563	283,179	290,605	288,031	2,647,655
Management	53,001	58,600	57,970	59,364	67,408	85,073	85,664	626,179
Transfers Out*	67,548	87,658	97,159	93,454	95,273	97,750	100,194	780,805
Subtotal	\$ 1,110,809	\$ 1,276,431	\$ 1,273,191	\$ 1,288,522	\$ 1,300,329	\$ 1,299,430	\$ 1,315,510	\$ 12,071,254
Debt Service	118,511	82,820	107,283	125,242	129,306	129,983	130,290	1,141,252
Total Expenditures	\$ 1,229,320	\$ 1,359,251	\$ 1,380,474	\$ 1,413,764	\$ 1,429,635	\$ 1,429,413	\$ 1,445,800	\$ 13,212,506
Ending Balance	718,181	645,367	714,065	525,812	298,739	253,283	177,150	177,149
Minimum Ending Balance Requirement**	132,250	159,577	161,403	176,092	178,307	176,909	176,174	176,174
Available Ending Balance	585,931	485,790	552,662	349,720	120,432	76,374	976	975

* Transfers Out is shown as expenditures for this cashflow table but is really a revenue transfer.

** Required ending balances reflect:

Amounts required to satisfy debt service on bonds.

Funds allocated by statute for distribution to specific programs.

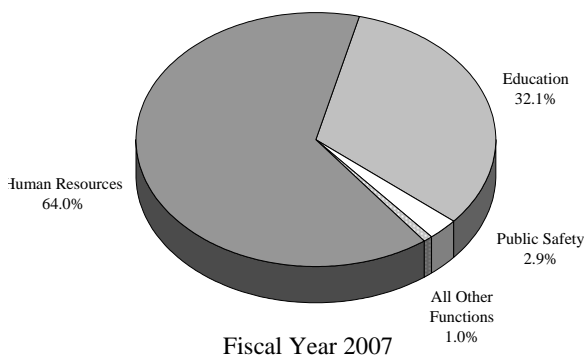
Amount necessary to provide for orderly payment of bills.

Children's Budget Summary

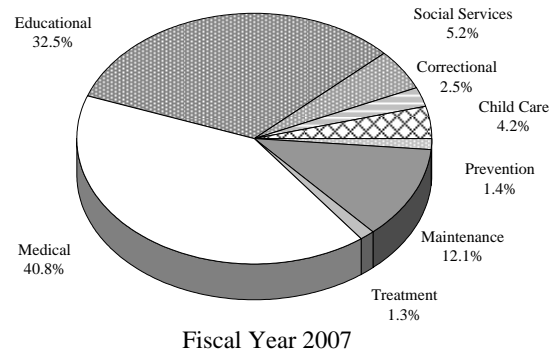
Created by action of the 1992 Legislature, the Children's Budget presents information concerning the state's efforts in meeting the needs of children. The information presented in this section meets the requirements of KSA 75-3717 et seq. that establish the Children's Budget.

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), reintegration/foster care, as well as permanent guardianship. Maintenance services make up 12.1 percent of the Children's Budget.

Expenditures by Function
Totals Exclude Operating Aid to USDs



Expenditures by Category
Totals Exclude Operating Aid to USDs



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

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. Expenditures for medical and health services make up 40.8 percent of the Children's Budget.

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 Commerce 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 32.5 percent of the Children's Budget.

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. Social services make up 5.2 percent of the Children's Budget.

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. Child care services make up 4.2 percent of the Children's Budget.

Correctional Activities. Rehabilitation services for adjudicated youth are provided by four juvenile correctional facilities. In addition, the state provides grants to support community prevention and corrections programs. Correctional activities make up 2.5 percent of the Children's Budget.

Prevention Services. These programs reduce the need for future costly services that remove a child from the home and avoid institutionalization, if possible. 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. Prevention services make up 1.4 percent of the Children's Budget.

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 institutional settings are now being provided services through community programs and the Home and Community-Based Services Waiver Programs. Institutional and treatment services now make up 1.3 percent of the Children's Budget.

Following is a description of children's programs by agency that are included in the Governor's budget 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. General Government expenditures included in the Children's Budget total \$19.4 million, of which \$9.8 million is from the State General Fund.

Department of Commerce

After School Grant Program. The Governor recommends \$1,250,000 in FY 2007 for the After School Grant Program, including \$500,000 from the Children's Initiatives Fund and \$750,000 from the State General Fund. This program awards grants to organizations that provide after school programs that improve learning and help encourage kids to stay in school.

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. Support arrearages may also be addressed by establishing a lien on certain personal property, such as a motor vehicle. The Department of Revenue assigns 2.00 FTE 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 \$60,000 will be transferred to the Department of Revenue to finance the program in FY 2007.

Banking Department

Credit Counseling. The Banking Department will spend \$45,000 to finance credit counseling for families in FY 2007. Of the total, \$25,000 is for housing and credit counseling and \$20,000 is for consumer credit counseling.

Office of the Governor

All of the grant programs benefiting children are financed from federal funds in FY 2007.

Drug Free Schools. These programs focus on the eradication of drug use in schools and communities. The Governor's Office will administer approximately \$684,232 for the benefit of approximately 17,750 children.

Rape Prevention & Education. Rape prevention services and rape crisis intervention are provided by numerous local agencies across the state. These programs provide educational programs to prevent rape. The Governor will administer approximately \$320,000 to be spent through this federal grant program in FY 2007.

Victims of Crime Act. This program funds local governments and not-for-profit agencies that provide direct assistance to crime victims. For FY 2007, the Governor recommends expenditures of \$671,721 from

this grant program. The program is anticipated to benefit 7,000 children.

Child Visitation Centers. The recommendation of the Governor includes \$107,351 for FY 2007 for 1,000 children in the Child Exchange and Visitation Centers Program. The goal of these centers is to facilitate non-custodial parents' access to their children by means of activities, including remediation, counseling, and education.

Byrne Justice Assistance Grant. This grant program provides state and local governments funding for enhancing the criminal justice system. A portion of the funds is used for prevention efforts regarding drug abuse among children and youth. The Governor recommends \$161,101 for FY 2007. This program will benefit an estimated 3,350 children.

Family Violence Prevention & Services. This program funds not-for-profit domestic violence programs that provide shelter and related assistance to families who are victims of domestic violence. The Governor will administer approximately \$1.1 million for FY 2007 for approximately 5,750 children.

Attorney General

Child Visitation Centers. 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 2007, the Governor recommends expenditures of \$177,774 from the Crime Victim Assist—Child Visitation Center Fund for this program.

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 2007, the Governor recommends \$54,155 from the State General Fund for this program.

Abuse & Neglect Programs. The Governor's budget includes \$806,786 for FY 2007 to provide grants to private 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 \$131,000 from the State General Fund in FY 2007 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. Children 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 2007, the Governor recommends \$1,301,104 from all funding sources to implement programs for domestic abuse victims and their dependents.

DARE Program Coordination. The Governor recommends \$84,014 in FY 2007 from the State General Fund for coordination of the DARE (Drug Abuse Resistance Education) Program. The program was funded by 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.

Judiciary

Permanency Planning. The Kansas Supreme Court has adopted specific missions and standards for Court-Appointed Special Advocates (CASA). CASA programs 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 2007, expenses of \$746,857 from special revenue funds are anticipated to serve 2,800 children. 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 2007, expenditures are identified at \$2,128,525 and will benefit 161,074 children. In addition, expenditures will be made from the Judicial Branch Education Fund for training child support enforcement personnel.

Court Services Officers. 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 2007, expenditures of \$9,344,113, including \$8,802,715 from the State General Fund, are identified to support activities of the court services officers. Expenditures from the Judicial Branch Education Fund will provide additional training for them.

Child Welfare Federal Funding. 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 2007, the Governor has identified expenditures of \$172,669 for this program.

Human Services

The Human Resources function comprises a variety of programs in support of children and their families.

This function includes the Department of Social and Rehabilitation Services and its institutions as well as the Departments of Health and Environment and Labor. The recommendation for FY 2007 totals \$1,361.7 million, including \$458.4 million from the State General Fund.

Social & Rehabilitation Services

Child Support Enforcement. This program collects financial support owed to custodial parents. Expenditures of \$24.7 million will continue the state's efforts at collecting support for an estimated 161,174 children in FY 2007.

Temporary Assistance for Families. The Governor's budget includes expenditures of \$81.0 million in FY 2007 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. Of the \$81.0 million, \$69.0 million is for cash assistance and \$12.0 million is for employment support services. An estimated 47,400 families will be served in FY 2007.

Low Income 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 \$6.9 million is estimated to be available for FY 2007. An estimated 23,033 families will be served. The Governor also added \$1.0 million from the State General Fund to help additional low income families meet their energy needs.

Child Care Services. Along 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 20,330 children will be served under the Governor's budget in FY 2007, with funding totaling \$69.9 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 \$11.4 million is recommended to serve an estimated 2,978 families in FY 2007.

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 2007, the Governor recommends \$1.7 million.

Family Services. 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 \$2.8 million for FY 2007 to provide services to 1,831 families.

Reintegrating/Foster Care. Out-of-home 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 2007, the Governor recommends \$132.0 million to provide foster care to 5,300 children each month. The recommendation includes \$87.8 million from the State General Fund.

Adoption. The purpose of the adoption resource recruitment contract is 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 2007 recommendation totals \$3.7 million, including \$2.5 million from the State General Fund. The Governor also recommends \$320,200 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 and encouraging permanent placement. Subsidies can include one-time payments for legal fees

or ongoing payments for a child's medical or developmental needs. The budget recommendation includes \$20.2 million, including \$7.7 million from the State General Fund, to provide support for 5,894 families each month in FY 2007.

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 their employees. Grants are also offered to improve training and reward innovation in early education programming. The Governor recommends \$3.0 million in FY 2007 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 \$9.7 million to serve 1,079 children in FY 2007.

Funeral Assistance. SRS provides limited aid for the burial of indigent persons. It is available to families who are currently receiving Temporary Assistance for Families, General Assistance, Food Stamps, or Medicaid. The average payment for a funeral is less than \$600. This program is financed entirely through the State General Fund.

Rehabilitation Services. In the Rehabilitation Services Program, students with severe disabilities receive post-high school transition planning. The assistance provided includes job placement, supported employment, vocational assessment, and rehabilitation technology. The Governor recommends \$3.5 million to serve 2,650 children in FY 2007.

Children's Cabinet. This item includes community-based family resource and support funds for programs designed to prevent child abuse and neglect. It also includes Smart Start Kansas, funded with the Children's Initiatives Fund, a program designed to help children enter school ready to succeed. Grants are given to community programs that address the particular needs of that area. Total funding for FY 2007 is \$11.9 million.

Independent Living. This program provides services to youth over age 14 who are in Foster Care with the goal of preparing the recipients to be self-sufficient. The Governor recommends \$1.5 million, including \$256,785 from the State General Fund, for these services in FY 2007.

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 2007, \$12.7 million is recommended to provide treatment to 3,000 children and 2,300 families.

Prevention Services. Prevention services for youth, children, and families are delivered statewide through community-based programs in five service delivery regions. For FY 2007, the Governor recommends \$250,000 for these programs. The recommendation will benefit approximately 3,346 children.

Mental Health State Aid. The Governor recommends funding of \$504,508 from the State General Fund in FY 2007. The funding supports children's services at the community mental health centers. The Governor's recommendation will serve approximately 1,000 children in FY 2007.

Mental Health Reform. The Governor recommends funding of \$3.6 million from the State General Fund in FY 2007 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 2007.

Mental Health Special Purpose Grants. A total of approximately \$1.9 million, including \$1.2 million from the State General Fund, is recommended in FY 2007 for community mental health centers to implement programs that assist children and youth suffering from severe emotional disturbances. The recommendation, serving a population of 2,150, 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 2007. The

program provides mental health and prevention services for children with severe emotional disturbances and their families.

Family Support. The Governor's recommendation of \$3.4 million in FY 2007 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 1,412 families.

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 2007 at a cost of approximately \$16.9 million. The recommendation includes a State General Fund Medicaid match of approximately \$6.7 million.

SRS Regular Medical Services. Although most of the Regular Medical Assistance Program was transferred out of SRS beginning in FY 2006, certain services remain the responsibility of SRS. Those include private psychiatrists and psychologists, behavior management, CDDO targeted case management, CMHC certified match, attendant care, positive behavior support, and traumatic brain injury rehabilitation hospital services. For FY 2007, the estimate for all these services totals \$95.8 million, including \$30.2 million from the State General Fund.

Permanent Guardianship. When reintegration or adoption are not the preferred permanency options because of a child's age, strong family bonds, or cultural traditions, permanent guardianship can be established. This program provides a subsidy for families who are willing to assume this responsibility. For FY 2007, the Governor recommends \$320,200, including \$70,200 from the State General Fund, to serve 119 children.

Systems of Care Grant. This is a federal demonstration grant to improve child welfare outcomes in Kansas. The approach focuses on child and family involvement in developing a plan to care. The child and family are served in their home community and school. The Governor recommends \$436,060 in FY 2007.

Kansas Neurological Institute

Inpatient Services for Children. In FY 2005, Kansas Neurological Institute provided services for two developmentally disabled children. The cost for these services was \$243,283 with \$105,326 from the State General Fund. In FY 2006, the Institute no longer has any children with developmental disabilities in residence.

Larned State Hospital

Adolescent Inpatient Services. This program provides mental health services to adolescents who require full-time inpatient treatment and/or extended inpatient evaluation and who range from 13 to 18 years of age. For FY 2007, the Governor's recommendation includes \$1,112,353, with \$738,478 from the State General Fund. This recommendation provides staff and support services for an adolescent population of 98.

Inpatient Services for Children. Mental health services are provided to children ranging from 5 to 13 years of age. Each child has an individualized treatment program, with emphasis on formal educational experiences while at the Hospital. For FY 2007, the Governor recommends \$499,424, with \$331,562 from the State General Fund. This recommendation provides staff and support for a population of 44 children.

Special Education Program. Regular and special education services are provided to all children and adolescents in the psychiatric programs. For FY 2007, \$440,211 is recommended to fund educational services for 142 children.

Parsons State Hospital & Training Center

School-Age Children's Services. Parsons State Hospital estimates it will provide services to 20 children with developmental disabilities in FY 2007. For these services, the Governor recommends funding of \$1,778,240, including \$589,128 from the State General Fund and the balance from federal Medicaid monies and charges collected from the children's families.

Special Purpose School. Special education services are provided to school-aged residents of Parsons State Hospital through a contract with the Southeast Kansas Regional Educational Service Center (USD 609). For FY 2007, \$289,818 is recommended from the State General Fund for educational services for 45 residents.

Day Care Operation. 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 \$10,584 to defray operating costs in FY 2007. Of that amount, \$3,506 is from the State General Fund. The facility expects to serve 260 children in FY 2007.

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 the 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 \$61,200, all from the State General Fund, are recommended for FY 2007, and it is estimated that 250 people will be served.

Rainbow Mental Health Facility

Psychiatric Services. The Governor's budget recommendation of \$1.3 million in FY 2007 will provide evaluation and treatment services to an estimated 250 adolescents and children. The program places emphasis on the specific needs identified in individualized treatment plans and is funded through federal Medicaid monies.

School Program. Regular and special education services are provided to all children and adolescents in the psychiatric programs. For FY 2007, \$390,000 from the State General Fund is recommended to fund educational services for 250 school-aged patients.

Division of Health Policy & Finance

Children's Health Insurance. The Division of Health Policy and Finance in the Department of

Administration administers the Medicaid Regular Medical Program, which provides for the needs of approximately 309,000 children in Kansas. The Division also administers the State Children's Health Insurance Program (SCHIP), which will serve approximately 41,500 children in FY 2007. Funding for SCHIP totals \$69.3 million.

Health & Environment—Health

Mothers & Infants Program. Prevention of infant mortality, child abuse, and child neglect are the goals of this program, which will serve approximately 11,500 families during FY 2007. The program provides comprehensive medical, nursing, nutrition, and social work services to mothers and children who may be at high risk for these behaviors. A total of approximately \$2.3 million is provided in the FY 2007 budget for this program.

Adolescent Health. Funding of \$179,372 will provide a variety of health services to approximately 2,400 youths through school-linked clinics, residential maternity homes, and teen pregnancy prevention projects in FY 2007.

Healthy Start/Home Visitor. This program finances 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 2007 provides \$1.2 million for the program. The Department estimates that this level of funding will provide early intervention and support for 13,900 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 immunizations, physical examinations, hearing and vision screenings, well-child checkups, and referrals to private physicians. An amount of \$723,993 will provide services to 50,800 children in FY 2007. In addition, the Governor recommends \$250,000 in new money from the State General Fund to purchase blood clotting supplies for children with PKU and hemophilia.

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 8,100 individuals with funding of \$51,115 in FY 2007.

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 \$2.2 million will service 49,500 families in FY 2007.

Teenage Pregnancy Prevention. The goals of these programs are to reduce long-term welfare dependency and the negative consequences of teen pregnancy. Funding of \$767,995 is recommended to provide primary and secondary pregnancy prevention services to approximately 19,400 Kansas teenagers.

Abstinence Education. Funding of \$216,414 is recommended to promote abstinence in order to reduce out-of-wedlock births and to reduce the teen pregnancy rate. Local agencies utilize abstinence education to reach approximately 10,400 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, and other medical supplies to an estimated total of 11,000 children with the expenditure of \$2.5 million for FY 2007.

Child Care Licensing. The Department 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 142,000 children in FY 2007 with expenditures of \$5.1 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. In FY 2007, funding

of \$1,513,717 will provide education and awareness, benefiting approximately 65,000 children.

Primary Care Grants. Through this aid program, primary care clinics are subsidized to provide family-oriented services to the medically underserved. Funding of \$486,669 will support preventive, acute, and chronic care services delivered to 22,000 families in FY 2007.

Migrant & Refugee Health. Primary care services are provided to seasonal farm workers, refugees, and their families. Federal funding of \$178,000 will provide preventive, acute, and chronic care services to 1,280 families in FY 2007.

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 126,000 family members will benefit from the programs. For FY 2007, expenditures will be approximately \$37.4 million.

Infants & Toddlers. An amount of \$6.4 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 6,035 children for FY 2007.

Pregnancy Maintenance Initiative. The Governor recommends State General Fund expenditures of \$300,000 for FY 2006 and another \$300,000 for FY 2007. The program provides support services to approximately 190 low-income pregnant teenagers.

Immunizations. Halting the spread of preventable diseases is the goal of this program. The Department provides Tetanus-Pertussis vaccine, Inactivated Polio vaccine, Diphtheria-Measles-Mumps-Rubella vaccine, and other vaccines to local health departments for the immunization of infants, children, and adolescents.

An estimated 350,000 children will receive state-supported immunizations through expenditures of \$928,598 in FY 2007.

Department of Labor

Child Labor Enforcement & Presentations. The Department of Labor has three basic functions that benefit children. First, child labor laws are enforced by the Department. Second, accident reports that concern minors are reviewed by the Workers Compensation Division. Third, the Department disseminates information related to employing minors. Presentations are made to employers regarding the type of work that minors are allowed to perform. Employers also are provided with other information relating to employing minors. The Department expects to serve 1,220 individuals through these programs in FY 2007 at a cost of \$4,025 from the State General Fund.

Education

By far the largest expenditures for children's programs occur in the Education function. They total \$3.2 billion, or 68.7 percent, of the recommended expenditures for children's programs for FY 2007. 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. The state provides aid to more than 466,000 children in the state's 300 unified school districts for basic operating aid, 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 2007. Federal aid totaling \$136.0 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. Voter-approved general obligation bonds are used by school districts for construction, remodeling, and major equipment purchases. The payback of these bonds is partially financed by this state aid program, totaling \$59.2 million in FY 2007. The portion of each bond's debt service 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.

Capital Outlay. Through a new program created by the 2005 Legislature, the Department distributes state aid on an equalized basis according to districts' property valuations. It is estimated that \$21.0 million will be sent out in FY 2007 for purchase of all types of equipment, as well as for remodeling and repairing school buildings.

Nutrition Services. The U.S. Department of Agriculture administers several nutrition programs in which federal funds totaling \$125.1 million in FY 2007 will be 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 522,000 people and provides a \$2.5 million match for the available federal funds.

Special Education Services. The state will distribute \$321.8 million in aid for special education services to school districts to help pay the transportation and other costs associated with educating 83,579 students with special needs and students identified as gifted. It is

estimated that this amount will cover 92.0 percent of excess costs, as now required by state law. Federal funding to assist with the costs of these special education services is estimated at \$101.6 million in FY 2007.

Vocational Education. Approximately \$5.4 million in state and federal monies will be distributed by the Department of Education to Kansas schools in order for students to integrate academic, technical, and workplace skills in secondary and postsecondary programs in FY 2007.

Parent Education. Kansas 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 to ensure children are ready for school. Funds totaling \$7.3 million are recommended for FY 2007 to serve 18,000 children and their families.

Other Aid to Schools. Schools are provided a combined \$6.3 million from various sources to support safety education, drug abuse education, and other special programs for FY 2007.

School for the Blind

For FY 2007, the Governor recommends \$5,567,052, including \$5,065,031 from the State General Fund, for Kansas State School for the Blind. The enrollment for the School during the regular and summer term is projected to be 860 students in FY 2007. The school is staffed by 93.50 FTE positions. The School offers many sources of support, including educational, residential, outreach, and health care for children with visual and other impairments until the age of 21. Approximately 860 students and 210 children will be served in school districts through statewide outreach services. 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 graduates living independently and 75.0 percent of graduates to enroll in a post-secondary or vocational-technical education program. Also in the School's budget is funding for the Accessible Arts, providing technical assistance to enhance the arts for vision-impaired students.

School for the Deaf

The Kansas School for the Deaf serves 630 hearing impaired students in the state who receive assistance in educational, residential, and outreach services. The School provides early intervention assistance to promote communication skills and auditory training units that are leased to school districts statewide. The Governor recommends \$8,768,921 from all funding sources, including \$8,215,731 from the State General Fund, for operating expenditures and capital improvements. The School is staffed by 173.50 FTE positions. The number served through enrollment at the School and through outreach services during the regular and summer term is projected to be 353 in FY 2007. The School expects 70.0 percent of students to improve their math scores and 95.0 percent of students to improve their science scores from the previous year.

Emporia State University

America Reads/Counts Program. This program provides reading and mathematical tutorial help for children in nine of the 11 local schools in Emporia. College students in the Teacher Education Program participate as tutors. In FY 2007, it is estimated that 259 students will be serviced at a cost of \$26,492 from special revenue funds.

Center for Early Childhood Education. The Governor recommends \$344,564 from special revenue in FY 2007 to serve 140 children. This preschool provides the community with a part-time program for children one to 12 years of age.

Expanding Your Horizons Conference. This one-day conference is held annually in the spring and brings 1,650 young women in grades six through eight and their parents and teachers to the Emporia State University campus. The goals for the conference include increasing young women's interest in science and math, fostering awareness of career opportunities in math and science related fields, and providing the opportunity to meet successful professional women. The Governor recommends \$12,230, including \$1,650 from the State General Fund, in FY 2007.

MASTER-IT. Mathematics and Science to Explore Careers—Investigating Together is a program for 24 young women that consists of a one-week summer

residential conference held at the University. The Governor recommends \$16,400, including \$1,000 from the State General Fund, in FY 2007.

Reading Related Services. Reading services and science instruction related services are provided to 461 school-age children, ages six through eight, year round. Teachers provide individual and small group lessons, tests, diagnoses, and remediation for children with reading problems. The cost of the recommended program is \$24,153, all of which is from the State General Fund.

Sonia Kovalevsky Mathematics Conference. This day-long conference, named for the famous 19th century mathematician, is designed to honor and encourage approximately 83 high school women in their junior year. In FY 2007, the cost of the conference is expected to be \$1,600 from special revenue funds.

Fort Hays State University

Herndon Speech, Language, & Hearing Clinic. This clinic provides comprehensive diagnostics and treatment to approximately 485 residents of Western Kansas. The clinic is administered by the University's staff. For FY 2007, the Governor recommends \$248,105, including \$240,468 from the State General Fund.

Tigers Tots Nurture Center. This center provides child care and pre-school for children of student and university staff. For FY 2007, the Governor recommends \$88,905 from special revenue funds to serve 25 children.

Kansas State University

Hoeflin Stone House Day Care. The Governor recommends \$278,250, including \$102,471 from the State General Fund, in FY 2007 for the Hoeflin Stone House Day Care Center. The center will provide full-day care services for 28 children ages six weeks through five years.

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 44 children, one third of whom have disabling conditions. The Governor's recommendation for FY 2007 is \$94,500, 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 2007, the Governor recommends \$294,000, including \$193,078 from the State General Fund, to provide these services to 350 families.

Training for Dispute Resolution. The University provides a Mediation and Dispute Resolution in Families curriculum and skills training to the Department of Social and Rehabilitation Services staff. Training in family dispute resolution that will develop skills of SRS staff at a cost of \$630,000. It is estimated that this service will reach 1,000 families.

Kansas Child Care Training, Inc. The Governor recommends \$152,250, including \$28,243 from the State General Fund, in FY 2007 for the Kansas Child Care Training Opportunities Program. The program provides in-service training opportunities to approximately 33,000 child care personnel in licensed or registered child care facilities.

Speech & Hearing Center. The Center assists 265 children who exhibit speech and language delays or hearing impairments. The recommendation for FY 2007 is \$304,500, including \$201,472 from the State General Fund.

After School Child Care & Staff Assistance to USD 383. Kansas State has two programs with USD 383. The first service provides the teachers and staff to work with developmentally delayed children enrolled in the Early Childhood Laboratory programs at Kansas State. In FY 2007, the programs will provide services for 20 children at a cost of \$18,900 from special revenue funds.

Infant Program. This Early Head Start 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 2007, the program is expected to serve 40 children at a cost of \$105,000, including \$6,073 from the State General Fund.

After School Care. This program is located at Roosevelt Elementary School in Manhattan, Kansas and operates from 8:30 a.m. to 5:30 p.m. everyday during the school year. The purpose of the program is to provide appropriate, comprehensive, high-quality care and education services for 62 children enrolled in part-day kindergarten. The care is available for children before and after their kindergarten session. For FY 2007, the Governor recommends this program at a cost of \$68,250, including \$9,224 from the State General Fund.

Kansas State University—ESARP

4-H Program. The 4-H Program provides educational strategies and opportunities for approximately 145,000 children and adults to work in partnership as they develop life skills to become healthy, self-directed, contributing members of society. For FY 2007, the Governor recommends \$864,000 for this program, including \$714,000 from the State General Fund.

Army Youth & Teen Center Technical Assistance. This is part of an U.S. Army-wide initiative to establish 4-H on posts throughout the world and provide a high quality, predictable environment for 3,000 young people. Technical assistance includes basic youth development, management strategies to support social skills, and workforce skill development. The cost of the program for FY 2007 is \$40,000, including \$20,000 from the State General Fund.

Build Strong, Healthy Communities. Education is provided to 10,000 adults and youth through the Communities Program to improve leadership skills so they can effectively address public issues and take action to improve themselves, their organizations, and their communities. The cost of this program is \$741,000, including \$440,000 from the State General Fund.

Community Youth Development. For FY 2007, the Youth Development Program is expected to cost \$105,700, including \$27,000 from the State General Fund. The program provides opportunities for teen leaders, organizational leaders, and others from non-affiliated community youth development groups to increase both their individual and organizational capacities.

Health. The Health initiative is grounded in research-based approaches of positive development affecting 10,000 families at a cost of \$200,000 from special revenues. The program is based on capacity-building principles that create positive capacity in family, school, and community environments to help reduce the potential risk of problem behaviors in children and youth.

Improving Parenting Skills & Family Relationships. For FY 2007, the Governor recommends \$1,520,000, including \$975,000 from the State General Fund, to serve 100,000 families. The program develops and delivers educational programs that contribute to effective parenting and successful family relationships.

Learning & Social Readiness. The University conducts community-based implementation of social competency and learning readiness curriculum. The curriculum has been developed and proven as effective self-management pro-social behavior skill tool. For FY 2007, the cost of the program is \$40,000, including \$12,500 from the State General Fund, to serve 800 children.

Promote Healthier & Safer Lives—Nutrition. This program provides nutrition and wellness information directly to young, low-income parents and their children. Information is provided through classes held at cooperating agency locations and in-home visits. The Governor recommends \$3.5 million, including \$455,000 from the State General Fund, to serve 250,000 families in FY 2007.

Youth Leadership & Community Involvement Initiative. In partnership with the Kansas 4-H Foundation, Kansas communities are establishing intensive, long-term older youth leadership experiences that are preparing them with the knowledge and skills to act effectively in community planning processes and to assume future adult community leadership responsibilities. For FY 2007, the program is expected to cost \$235,000, including \$95,000 for the State General Fund, and serves 40,000 young adults.

Pittsburg State University

America Reads Challenge. This federal work-study program is designed to provide support to

communities and schools in their efforts to improve local reading groups. The Governor recommends this project at a cost of \$30,000, including \$400 from the State General Fund, to serve 473 children in FY 2007.

Career Exploration. Secondary students participate in activities such as Technology Days, Nursing Career Day, and Accounting Day. For FY 2007, the program will serve 579 students at a cost of \$2,092 from special revenue funds.

Curriculum & Instruction Program. This is a program conducted for youth in the Pittsburg area through a Young Authors Conference. The cost of the program is \$8,000 from special revenue funds and is expected to serve 1,300 children in FY 2007.

Kansas Council on Fitness. This is a statewide fitness program for youth administered by Pittsburg State University on behalf of the Governor. In FY 2007, the program will serve 17,000 children. The Governor recommends \$22,500 for this program from special revenue funds.

National Youth Sports Program. This 25-day program gives children a chance to learn sports skills. It also provides drug and alcohol prevention awareness programs, educational enrichment programs, and a hot breakfast and lunch to participants. The cost of the program in FY 2007 is expected to be \$77,000 from special revenues and serve 392 children.

Pre-school Lab. This learning laboratory for pre-school children is conducted by the Department of Family and Consumer Sciences. In FY 2007, the program will serve 19 children at a cost of \$11,000 from special revenue funds.

Science Day. The University's Physics and Chemistry Departments sponsor secondary school student competition in science to promote awareness of physical concepts. Approximately 1,200 students participate in the competition. For FY 2007, the cost is estimated to be \$521 from special revenues.

YES Program. The Yes Program is conducted in cooperation with area school systems to provide tutorial assistance to 577 school children. The Governor recommends this program at a cost of \$36,036, including \$18,018 from the State General Fund.

University of Kansas

Hilltop Child Development Center. The Governor recommends \$1,429,563, including \$1,768 from the State General Fund, in FY 2007 to provide support for the Hilltop Child Development Center. The Center provides day care services to 260 children.

Edna A. Hill Child Development Center. The Edna A. Hill Child Development Center is in the University's Department of Applied Behavioral Sciences and provides day care services to 70 children. The recommendation includes \$344,781 from special revenues for the Center in FY 2007.

KU Center on Developmental Disabilities. The Infant and Toddler Program coordinates a variety of activities for children and toddlers with developmental disabilities. For FY 2007, the Governor recommends \$18,000 in special revenues to continue this program.

Parsons Outreach Clinic. The emphasis of this clinic is to make available diagnostic and treatment services to Southeast Kansans for early identification of disabling chronic diseases. The program, at a cost of \$2,000 from special revenues in FY 2007, provides services to 50 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.

Child Care FOCUS. 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 address the needs of five sparsely populated rural areas for child care resources and referrals. The program serves approximately 900 children at a cost of \$65,000 from special revenue funds in FY 2007.

University of Kansas Medical Center

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 improve the functional skills of 1,292 young Kansans who have a disability or chronic disease. The Medical Center will spend \$149,540 from special revenue funds in FY 2007 on this program.

Facial Rehabilitation. The Sutherland Clinic will provide evaluations, treatment, and follow-up services to 125 children with craniofacial anomalies. The Clinic draws patients from a broad regional base throughout the midwestern states. The cost of this service in FY 2007 will be \$35,000 from special revenue funds.

Cystic Fibrosis Grant. The Medical Center's Cystic Fibrosis Center will provide services to 295 children. The total cost of the services will be \$26,630 from special revenues in FY 2007.

Pediatric Consultation Services. The University's Children Center provides approximately 180 pediatric consultations for Special Health Services at a cost of \$10,760 from special revenue in FY 2007. In addition, the staff pediatricians provide training courses for physicians, nurses, and other health care professionals who treat children with special health care needs.

Project EAGLE. The Project EAGLE Early Head Start Program works with 185 families to improve the lives of the children and families at a cost of \$117,625 from special revenues in FY 2007. The program strives to enhance the development of children and families through an empowerment and family strengths model. Weekly home visits incorporate a developmentally appropriate early childhood plan for education. Emphasis is also placed on assisting family members to acquire the skills and education they need to move toward economic self-sufficiency.

KC Healthy Start. This community-based program is designed to reduce infant mortality and improve the health and well-being of women, infants, children, and families in Jackson and Wyandotte Counties. The Governor recommends \$300,000 in federal funding for 180 children and their families in FY 2007.

PKU & Sickle Cell Screening Program. The screening program provides neonatal screening for congenital hypothyroidism and phenylketonuria to allow early detection and treatment. These diseases can result in mental retardation. Sickle cell screening provides for the early detection of congenital diseases of the blood. 1,900 screenings will cost an estimated \$73,982 in FY 2007.

Project HOPE. This service assists 85 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 basic education and training have been completed. The Governor recommends that \$190,922 be spent from special revenues in FY 2007 on the program.

Spina Bifida Clinic. The Spina Bifida Clinic is part of the Medical Center's Paraplegic Clinic. Personnel of the clinic meet twice a month and provide interdisciplinary evaluation, treatment, and follow-up for children with spina bifida. For FY 2007, the Center expects to serve 85 families at a cost of \$25,755 from special revenues.

Pediatric Seizure Clinic. This Clinic provides ongoing outpatient clinical, educational, and counseling services for children with seizures and their families. Approximately 1,000 children are served each year at a cost of \$19,200 from special revenue funds.

Other Services Provided. The Medical Center also provides a variety of services to children and families without special funding. The Center has clinics for audiology, cerebral palsy, feeding, hearing and speech, lactation, neonatal intensive care, and Prader-Willi syndrome. It also customizes equipment and provides collaborative planning in the areas of services, training, and technical assistance development.

Wichita State University

Child Development Center. The Governor's recommendation includes \$616,777 for the Child Development Center in FY 2007 from special revenues. This Center provides day care services to 188 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 \$376,000 in FY 2007 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 program is expected to assist 150 students in FY 2007.

Talent Search—Project Discovery. This project identifies eligible students in the Wichita and Southeast Kansas area. It supports them in the pursuit and completion of post secondary education. The Governor's recommendation of \$513,873 from federal sources will provide services to 2,000 youth in FY 2007.

Speech-Language-Hearing Clinic. The Governor's recommendation includes \$494,772, including \$91,500 from the State General Fund, for this program in FY 2007. The Clinic provides diagnosis of and treatment to children who have speech, language, and hearing disorders. Faculty and professional staff of the University's Department of Communicative Disorders and Sciences manages the clinic, which will treat 4,050 children.

Heskett Athletic Center Children's Activities. The recommendation includes \$79,000, including \$20,000 from the State General Fund, in FY 2007 to continue the activities involving 11,100 children at 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 children who are economically disadvantaged. This program provides a variety of sports programs, teaches children about the dangers of drugs and alcohol, and assists in career planning.

GEAR UP. The Gaining Early Awareness and Readiness for Undergraduate Program is funded by the U.S. Department of Education and serves K-12 students who are in foster or adoptive care or have limited income. Services include tutoring, family workshops, cultural events, academic counseling, mentoring, field trips, career explorations, test preparation, and scholarships. The program will serve 2,500 children at a cost of \$2.1 million.

Dental Hygiene Clinic & Sealant Grant. The University's Department of Dental Hygiene operates a treatment clinic that will serve approximately 2,800 children in FY 2007. Services include dental examinations, radiographs, fluoride treatments, and oral

hygiene instructions. The Governor recommends \$41,690, including \$37,258 from the State General Fund, for continuation of this program. In addition, a \$6,000 private grant provides dental sealants for 100 children.

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 children in primary grades K-12 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 school system. Funding for this program is \$110,000 for FY 2007 and will serve 600 children.

Physician Assistant—High School Sports Physicals. The Governor recommends \$15,600 from special revenues for the Physician Assistant Program. Each year faculty and students travel to Stafford County and conduct high school sports physicals that are required before participation in any sporting activity.

Teacher Education Majors. The Wichita State University Cooperative Education Project for Teacher Education Majors is designated to provide \$15,480 in financial assistance from special revenues in FY 2007 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 600 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 \$19,926 in special revenues is recommended for FY 2007. The program supports community efforts already in place to intervene effectively with 1,200 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.

Physician Assistant—West High School 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. 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 60 students in FY 2007 at a cost of \$8,000.

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 2007 at a cost of \$18,000.

School of Nursing—Health Screening. Nursing faculty and students provide health screenings for 1,800 elementary age children at selected schools each academic year. In addition, health education presentations are provided for children at fourteen elementary schools. The Governor recommends this program at a cost of \$8,528 from the State General Fund in FY 2007.

School of Nursing—Services Provided by Nursing Students. Nursing students will serve 5,750 children through school health rooms, health fairs, and presentation on health-related topics. The cost of this program in FY 2007 is \$16,500 from the State General Fund.

Physicians Assistant—Healthy Options for Planeview. This is a health education and outreach center serving 3,000 children in low-income, ethnically diverse neighborhoods in Sedgwick County. A variety of programs are offered in partnership with 30 departments across the Wichita State University campus. For FY 2007, the cost of the program is expected to be \$2,800 from special revenue funds.

Physician Assistant—Minority Recruitment & Retention Grant. In FY 2007, the University received a three-year grant to increase diversity in the Physician Assistant Program. The funding will be used to recruit students and support activities that help retain the interest of high school students. The grant is for \$30,000 per year and will serve 200 students.

Upward Bound Regional Math/Science Program.

This program is designed to advance an interest in mathematics, science, and computer technology in 100 high school students in grades 8-12. The program is funded with a federal grant of \$296,922 for FY 2007. The grant is given with the express purpose of assisting students in high school graduation, college matriculation, and college graduation.

The Kids Training Team. This Team is actively involved in helping with the support of children experiencing serious emotional disturbances and their families. Case managers are trained who provide coordination and services to children. These efforts do not involve the direct delivery of services to children but rather to groups of direct service providers statewide. The Governor recommends this program at a cost of \$80,000 for FY 2007, including \$19,000 from the State General Fund.

Kansas Arts Commission

The Kansas Arts Commission provides grants and technical assistance to artists and arts organizations throughout the state to enrich children's appreciation of art. The Governor recommends \$2,040,547 from all funding sources for FY 2007, with \$1,492,422 from the State General Fund, to support and extend children's arts programming. Funding is primarily from state appropriations and grants from the National Endowment for the Arts. The Commission expects to serve 69 counties in FY 2007 and have approximately 2.1 million children participate in Commission-sponsored programs and projects across the state. The agency uses its grant management system to collect data regarding youth served for each grant awarded. Grantees are required to track the number of youth served by their arts projects.

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 70,000 children in FY 2007. The Governor recommends a total of \$24,000 from all funding sources, of which \$2,500 is from the State General Fund, for the Historical Society's educational services to children.

State Library

For FY 2007, the Governor recommends a total of \$1,476,897 from all funding sources, including \$1,476,897 from the State General Fund, for distribution through grants to public libraries across the state. These grants support general operations, the Talking Books 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. Included in the Governor's recommendation is \$265,000 from the State General Fund for Tutor.com, an online tutoring program for school children. Students will receive real-time help from qualified teachers via the Internet.

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 \$61.2 million constitutes 1.3 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 \$25.7 million, including \$11.2 million from the State General Fund, for children's programs in FY 2007.

Funding is recommended to help communities continue to develop and implement juvenile justice programs to meet their needs. Funding also supports services and programs that serve juvenile offenders in their own community. 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 programs provide 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 determines the needs of juveniles and facilitates 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. This funding also supports purchase of service funding, which reimburses community case management for out-of-home placements, detention, counseling, and other support services.

Atchison Juvenile Correctional Facility

The Atchison Juvenile Correctional Facility is a 114-bed facility that houses male offenders. The Facility continues to offer structured activities, including education, recreation, and counseling for rehabilitation of the juveniles. For FY 2007, the Governor recommends \$5,926,560, including \$5,789,060 from the State General Fund.

Beloit Juvenile Correctional Facility

The only facility in the JJA system that houses female juvenile offenders is the Beloit Juvenile Correctional

Facility. Rehabilitation of juveniles is provided through education, recreation, and counseling services. For FY 2007, the Governor recommends \$4,562,612, including \$4,353,606 from the State General Fund.

Kansas Juvenile Correctional Complex

The Kansas Juvenile Correctional Complex houses the state's most violent offenders. Juveniles committed to the facility receive academic and vocational education as well as counseling and recreation. For FY 2007, the Governor's recommendation includes \$15,378,950, including \$14,845,988 from the State General Fund.

Larned Juvenile Correctional Facility

The Larned Juvenile Correctional Facility houses male juveniles between the ages of 13 and 21 who require mental health or substance abuse treatment. For FY 2007, the Governor recommends \$8,217,425, including \$8,060,971 from the State General Fund.

Adjutant General

The Governor recommends \$460,000 in FY 2007 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 4,300 children in FY 2007.

Agriculture & Natural Resources

The Governor recommends \$464,858 for FY 2007 for children's programming for the Agriculture 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 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 offered at the Kansas State Fair include Kansas' Largest Classroom, which 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, and Future Farmers of America. Individual children also compete in various exhibit departments, which include foods, fine arts, livestock showing and judging, and other exhibits. Approximately 16,410 children will participate in these events at a cost of \$161,296 in FY 2007.

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 young people to protect the environment. In FY 2007, the Department will serve 17,500 young people through this program at a cost of \$30,737.

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 young people will participate in the Hunter Education Program in FY 2007 at a cost to the Department of \$158,000.

Fishing Clinics. The Department sponsors fishing clinics for 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 for FY 2007 of \$32,000 to serve 525 children.

Youth Hunter Education Challenge. This is an advanced hunter education program specifically designed for young people. Its purpose is to promote the ongoing 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 Officer 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 young people in FY 2007.

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 10,800 young people during FY 2007 at a cost of \$73,500.

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 only 15 states to operate such a program. For FY 2007, the Department estimates that 750 young people will be served by this program at a cost of \$8,800.

Transportation

Department of Transportation

The Governor recommends \$868,000 in FY 2007 for children's educational programs promoting highway and traffic safety. These programs are financed primarily with federal funds and are expected to serve approximately 383,300 children in FY 2007.

Kansas Safety Belt Education. The Governor recommends expenditures of \$175,000 in FY 2007 to educate and inform 43,000 children under the age of 14 about the proper use of safety seats.

Drunk Driving Prevention Office. In FY 2007, the Governor recommends \$200,000 to educate 68,000 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 2007 recommendation includes \$93,000 to allow 1,300 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 52,000 students in FY 2007.

Care/Call Underage Drinking Prevention Media Campaign. The Governor recommends \$175,000 to

serve 190,000 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 \$25,000 from federal funding sources to provide 19,000 bicycle safety brochures and to produce a pedestrian school crossing guard manual for all Kansas school districts.

Child Passenger Safety. The Governor recommends \$100,000 to provide assistance to 10,000 children in all Kansas counties. This program 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 2005, the Governor’s revised estimates for FY 2006, the agencies’ requests for FY 2007, and the Governor’s recommendation for FY 2007.

Expenditures for Children's Programs by Agency and Activity

	Type Served	FY 2005 Actual Expenditures			FY 2006 Governor's Estimate		
		Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
General Government							
Department of Commerce							
After School Grant Program	F	--	--	--	--	--	--
Department of Revenue							
Child Support Enforcement	N	--	--	59,543	--	--	60,855
Banking Department							
Consumer Credit Counseling	F	2,500	--	50,000	2,500	--	20,000
Housing & Credit Counseling	F	2,675	--	25,000	3,000	--	25,000
Total--Banking Department			\$ --	\$ 134,543		\$ --	\$ 45,000
Office of the Governor							
BYRNE/Law Enforcement	C	10,389	--	503,473	6,350	--	306,069
Child Visitation Centers	C	1,191	--	135,432	1,200	--	146,108
Family Violence Prev. & Serv.	C	5,706	--	1,070,496	5,750	--	1,087,915
Rape Prevention & Education	N	--	--	292,954	--	--	316,950
Drug Free Schools	C	18,690	--	724,338	18,750	--	739,134
Victims of Crime Act	C	7,559	--	732,346	7,600	--	766,818
Total--Office of the Governor			\$ --	\$ 3,459,039		\$ --	\$ 3,362,994
Attorney General							
Child Death Review Board	C	--	24,695	27,025	--	46,896	53,155
Child Visitation Centers	F	6,861	650	242,911	7,000	--	158,000
DARE Program	C	--	50,245	56,822	--	79,093	79,093
Abuse & Neglect Programs	C	31,297	650	633,511	35,000	--	543,471
Domestic Abuse Programs	F	21,566	650	1,259,443	18,000	--	1,201,817
Sexually Violent Predators	C	--	20,560	120,560	--	125,000	125,000
Total--Attorney General			\$ 97,450	\$ 2,340,272		\$ 250,989	\$ 2,160,536
Judiciary							
Child Support Enforcement	C	161,363	283,329	1,962,654	161,931	226,629	2,146,384
Child Welfare	N	--	--	258,591	--	--	196,747
Court Services Officers	C	9,628	8,250,243	8,930,574	9,600	8,946,251	9,534,328
Court Services Officers	F	6,131	--	--	6,200	--	--
Permanency Planning	C	2,752	--	718,869	2,800	--	746,454
Total--Judiciary			\$ 8,533,572	\$ 11,870,688		\$ 9,172,880	\$ 12,623,913
Total--General Government			\$ 8,631,022	\$ 17,804,542		\$ 9,423,869	\$ 18,253,298
Human Services							
Social & Rehabilitation Services							
Prevention Services	C	3,346	23,025	250,000	3,346	23,025	250,000
AAPS Families	F	2,300	1,000,000	1,600,000	2,300	1,000,000	1,600,000
Substance Abuse Treatment	C	2,378	2,832,587	7,182,017	2,400	2,839,680	7,200,000
AAPS Women with Children	F	2,317	262,952	2,740,781	2,320	262,952	2,750,000
AAPS Youth	C	2,998	544,200	1,137,528	3,000	544,200	1,138,000
Adopt. Resource Recruitment	F	--	--	--	205	2,339,397	3,549,996
Adoption Support	C	5,420	8,776,339	18,906,214	5,894	7,672,308	19,328,360
Family Support	F	1,422	3,257,802	3,257,802	1,412	3,401,508	3,401,508
HCBS Waiver Services	F	1,025	5,764,551	14,469,254	1,200	6,748,800	16,939,200
Child Care Assistance	F	18,282	17,115,369	63,090,380	19,457	17,115,369	70,898,912
Child Care Resource & Refer.	N	--	--	3,179,071	--	--	2,997,139

Expenditures for Children's Programs by Agency and Activity

		FY 2007 Base Budget			FY 2007 Governor's Recommendations		
	Type <u>Served</u>	Number <u>Served</u>	State General <u>Fund</u>	All Funding <u>Sources</u>	Number <u>Served</u>	State General <u>Fund</u>	All Funding <u>Sources</u>
General Government							
Department of Commerce							
After School Grant Program	F	--	--	--	--	750,000	1,250,000
Department of Revenue							
Child Support Enforcement	N	--	--	59,973	--	--	59,973
Banking Department							
Consumer Credit Counseling	F	2,500	--	20,000	2,500	--	20,000
Housing & Credit Counseling	F	3,000	--	25,000	3,000	--	25,000
Total--Banking Department			\$ --	\$ 45,000		\$ --	\$ 45,000
Office of the Governor							
BYRNE/Law Enforc/JAG	C	3,350	--	161,101	3,350	--	161,101
Child Visitation Centers	C	1,000	--	107,351	1,000	--	107,351
Family Violence Prev. & Serv.	C	5,750	--	1,100,000	5,750	--	1,100,000
Rape Prevention & Education	N	--	--	320,000	--	--	320,000
Drug Free Schools	C	17,750	--	684,232	17,750	--	684,232
Victims of Crime Act	C	7,000	--	671,721	7,000	--	671,721
Total--Office of the Governor			\$ --	\$ 3,044,405		\$ --	\$ 3,044,405
Attorney General							
				3044405			
Child Death Review Board	C	--	54,155	54,155	--	54,155	54,155
Child Exch. & Visitation Cntr.	F	7,000	--	177,774	7,000	--	177,774
DARE Program	C	--	84,014	84,014	--	84,014	84,014
Child Abuse & Neglect Victims	C	35,000	--	806,786	35,000	--	806,786
Domestic/Sex. Abuse Victims	F	18,000	--	1,301,104	18,000	--	1,301,104
Sexually Violent Predators	C	--	131,000	131,000	--	131,000	131,000
Total--Attorney General			\$ 269,169	\$ 2,554,833		\$ 269,169	\$ 2,554,833
Judiciary							
Child Support Enforcement	C	161,074	--	2,128,525	161,074	--	2,128,525
Child Welfare	N	--	--	172,669	--	--	172,669
Court Services Officers	C	9,600	8,802,715	9,344,113	9,600	8,802,715	9,344,113
Court Services Officers	F	6,300	--	--	6,300	--	--
Permanency Planning	C	2,800	--	746,857	2,800	--	746,857
Total--Judiciary			\$ 8,802,715	\$ 12,392,164		\$ 8,802,715	\$ 12,392,164
Total--General Government			\$ 9,071,884	\$ 18,096,375		\$ 9,821,884	\$ 19,346,375
Human Services							
Social & Rehabilitation Services							
Prevention Services	C	3,346	23,025	250,000	3,346	23,025	250,000
AAPS Families	F	2,300	1,000,000	1,600,000	2,300	1,000,000	1,600,000
Substance Abuse Treatment	C	2,400	2,839,680	7,200,000	2,400	2,839,680	7,200,000
AAPS Women with Children	F	2,320	262,952	2,750,000	2,320	262,952	2,750,000
AAPS Youth	C	3,000	544,200	1,138,000	3,000	544,200	1,138,000
Adopt. Resource Recruitment	F	205	2,481,400	3,727,500	205	2,481,400	3,727,500
Adoption Support	C	5,671	7,672,308	19,328,360	5,671	7,672,308	20,227,544
Family Support	F	1,412	3,401,508	3,401,508	1,412	3,401,508	3,401,508
HCBS Waiver Services	F	1,200	6,748,800	16,939,200	1,200	6,748,800	16,939,200
Child Care Assistance	F	18,788	21,113,822	65,425,530	20,378	15,128,062	69,904,177
Child Care Resource & Refer.	N	--	--	2,997,139	--	--	2,997,139

Expenditures for Children's Programs by Agency and Activity

	Type Served	FY 2005 Actual Expenditures			FY 2006 Governor's Estimate		
		Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Social & Rehabilitation Services, Cont'd.							
Child Support Enforcement	C	161,363	1,823	22,858,601	161,931	--	24,371,638
Children's Cabinet	C	23,453	--	9,053,094	23,453	--	10,183,256
Community Funding	C	4,894	--	1,623,279	5,205	--	1,726,332
Family Pres. In-Home Serv.	F	2,683	(416,724)	10,745,277	3,054	136,662	11,364,083
Family Services	F	1,363	427,807	2,147,867	1,831	99,088	2,771,812
Funeral Assistance	C	112	60,787	60,787	95	51,709	51,709
Independent Living	C	347	230,964	1,154,815	446	254,785	1,484,016
Kansas Early Head Start	C	825	--	7,238,139	825	--	7,889,618
Low Income Energy Assist.	F	19,586	--	6,156,285	21,936	--	8,775,956
Family Centered Sys. of Care	F	8,323	--	5,000,000	9,488	--	5,000,000
Mental Health Reform	C	5,610	3,641,330	3,641,330	5,610	3,641,330	3,641,330
MH Special Purpose Grant	C	2,000	1,204,721	1,894,631	2,150	1,204,721	1,894,631
Mental Health State Aid	C	1,000	504,508	504,508	1,000	504,508	504,508
Permanent Guardianship	C	63	--	170,525	119	70,200	320,200
Rehabilitation Services	C	2,431	586,531	2,753,666	2,650	748,461	3,513,900
Reintegration/Foster Care	C	4,876	69,689,070	129,140,342	5,125	73,931,122	119,000,000
Systems of Care Grant	N	--	--	364,321	--	--	443,775
Temp. Assistance for Families	F	30,675	29,821,456	75,517,587	46,450	29,821,028	79,542,333
CMHC Certified Match	C	22,398	15,393,790	50,553,584	23,000	16,000,000	51,000,000
ACIL	C	361	7,341,764	18,805,749	320	7,049,200	18,000,000
Positive Behavior Support	N	--	--	--	50	98,600	250,000
TBI Rehabilitation Hospitals	C	3	45,045	115,500	3	45,240	116,000
MH Behavioral Management	C	--	--	--	1,232	6,001,993	14,904,358
Priv. Psychiatrists & Psychol.	C	2,268	618,954	1,587,063	2,268	633,281	1,623,797
CDDO Certified Match--TCM	C	1,719	231,441	5,194,131	1,750	231,441	5,277,600
Total--SRS			\$ 168,960,092	\$ 472,094,128		\$ 182,470,608	\$ 503,703,967
Kansas Neurological Institute							
Kansas Neurological Institute	C	2	105,326	243,283	--	--	--
Larned State Hospital							
Adolescent Inpatient	C	98	1,105,379	1,492,499	98	767,399	1,129,692
Children Inpatient	C	44	496,292	670,102	44	344,546	507,209
Administration	N	--	67,167	91,464	--	66,240	84,175
Central Services	N	--	95,510	141,209	--	103,703	148,450
Special Education	C	142	13,854	193,063	--	--	459,749
Staff Education	N	--	6,475	8,851	--	7,595	9,716
Total--Larned State Hospital			\$ 1,784,677	\$ 2,597,188		\$ 1,289,483	\$ 2,338,991
Parsons State Hospital & Training Center							
Day-Care Operation	C	200	3,935	10,091	250	3,240	9,871
Outpatient Diagnostic	C	71	--	--	75	--	--
Project Alternative	C	75	--	--	78	--	--
SEK Respite Care	F	226	61,200	61,200	250	61,200	61,200
School-Age Children	C	18	607,266	1,557,343	20	595,410	1,813,838
Special Purpose School	C	37	258,887	258,887	42	289,818	289,818
Total--Parsons State Hospital			\$ 931,288	\$ 1,887,521		\$ 949,668	\$ 2,174,727
Rainbow Mental Health Facility							
Psychiatric Services	C	247	--	1,229,588	250	--	1,362,549
School	C	247	404,287	404,287	250	383,060	383,060
Total--Rainbow Mental Health Facility			\$ 404,287	\$ 1,633,875		\$ 383,060	\$ 1,745,609

Expenditures for Children's Programs by Agency and Activity

	Type Served	FY 2007 Base Budget			FY 2007 Governor's Recommendations		
		Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Social & Rehabilitation Services, Cont'd.							
Child Support Enforcement	C	161,174	--	24,688,077	161,174	--	24,688,077
Children's Cabinet	C	23,000	--	9,322,017	24,000	--	11,905,204
Community Funding	C	5,205	--	1,726,332	5,205	--	1,726,332
Family Pres. In-Home Serv.	F	2,978	136,662	11,364,083	2,978	136,662	11,364,083
Family Services	F	1,831	99,088	2,771,812	1,831	99,088	2,771,812
Funeral Assistance	C	95	51,709	51,709	95	51,709	51,709
Independent Living	C	446	256,785	1,484,016	446	256,785	1,484,016
Kansas Early Head Start	C	825	--	7,889,618	900	1,852,779	9,742,397
Low Income Energy Assist.	F	23,033	--	6,904,434	23,033	1,000,000	6,904,434
Family Centered Sys. of Care	F	9,488	--	5,000,000	9,488	--	5,000,000
Mental Health Reform	C	5,610	3,641,330	3,641,330	5,610	3,641,330	3,641,330
MH Special Purpose Grant	C	2,150	1,204,721	1,894,631	2,150	1,204,721	1,894,631
Mental Health State Aid	C	1,000	504,508	504,508	1,000	504,508	504,508
Permanent Guardianship	C	119	70,200	320,200	119	70,200	320,200
Rehabilitation Services	C	2,650	748,461	3,513,900	2,650	748,461	3,513,900
Reintegration/Foster Care	C	4,747	75,791,219	113,746,539	5,300	87,141,415	132,000,000
Systems of Care Grant	N	--	--	436,060	--	--	436,060
Temp. Assistance for Families	F	47,366	29,821,028	81,442,333	47,400	29,821,028	81,042,333
CMHC Certified Match	C	23,000	16,000,000	51,000,000	23,000	16,000,000	51,000,000
ACIL	C	320	5,801,344	14,709,291	320	7,177,220	18,200,000
Positive Behavior Support	N	50	98,600	250,000	50	98,600	250,000
TBI Rehabilitation Hospitals	C	3	45,240	116,000	3	45,240	116,000
MH Behavioral Management	C	1,232	6,001,993	14,904,358	1,232	6,001,993	14,904,358
Priv. Psychiatrists & Psychol.	C	2,268	633,281	6,001,993	2,268	633,281	6,001,993
CDDO Certified Match--TCM	C	1,750	231,441	5,277,600	1,750	231,441	5,277,600
Total--SRS			\$ 187,225,305	\$ 493,718,078		\$ 196,818,396	\$ 524,876,045
Kansas Neurological Institute							
Kansas Neurological Institute	C	--	--	--	--	--	--
Larned State Hospital							
Adolescent Inpatient	C	98	738,478	1,112,353	98	738,478	1,112,353
Children Inpatient	C	44	331,562	499,424	44	331,562	499,424
Administration	N	--	65,088	82,363	--	65,088	82,363
Central Services	N	--	95,797	138,919	--	95,797	138,919
Special Education	C	142	--	440,211	142	--	440,211
Staff Education	N	--	6,919	8,960	--	6,919	8,960
Total--Larned State Hospital			\$ 1,237,844	\$ 2,282,230		\$ 1,237,844	\$ 2,282,230
Parsons State Hospital & Training Center							
Day-Care Operation	C	260	3,506	10,584	260	3,506	10,584
Outpatient Diagnostic	C	75	--	--	75	--	--
Project Alternative	C	78	--	--	78	--	--
SEK Respite Care	F	250	61,200	61,200	250	61,200	61,200
School-Age Children	C	20	589,128	1,778,240	20	589,128	1,778,240
Special Purpose School	C	45	289,818	289,818	45	289,818	289,818
Total--Parsons State Hospital			\$ 943,652	\$ 2,139,842		\$ 943,652	\$ 2,139,842
Rainbow Mental Health Facility							
Psychiatric Services	C	250	--	1,312,331	250	--	1,312,331
School	C	250	390,000	390,000	250	390,000	390,000
Total--Rainbow Mental Health Facility			\$ 390,000	\$ 1,702,331		\$ 390,000	\$ 1,702,331

Expenditures for Children's Programs by Agency and Activity

	Type Served	FY 2005 Actual Expenditures			FY 2006 Governor's Estimate		
		Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Division of Health Policy & Finance							
Medicaid--Medically Needy	C	--	--	--	4,845	18,145,138	55,700,985
Medicaid--Med. Ndy. Families	C	--	--	--	4,688	1,328,139	3,548,639
Medicaid--Other	C	--	--	--	541	3,177,554	10,175,191
Medicaid--SSI Disabled	C	--	--	--	8,442	31,361,899	96,273,099
Medicaid--TAF	C	--	--	--	84,144	41,893,375	117,704,601
Medicaid--Transit. Medical	C	--	--	--	18,189	4,039,167	11,372,015
Medicaid--Youth Services	C	--	--	--	18,309	37,946,262	130,759,494
Medcd.--Poverty Level Children	C	--	--	--	169,583	95,242,232	273,129,253
SCHIP	C	--	--	--	41,486	14,984,214	61,525,860
Total--HPF			\$ --	\$ --		\$ 248,117,980	\$ 760,189,137
Kansas Health Policy Authority							
Medicaid--Medically Needy	C	--	--	--	--	--	--
Medicaid--Med. Ndy. Families	C	--	--	--	--	--	--
Medicaid--Other	C	--	--	--	--	--	--
Medicaid--SSI Disabled	C	--	--	--	--	--	--
Medicaid--TAF	C	--	--	--	--	--	--
Medicaid--Transit. Medical	C	--	--	--	--	--	--
Medicaid--Youth Services	C	--	--	--	--	--	--
Medcd.--Poverty Level Children	C	--	--	--	--	--	--
SCHIP	C	--	--	--	--	--	--
Total--Kansas Health Policy Authority			\$ --	\$ --		\$ --	\$ --
Health & Environment--Health							
Abstinence Education	C	10,346	--	197,905	10,400	--	216,414
Adolescent Health	C	2,323	58,961	176,744	2,400	58,961	179,372
Black Infant Mortality	F	8,066	49,369	52,790	8,100	49,369	51,115
Child Care Licensing	F	140,864	1,094,162	4,134,257	141,500	1,644,589	4,857,277
Child Health	C	50,726	13,913	723,990	50,800	13,913	723,990
Lead Poisoning Prevention	F	60,000	--	1,525,900	65,000	--	1,513,717
Commun. Based Primary Care	F	20,500	486,669	486,669	22,000	486,669	486,669
Family Planning	C	49,366	98,880	2,147,929	49,400	98,880	2,219,998
Healthy Start	F	13,865	501,444	1,205,440	13,900	501,444	1,205,440
Infant & Toddler Services	C	5,773	1,871,305	5,984,512	6,000	1,871,305	5,984,513
Migrant Health	F	1,065	--	145,000	1,170	--	145,000
Refugee Health Assessment	F	80	--	20,000	80	--	20,000
Mothers & Infants	F	11,179	1,380,451	2,315,707	11,500	1,380,451	2,315,707
Pregnancy Maintenance	F	--	--	--	175	300,000	300,000
Special Health Service	F	11,486	459,269	24,473,331	11,500	472,267	2,653,847
Teen Pregnancy Prevention	C	19,361	537,660	767,995	19,400	537,660	767,995
Immunizations	C	345,694	788,613	847,363	345,694	959,939	1,018,939
WIC	F	122,882	--	42,554,359	124,000	22,425	37,822,425
Total--Health and Environment--Health			\$ 7,340,696	\$ 87,759,891		\$ 8,397,872	\$ 62,482,418
Department of Labor							
Child Labor Enforcement	C	1,050	1,800	1,800	1,100	1,900	1,900
Child Labor Education	C	12	1,175	1,175	20	1,950	1,950
Total--Department of Labor			\$ 2,975	\$ 2,975		\$ 3,850	\$ 3,850
Total--Human Services			\$ 179,529,341	\$ 566,218,861		\$ 441,612,521	\$ 1,332,638,699

Expenditures for Children's Programs by Agency and Activity

	Type Served	FY 2007 Base Budget			FY 2007 Governor's Recommendations		
		Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Division of Health Policy & Finance							
Medicaid--Medically Needy	C	--	--	--	4,845	18,145,138	55,700,985
Medicaid--Med. Ndy. Families	C	--	--	--	4,688	1,328,139	3,548,639
Medicaid--Other	C	--	--	--	541	3,177,554	10,175,191
Medicaid--SSI Disabled	C	--	--	--	8,442	31,361,899	96,273,099
Medicaid--TAF	C	--	--	--	84,144	41,893,375	117,704,601
Medicaid--Transit. Medical	C	--	--	--	18,189	4,039,167	11,372,015
Medicaid--Youth Services	C	--	--	--	18,309	37,946,262	130,759,494
Medcd.--Poverty Level Children	C	--	--	--	169,583	95,242,232	273,129,253
SCHIP	C	--	--	--	41,486	17,130,917	69,302,363
Total--HPF			\$ --	\$ --		\$ 250,264,683	\$ 767,965,640
Kansas Health Policy Authority							
Medicaid--Medically Needy	C	4,845	18,145,138	55,700,985	--	--	--
Medicaid--Med. Ndy. Families	C	4,688	1,328,139	3,548,639	--	--	--
Medicaid--Other	C	541	3,177,554	10,175,191	--	--	--
Medicaid--SSI Disabled	C	8,442	31,361,899	96,273,099	--	--	--
Medicaid--TAF	C	84,144	41,893,375	117,704,601	--	--	--
Medicaid--Transit. Medical	C	18,189	4,039,167	11,372,015	--	--	--
Medicaid--Youth Services	C	18,309	37,946,262	130,759,494	--	--	--
Medcd.--Poverty Level Children	C	169,583	95,242,232	273,129,253	--	--	--
SCHIP	C	41,486	13,965,271	57,976,354	--	--	--
Total--Kansas Health Policy Authority			\$ 247,099,037	\$ 756,639,631		\$ --	\$ --
Health & Environment--Health							
Abstinence Education	C	10,400	--	216,414	10,400	--	216,414
Adolescent Health	C	2,400	58,961	179,372	2,400	58,961	179,372
Black Infant Mortality	F	8,100	49,369	51,115	8,100	49,369	51,115
Child Care Licensing	F	142,000	1,619,557	4,818,374	142,000	1,869,557	5,068,374
Child Health	C	50,800	13,913	723,993	50,800	263,913	973,993
Lead Poisoning Prevention	F	65,000	--	1,513,717	65,000	--	1,513,717
Commun. Based Primary Care	F	22,000	486,669	486,669	22,000	486,669	486,669
Family Planning	C	49,500	98,880	2,219,998	49,500	98,880	2,219,998
Healthy Start	F	13,900	501,444	1,205,440	13,900	501,444	1,205,440
Infant & Toddler Services	C	6,000	1,871,305	5,984,513	6,135	1,871,305	6,384,513
Migrant Health	F	1,200	--	148,000	1,200	--	148,000
Refugee Health Assessment	F	80	--	30,000	80	--	30,000
Mothers & Infants	F	11,500	1,380,451	2,315,707	11,500	1,380,451	2,315,707
Pregnancy Maintenance	F	190	300,000	300,000	190	300,000	300,000
Special Health Service	F	11,000	470,878	2,484,946	11,000	470,878	2,484,946
Teen Pregnancy Prevention	C	19,400	537,660	767,995	19,400	537,660	767,995
Immunizations	C	350,000	869,598	928,598	350,000	869,598	928,598
WIC	F	126,000	22,425	37,422,425	126,000	22,425	37,422,425
Total--Health and Environment--Health			\$ 8,281,110	\$ 61,797,276		\$ 8,781,110	\$ 62,697,276
Department of Labor							
Child Labor Enforcement	C	1,200	2,075	2,075	1,200	2,075	2,075
Child Labor Education	C	20	1,950	1,950	20	1,950	1,950
Total--Department of Labor			\$ 4,025	\$ 4,025		\$ 4,025	\$ 4,025
Total--Human Services			\$ 445,180,973	\$ 1,318,283,413		\$ 458,439,710	\$ 1,361,667,389

Expenditures for Children's Programs by Agency and Activity

	Type Served	FY 2005 Actual Expenditures			FY 2006 Governor's Estimate		
		Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Education							
Department of Education							
Capital Improvement Aid	C	279,622	--	52,174,313	279,600	--	56,150,000
Capital Outlay Aid	C	--	--	--	360,000	19,197,016	19,197,016
Nutrition Services	C	520,409	2,510,487	117,876,593	521,000	2,510,486	121,870,486
Operating Aid to USDs	C	466,037	2,057,730,445	2,225,990,395	466,000	2,267,954,640	2,450,435,685
Other Aid to Schools	C	466,037	159,200	4,783,291	466,000	534,200	5,152,570
Parent Education	C	17,150	4,639,500	7,257,799	18,000	4,789,500	7,330,956
Special Education Services	C	80,334	249,901,830	341,933,925	81,941	291,691,201	389,326,201
Vocational Education	C	20,630	138,323	5,419,209	20,750	143,560	5,387,120
Total--Department of Education			\$ 2,315,079,785	\$ 2,755,435,525		\$ 2,586,820,603	\$ 3,054,850,034
School for the Blind							
Administration	C	860	381,226	391,014	860	412,541	413,631
Capital Improvements	C	860	--	369,510	860	--	302,898
Instruction	C	860	3,391,303	3,823,056	860	3,628,052	4,035,571
Support	C	860	873,327	970,252	860	984,789	1,043,073
Total--School for the Blind			\$ 4,645,856	\$ 5,553,832		\$ 5,025,382	\$ 5,795,173
School for the Deaf							
Operations	C	353	7,487,806	7,922,855	353	8,180,339	8,686,959
Capital Outlay	C	353	--	1,783,059	353	--	2,169,654
Total--School for the Deaf			\$ 7,487,806	\$ 9,705,914		\$ 8,180,339	\$ 10,856,613
Emporia State University							
America Reads/Counts	C	259	--	27,694	259	--	26,492
Center for Early Childhood Ed.	C	140	--	312,530	140	--	328,156
Expanding Your Horizons	C	308	1,650	12,230	300	1,650	12,230
MASTER-IT	C	22	1,000	16,400	24	1,000	16,400
Reading Related Services	C	480	20,697	20,697	461	23,951	23,951
Sonia Kovalevsky Math Day	C	90	--	1,000	95	--	1,600
Total--Emporia State University			\$ 23,347	\$ 390,551		\$ 26,601	\$ 408,829
Fort Hays State University							
Herndon Clinic	F	485	234,603	242,054	485	240,468	248,105
Tigers Tots Nurtury Center	C	25	--	86,737	25	--	88,905
Total--Fort Hays State University			\$ 234,603	\$ 328,791		\$ 240,468	\$ 337,010
Kansas State University							
Staff Assistance to USD 383	C	20	--	17,000	20	--	18,000
Early Childhood Laboratory	C	44	47,631	89,185	44	47,631	90,000
Family Center	F	350	193,078	276,553	350	193,078	280,000
Hoeflin Stone House	C	28	102,471	260,324	28	102,471	265,000
Infant Program	C	8	6,073	95,692	40	6,073	100,000
Kansas Child Care Training	N	24,330	28,243	118,085	32,442	28,243	145,000
Dispute Resolution Train.	F	1,000	--	590,643	1,000	--	600,000
Speech & Hearing Center	C	265	201,472	286,807	265	201,472	290,000
After School Child Care	C	62	9,224	62,925	62	9,224	65,000
Total--Kansas State University			\$ 588,192	\$ 1,797,214		\$ 588,192	\$ 1,853,000
Kansas State University--ESARP							
4-H Program	C	153,000	720,000	850,000	145,000	700,000	850,000
Army Youth & Teen Center	C	1,000	10,000	20,000	1,000	10,000	20,000

Expenditures for Children's Programs by Agency and Activity

	FY 2007 Base Budget				FY 2007 Governor's Recommendations		
	<u>Type Served</u>	<u>Number Served</u>	<u>State General Fund</u>	<u>All Funding Sources</u>	<u>Number Served</u>	<u>State General Fund</u>	<u>All Funding Sources</u>
Education							
Department of Education							
Capital Improvement Aid	C	279,600	--	59,150,000	279,600	--	59,150,000
Capital Outlay Aid	C	360,000	18,500,000	18,500,000	360,000	21,000,000	21,000,000
Nutrition Services	C	522,000	2,510,486	125,105,486	522,000	2,510,486	125,105,486
Operating Aid to USDs	C	466,000	2,334,594,039	2,492,566,584	466,000	2,309,126,039	2,475,588,584
Other Aid to Schools	C	466,000	534,200	6,329,240	466,000	534,200	6,329,240
Parent Education	C	18,000	4,789,500	7,289,500	18,000	4,789,500	7,289,500
Special Education Services	C	83,579	305,885,000	407,520,000	83,579	321,956,024	423,591,024
Vocational Education	C	20,900	143,007	5,386,014	20,900	143,007	5,386,014
Total--Department of Education			\$ 2,666,956,232	\$ 3,121,846,824		\$ 2,660,059,256	\$ 3,123,439,848
School for the Blind							
Administration	C	860	400,913	403,097	860	409,263	411,447
Capital Improvements	C	860	--	124,601	860	--	67,451
Instruction	C	860	3,567,929	3,932,999	860	3,639,836	4,007,912
Support	C	860	969,572	1,033,884	860	1,015,932	1,080,242
Total--School for the Blind			\$ 4,938,414	\$ 5,494,581		\$ 5,065,031	\$ 5,567,052
School for the Deaf							
Operations	C	353	8,018,534	8,359,014	353	8,215,731	8,558,921
Capital Outlay	C	353	--	350,000	353	--	210,000
Total--School for the Deaf			\$ 8,018,534	\$ 8,709,014		\$ 8,215,731	\$ 8,768,921
Emporia State University							
America Reads/Counts	C	259	--	26,492	259	--	26,492
Center for Early Childhood Ed.	C	140	--	344,564	140	--	344,564
Expanding Your Horizons	C	300	1,650	12,230	300	1,650	12,230
MASTER-IT	C	24	1,000	16,400	24	1,000	16,400
Reading Related Services	C	461	24,153	24,153	461	24,153	24,153
Sonia Kovalevsky Math Day	C	83	--	1,600	83	--	1,600
Total--Emporia State University			\$ 26,803	\$ 425,439		\$ 26,803	\$ 425,439
Fort Hays State University							
Herndon Clinic	F	485	240,468	248,105	485	240,468	248,105
Tigers Tots Nurtury Center	C	25	--	88,905	25	--	88,905
Total--Fort Hays State University			\$ 240,468	\$ 337,010		\$ 240,468	\$ 337,010
Kansas State University							
USD 383	C	20	--	18,900	20	--	18,900
Early Childhood Laboratory	C	44	47,631	94,500	44	47,631	94,500
Family Center	F	350	193,078	294,000	350	193,078	294,000
Hoeflin Stone House	C	28	102,471	278,250	28	102,471	278,250
Infant Program	C	40	6,073	105,000	40	6,073	105,000
Kansas Child Care Training	N	32,442	28,243	152,250	32,442	28,243	152,250
SRS Dispute Resolution Train.	F	1,000	--	630,000	1,000	--	630,000
Speech & Hearing Center	C	265	201,472	304,500	265	201,472	304,500
After School Child Care	C	62	9,224	68,250	62	9,224	68,250
Total--Kansas State University			\$ 588,192	\$ 1,945,650		\$ 588,192	\$ 1,945,650
Kansas State University--ESARP							
4-H Program	C	145,000	714,000	864,000	145,000	714,000	864,000
Army Youth & Teen Center	C	3,000	20,000	40,000	3,000	20,000	40,000

Expenditures for Children's Programs by Agency and Activity

	Type Served	FY 2005 Actual Expenditures			FY 2006 Governor's Estimate		
		Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Kansas State University--ESARP, Cont'd.							
Strong, Healthy Communities	F	10,000	440,000	741,000	10,000	440,000	741,000
Community Youth Devel.	N	30,000	27,000	105,700	30,000	27,000	105,700
Health Education	F	2,000	--	236,000	10,000	--	250,000
Parent. Skills & Family Relat.	F	125,000	1,025,000	1,520,000	100,000	975,000	1,520,000
Learning & Social Readiness	C	400	10,000	30,000	800	12,500	40,000
Healthier & Safer Lives-Nutrit.	F	250,000	455,000	2,650,000	250,000	455,000	2,650,000
Commun. Involvement Init.	C	42,000	100,000	230,000	39,000	85,000	230,000
Total--KSU--ESARP			\$ 2,787,000	\$ 6,382,700		\$ 2,704,500	\$ 6,406,700
Pittsburg State University							
America Reads Challenge	C	465	347	26,692	473	400	30,000
Career Exploration	C	579	--	2,092	579	--	2,092
Curriculum & Instruction	C	1,082	--	8,592	1,300	--	8,000
Kansas Council on Fitness	C	17,000	--	22,500	17,000	--	22,500
National Youth Sports	C	392	--	77,000	392	--	77,000
Preschool Lab	C	18	--	10,874	19	--	11,000
Science Day	C	1,200	--	521	1,200	--	521
YES Program	C	567	17,995	35,990	577	18,018	36,036
Total--Pittsburg State University			\$ 18,342	\$ 184,261		\$ 18,418	\$ 187,149
University of Kansas							
Child Care Focus	C	900	--	61,000	900	--	65,000
E.A. Hill Child Devel. Center	C	70	--	398,893	70	--	344,781
Hilltop Child Devel. Center	C	260	1,768	1,321,834	260	1,768	1,387,925
KU Ctr. on Devel. Disabilities	N	--	--	18,000	--	--	18,000
Parsons Outreach Clinic	C	60	--	2,000	50	--	2,000
Total--University of Kansas			\$ 1,768	\$ 1,801,727		\$ 1,768	\$ 1,817,706
University of Kansas Medical Center							
Cystic Fibrosis Grant	F	292	--	26,630	290	--	26,630
Kansas City Healthy Start	F	175	--	150,000	180	--	262,500
PKU Screening Program	C	1,700	--	73,982	1,700	--	73,982
Pediatric Consultation Services	F	180	--	10,760	180	--	10,760
Pediatric Seizure Clinic	F	1,000	--	19,200	1,000	--	19,200
Project Eagle	F	200	--	117,625	185	--	117,625
Project HOPE--Teen Pregnancy	F	85	--	190,922	85	--	190,922
Special Health Care Needs Serv.	F	1,267	--	147,597	1,292	--	149,540
Spina Bifida Clinic	F	79	--	25,250	85	--	25,755
Sutherland Institute	C	125	--	35,000	125	--	35,000
Audiology Clinic	F	1,700	--	--	1,700	--	--
Cerebral Palsy Clinic	F	55	--	--	55	--	--
Collaborative Programs	C	--	--	--	--	--	--
Devel. Disability Center	F	1,486	--	14,520	1,486	--	14,955
Feeding Clinic	F	60	--	--	60	--	--
Hartley Family Center	F	70	--	--	70	--	--
Interdisciplinary Tech. Center	C	--	--	--	--	--	--
Lactation Clinic	F	--	--	--	--	--	--
NICU Devel. Follow-up Clinic	C	37	--	--	40	--	--
Prader-Willi	C	--	--	--	--	--	--
Seating Clinic	C	85	--	--	80	--	--
Total--KU Medical Center			\$ --	\$ 811,486		\$ --	\$ 926,869

Expenditures for Children's Programs by Agency and Activity

		FY 2007 Base Budget			FY 2007 Governor's Recommendations		
	Type	Number	State	All		State	All
	<u>Served</u>	<u>Served</u>	<u>General</u>	<u>Funding</u>	<u>Number</u>	<u>General</u>	<u>Funding</u>
			<u>Fund</u>	<u>Sources</u>	<u>Served</u>	<u>Fund</u>	<u>Sources</u>
Kansas State University--ESARP, Cont'd.							
Strong, Healthy Communities	F	10,000	440,000	741,000	10,000	440,000	741,000
Community Youth Devel.	N	30,000	27,000	105,700	30,000	27,000	105,700
Health Education	F	10,000	--	200,000	10,000	--	200,000
Parent. Skills & Family Relat.	F	100,000	975,000	1,520,000	100,000	975,000	1,520,000
Learning & Social Readiness	C	800	12,500	40,000	800	12,500	40,000
Healthier & Safer Lives-Nutrit.	F	250,000	455,000	3,500,000	250,000	455,000	3,500,000
Commun. Involvement Init.	C	40,000	95,000	235,000	40,000	95,000	235,000
Total--KSU--ESARP			\$ 2,738,500	\$ 7,245,700		\$ 2,738,500	\$ 7,245,700
Pittsburg State University							
America Reads Challenge	C	473	400	30,000	473	400	30,000
Career Exploration	C	579	--	2,092	579	--	2,092
Curriculum & Instruction	C	1,300	--	8,000	1,300	--	8,000
Kansas Council on Fitness	C	17,000	--	22,500	17,000	--	22,500
National Youth Sports	C	392	--	77,000	392	--	77,000
Preschool Lab	C	19	--	11,000	19	--	11,000
Science Day	C	1,200	--	521	1,200	--	521
YES Program	C	577	18,018	36,036	577	18,018	36,036
Total--Pittsburg State University			\$ 18,418	\$ 187,149		\$ 18,418	\$ 187,149
University of Kansas							
Child Care Focus	C	900	--	65,000	900	--	65,000
E.A. Hill Child Devel. Center	C	70	--	344,781	70	--	344,781
Hilltop Child Devel. Center	C	260	1,768	1,429,563	260	1,768	1,429,563
KU Ctr. on Devel. Disabilities	N	--	--	18,000	--	--	18,000
Parsons Outreach Clinic	C	50	--	2,000	50	--	2,000
Total--University of Kansas			\$ 1,768	\$ 1,859,344		\$ 1,768	\$ 1,859,344
University of Kansas Medical Center							
Cystic Fibrosis Grant	F	295	--	26,630	295	--	26,630
Kansas City Healthy Start	F	180	--	300,000	180	--	300,000
PKU Screening Program	C	1,900	--	73,982	1,900	--	73,982
Pediatric Consultation Services	F	180	--	10,760	180	--	10,760
Pediatric Seizure Clinic	F	1,000	--	19,200	1,000	--	19,200
Project Eagle	F	185	--	117,625	185	--	117,625
Project HOPE--Teen Pregnancy	F	85	--	190,922	85	--	190,922
Special Health Care Needs Serv.	F	1,292	--	149,540	1,292	--	149,540
Spina Bifida Clinic	F	85	--	25,755	85	--	25,755
Sutherland Institute	C	125	--	35,000	125	--	35,000
Audiology Clinic	F	1,700	--	--	1,700	--	--
Cerebral Palsy Clinic	F	55	--	--	55	--	--
Collaborative Programs	C	--	--	--	--	--	--
Devel. Disability Center	F	1,486	--	14,955	1,486	--	14,955
Feeding Clinic	F	60	--	--	60	--	--
Hartley Family Center	F	70	--	--	70	--	--
Interdisciplinary Tech. Center	C	--	--	--	--	--	--
Lactation Clinic	F	--	--	--	--	--	--
NICU Devel. Follow-up Clinic	C	40	--	--	40	--	--
Prader-Willi	C	--	--	--	--	--	--
Seating Clinic	C	80	--	--	80	--	--
Total--KU Medical Center			\$ --	\$ 964,369		\$ --	\$ 964,369

Expenditures for Children's Programs by Agency and Activity

	Type Served	FY 2005 Actual Expenditures			FY 2006 Governor's Estimate		
		Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Wichita State University							
America Reads Challenge	C	685	--	85,000	600	--	110,000
Health Professions Tour	C	800	--	16,800	800	--	17,230
Communities in Schools	C	1,214	--	14,128	1,214	--	14,128
Dental Hygiene Clinic	F	2,700	35,492	39,694	2,700	36,379	40,686
Dental Hygiene Sealant Grant	C	100	--	6,000	100	--	6,000
GEAR UP	C	2,500	--	1,684,443	2,500	--	1,900,000
Heskett Center	F	7,900	20,000	70,640	10,400	20,000	74,000
Kids Training	F	662	19,000	80,000	662	19,000	80,000
Healthy Options for Planeview	F	2,200	--	2,626	2,600	--	2,700
High School Sports Physicals	C	260	--	15,600	260	--	15,600
Minority Recruitment Grant	C	--	--	--	200	--	30,000
Health Career Pathways	C	50	--	6,150	55	--	7,175
Sch. of Nurs. Hlth. Screenings	C	1,200	7,564	7,564	1,500	7,753	7,753
Serv. Provided by Nurs. Stud.	C	5,125	15,000	15,000	5,500	15,750	15,750
Speech Lang. Hearing Clinic	F	4,030	87,320	470,931	4,040	89,507	482,705
Talent Search-Proj. Discovery	F	2,000	--	498,906	2,000	--	498,906
Teacher Education Majors	C	500	--	12,384	600	--	15,480
Upward Bound	F	150	--	376,000	150	--	376,000
Regional Math/Science Prog.	F	100	--	289,814	100	--	298,508
WSU Child Devel. Center	F	188	--	504,735	188	--	616,777
Total--Wichita State University			\$ 184,376	\$ 4,196,415		\$ 188,389	\$ 4,609,398
Kansas Arts Commission							
Programming for the Arts	N	--	1,481,857	2,102,767	--	1,497,554	2,182,756
Historical Society							
Ks. History Educ. & Outreach	C	68,818	2,150	23,150	70,000	2,500	24,000
State Library							
Kansas Talking Books	C	7,024	10,513	10,513	7,100	10,513	10,513
Library Development	C	95,900	1,045,217	1,045,217	110,000	1,045,217	1,045,217
Statewide Resources Sharing	C	--	156,167	156,167	--	156,167	156,167
Total--State Library			\$ 1,211,897	\$ 1,211,897		\$ 1,211,897	\$ 1,211,897
Total--Education			\$ 2,333,746,979	\$ 2,789,926,230		\$ 2,606,506,611	\$ 3,091,467,134
Public Safety							
Juvenile Justice Authority							
Graduated Sanctions	C	28,444	11,059,152	14,644,665	28,500	11,206,656	14,792,169
Accountability Block Grant	C	13,080	--	1,695,864	10,000	--	924,844
Delinquency Prevent. Trust	C	5,336	--	151,456	10,000	--	420,000
Juv. Justice Delinq. Prevention	C	5,694	--	984,722	5,694	--	990,340
Prevent./Intervent. Block Grant	C	43,234	--	8,999,999	43,234	--	9,000,000
Total--Juvenile Justice Authority			\$ 11,059,152	\$ 26,476,706		\$ 11,206,656	\$ 26,127,353
Atchison Juvenile Correctional Facility							
Operations	C	111	5,779,509	6,228,291	125	6,010,294	6,406,007
Beloit Juvenile Correctional Facility							
Operations	C	45	4,461,087	4,842,316	25	4,553,532	4,857,939
Kansas Juvenile Correctional Complex							
Operations	C	671	13,993,590	14,640,844	717	15,048,477	15,624,881

Expenditures for Children's Programs by Agency and Activity

	FY 2007 Base Budget				FY 2007 Governor's Recommendations		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Wichita State University							
America Reads Challenge	C	600	--	110,000	600	--	110,000
Health Professions Tour	C	800	--	18,000	800	--	18,000
Communities in Schools	C	1,200	--	19,926	1,200	--	19,926
Dental Hygiene Clinic	F	2,800	37,258	41,690	2,800	37,258	41,690
Dental Hygiene Sealant Grant	C	100	--	6,000	100	--	6,000
GEAR UP	C	2,500	--	2,100,000	2,500	--	2,100,000
Heskett Center	F	11,100	20,000	79,000	11,100	20,000	79,000
Kids Training	F	662	19,000	80,000	662	19,000	80,000
Healthy Options for Planeview	F	3,000	--	2,800	3,000	--	2,800
High School Sports Physicals	C	260	--	15,600	260	--	15,600
Minority Recruitment Grant	C	200	--	30,000	200	--	30,000
Health Career Pathways	C	60	--	8,000	60	--	8,000
Sch. of Nurs. Hlth. Screenings	C	1,800	8,528	8,528	1,800	8,528	8,528
Serv. Provided by Nurs. Stud.	C	5,750	16,500	16,500	5,750	16,500	16,500
Speech Lang. Hearing Clinic	F	4,050	91,500	494,772	4,050	91,500	494,772
Talent Search-Proj. Discovery	F	2,000	--	513,873	2,000	--	513,873
Teacher Education Majors	C	600	--	15,480	600	--	15,480
Upward Bound	F	150	--	376,000	150	--	376,000
Regional Math/Science Prog.	F	100	--	296,922	100	--	296,922
WSU Child Devel. Center	F	188	--	616,777	188	--	616,777
Total--Wichita State University			\$ 192,786	\$ 4,849,868		\$ 192,786	\$ 4,849,868
Kansas Arts Commission							
Programming for the Arts	N	--	1,524,951	2,073,076	--	1,492,422	2,040,547
Historical Society							
Ks. History Educ. & Outreach	C	70,000	2,500	24,000	70,000	2,500	24,000
State Library							
Kansas Talking Books	C	7,100	10,513	10,513	7,100	10,513	10,513
Library Development	C	120,000	1,045,217	1,045,217	120,000	1,310,217	1,310,217
Statewide Resources Sharing	C	--	156,167	156,167	--	156,167	156,167
Total--State Library			\$ 1,211,897	\$ 1,211,897		\$ 1,476,897	\$ 1,476,897
Total--Education			\$ 2,686,459,463	\$ 3,157,173,921		\$ 2,680,118,772	\$ 3,159,131,794
Public Safety							
Juvenile Justice Authority							
Graduated Sanctions	C	28,500	11,206,656	14,792,169	28,500	11,206,656	14,792,169
Accountability Block Grant	C	5,000	--	539,600	5,000	--	539,600
Delinquency Prevent. Trust	C	10,000	--	350,000	10,000	--	350,000
Juv. Justice Delinq. Prevention	C	5,694	--	987,043	5,694	--	987,043
Prevent./Intervent. Block Grant	C	43,234	--	9,000,000	43,234	--	9,000,000
Total--Juvenile Justice Authority			\$ 11,206,656	\$ 25,668,812		\$ 11,206,656	\$ 25,668,812
Atchison Juvenile Correctional Facility							
Operations	C	141	5,958,849	6,096,349	141	5,789,060	5,926,560
Beloit Juvenile Correctional Facility							
Operations	C	25	4,504,735	4,713,741	25	4,353,606	4,562,612
Kansas Juvenile Correctional Complex							
Operations	C	714	14,879,347	15,363,441	714	14,845,988	15,378,950

Expenditures for Children's Programs by Agency and Activity

	FY 2005 Actual Expenditures				FY 2006 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Larned Juvenile Correctional Facility Operations	C	146	7,658,728	7,969,482	149	8,085,181	8,480,742
Adjutant General Starbase	C	2,956	--	466,142	4,300	--	460,000
Total--Public Safety			\$ 42,952,066	\$ 60,623,781		\$ 44,904,140	\$ 61,956,922
Agriculture & Natural Resources							
Kansas State Fair							
4H & FFA	C	3,892	--	133,903	4,017	--	127,251
Boy & Girl Scouts	C	1,314	--	8,452	1,024	--	8,079
Do Arts	C	--	--	1,500	--	--	1,500
Kansas Largest Classroom	C	6,795	--	2,600	5,822	--	2,331
Marching Bands	C	6,012	--	2,300	5,547	--	2,175
Total--Kansas State Fair			\$ --	\$ 148,755		\$ --	\$ 141,336
Department of Wildlife & Parks							
Boating Safety	C	10,445	--	72,530	10,600	--	73,000
Fishing Clinics	C	500	--	30,125	510	--	30,150
Furharvester Education	F	634	--	7,830	625	--	7,830
Hunter Education	F	12,530	--	133,268	12,700	--	155,000
Wildlife Education Service	C	17,460	--	32,786	16,800	--	30,331
Youth Challenge	C	42	--	500	45	--	510
Total--Wildlife & Parks			\$ --	\$ 277,039		\$ --	\$ 296,821
Total--Agriculture & Natural Resources			\$ --	\$ 425,794		\$ --	\$ 438,157
Transportation							
Kansas Department of Transportation							
Care/Call	C	140,000	--	--	140,000	--	174,500
Child Passenger Safety	C	6,000	--	54,099	8,000	--	100,000
KS Drunk Driving Prevention	C	225,000	--	215,569	64,000	--	197,000
KS Safety Belt Education	C	36,000	--	162,224	36,000	--	170,000
Pedestrian/Bicycle	C	20,000	--	12,807	18,000	--	25,000
School Traffic Officer Project	C	48,000	--	11,903	50,000	--	100,000
Youth Leadership Summit	C	1,500	--	64,782	1,000	--	87,500
Total--Kansas Department of Transportation			\$ --	\$ 521,384		\$ --	\$ 854,000
Total--Transportation			\$ --	\$ 521,384		\$ --	\$ 854,000
Total--Children's Programs			\$ 2,564,859,408	\$ 3,435,520,592		\$ 3,102,447,141	\$ 4,505,608,210

Expenditures for Children's Programs by Agency and Activity

	FY 2007 Base Budget				FY 2007 Governor's Recommendations		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Larned Juvenile Correctional Facility Operations	C	149	8,032,082	8,186,879	149	8,060,971	9,217,425
Adjutant General Starbase	C	4,300	--	460,000	4,300	--	460,000
Total--Public Safety			\$ 44,581,669	\$ 60,489,222		\$ 44,256,281	\$ 61,214,359
Agriculture & Natural Resources							
Kansas State Fair							
4H & FFA	C	4,017	--	127,251	4,017	--	127,251
Boy & Girl Scouts	C	1,024	--	8,079	1,024	--	8,079
Do Arts	C	--	--	1,500	--	--	1,500
Kansas Largest Classroom	C	5,822	--	2,331	5,822	--	22,291
Marching Bands	C	5,547	--	2,175	5,547	--	2,175
Total--Kansas State Fair			\$ --	\$ 141,336		\$ --	\$ 161,296
Department of Wildlife & Parks							
Boating Safety	C	10,800	--	73,500	10,800	--	73,500
Fishing Clinics	C	525	--	32,000	525	--	32,000
Furharvester Education	F	750	--	8,800	750	--	8,800
Hunter Education	F	13,000	--	158,000	13,000	--	158,000
Wildlife Education Service	C	17,500	--	30,737	17,500	--	30,737
Youth Challenge	C	50	--	525	50	--	525
Total--Wildlife & Parks			\$ --	\$ 303,562		\$ --	\$ 303,562
Total--Agriculture & Natural Resources			\$ --	\$ 444,898		\$ --	\$ 464,858
Transportation							
Kansas Department of Transportation							
Care/Call	C	190,000	--	175,000	190,000	--	175,000
Child Passenger Safety	C	10,000	--	100,000	10,000	--	100,000
KS Drunk Driving Prevention	C	68,000	--	200,000	68,000	--	200,000
KS Safety Belt Education	C	43,000	--	175,000	43,000	--	175,000
Pedestrian/Bicycle	C	19,000	--	25,000	19,000	--	25,000
School Traffic Officer Project	C	52,000	--	100,000	52,000	--	100,000
Youth Leadership Summit	C	1,300	--	93,000	1,300	--	93,000
Total--Kansas Department of Transportation			\$ --	\$ 868,000		\$ --	\$ 868,000
Total--Transportation			\$ --	\$ 868,000		\$ --	\$ 868,000
Total--Children's Programs			\$ 3,185,293,989	\$ 4,555,355,829		\$ 3,192,636,647	\$ 4,602,692,775

Types of Debt

The State of Kansas uses debt financing to pay for certain state expenditures. Traditionally, such expenditures have included capital improvement projects because of the magnitude of the cost and the long-term nature of the projects. However, since the mid-1990s, the state has begun to finance other non-capital improvement costs associated with the operations of state government. This section on debt service has been restructured this year in several important ways. First, the amounts reported include more categories of debt than have been reported in the past. Second, the accompanying table is based on a “budget” view of debt service, rather than a “K DFA-financing” view.

Traditional Bonds. Debt can be divided into five distinct categories. The first category is traditional debt financing through the issuance of bonds. Except for the Kansas Department of Transportation, which issues bonds to finance highways and other transportation projects, the Kansas Development Finance Authority (K DFA) is the issuer of revenue bonds for the state and some local governments. K DFA was created by the Legislature in 1987 as an independent instrumentality of the state to operate as a public corporation rather than as a state agency. The Authority is charged by the Legislature with providing access to the capital markets to state agencies and other public and private organizations.

K DFA accomplishes this purpose in part by issuing debt to fund capital improvements and certain public purpose programs. K DFA issues debt, among others, for local government projects, acquisition, and renovation of state office space, construction and renovation of state university facilities, prison construction and expansion, and energy conservation improvements. K DFA also issues bonds or other debt instruments to finance health care facilities, affordable multifamily housing, and beginning farmer loans. Most of the debt issued by K DFA may be characterized as pledge-of-revenue debt, meaning that bonds are debt serviced by a dedicated stream of revenue, such as a pledge of dormitory or parking garage revenues. The remaining obligations K DFA

issues on behalf of the state may be characterized as State General Fund appropriation bonds, such as those bonds issued to renovate the Capitol Building.

Provisions in the *Kansas Constitution* allow for the limited issuance of general obligation bonds subject to certain restrictions. However, 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, 2005, various state agencies had legislatively authorized but unissued debt of \$543,137,144. Although the amount of debt for financing capital improvement projects has increased in the past several years, debt service 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.

PMIB Loans. The second category consists of a few loans issued by the Pooled Money Investment Board. These are loans that were issued for capital improvements in the past, and the debt for them is still outstanding.

Facilities Conservation Improvement Program. The third category includes the financing of energy improvements for state facilities under a program administered by the Department of Administration, the Facilities Conservation Improvement Program. The financing is provided through lease purchase agreements with a financial institution, and the debt service is repaid from the energy savings generated by the improvements.

Master Lease Purchase Program. The fourth category is the Master Lease Purchase Program. This program finances mostly equipment acquisitions by state agencies and represents the line-of-credit concept administered by the Department of Administration.

Third Party & Other Debt. “Third Party” debt is where an agency purchases personal computers, for example, and the vendor maintains an affiliation with a finance company in order to provide financing to the

purchasing agency. The finance company constitutes the “third party.” There are other similar financing arrangements. In some cases the vendor itself provides financing. Or the vendor recoups the cost of sales promotions by adjusting the price structure accordingly.

Budgeting for Debt Payments

The second major change to this section has to do with the debt service numbers presented in the table at the end of this section. In years past, KDFA has assembled this table specifically for this section of *The Governor’s Budget Report*. The amounts have been based on the total debt service obligation to the bondholders. The source of funds to meet these obligations comes in part from investment earnings on idle bond proceeds (bond reserve funds or capitalized interest funds) or earnings on project funds which may eventually be used to pay contractors for their work. Permitted earnings on debt service monies may likewise be used to defray debt service costs.

This might be considered a “KDFA-finance” view of debt, because KDFA is responsible for the “total” debt owed to the bondholders. After considering the interest earned on bond funds, the “shortfall” represents the remaining amount that must be appropriated in agency budgets from pledged revenue sources or appropriations. The change this year is that the table depicts only the portion of the debt service included in agency budgets. Therefore, the table now represents a “budget” view of debt. In this way, the numbers reported on the table will be the same as those amounts that the Governor recommends and the Legislature approves.

Ratings

Although the state has no general obligation debt, and thus no general obligation debt rating, KDFA works with the rating agencies to facilitate the state’s issuer “shadow” credit rating. KDFA met with officials from Standard & Poor’s on August 16, 2004, which resulted in a change to a strong “AA+” rating, removing the negative outlook that had been in place for the prior three years and changing the outlook to “stable.”

Standard & Poor’s credit rating reflects the state’s general creditworthiness. Credit factors include a very low debt burden, continued economic diversification, and historically conservative and responsible fiscal management.

The issuer rating assigned by Moodys remains “Aa1.” Moodys rating is an issuer rating, which like the Standard & Poor’s rating 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 relatively low debt levels. The rating is based on Kansas’ traditionally strong fiscal discipline.

Debt Projects

Following are brief descriptions of new or expanded projects that are debt financed, primarily capital improvements but also including the actuarial soundness of the KPERS Fund.

Department of Administration

Public Broadcasting Projects. The 2005 Legislature authorized \$1.7 million in bonding authority for public broadcasting projects. The bond proceeds will match approximately \$2.2 million in federal funding for three projects: construction of a broadcast tower in Garden City, conversion of public radio stations to digital technology, and the purchase of equipment. This new authorization, when combined with the prior authorization by the 2000 Legislature of \$6.0 million in bonding authority for conversion of TV stations to digital technology, creates a combined State General Fund debt service payment of \$659,139 in FY 2007, including \$354,128 for principal and \$305,011 in interest.

Docking State Office Building Cooling Tower Replacement. The Governor recommends replacement of the cooling towers at the Docking State Office Building (DSOB) in FY 2007. A concrete cooling tower will be constructed on the southwest corner of the DSOB property. The actual cost of the project is approximately \$2.0 million. However, the project will be financed as an equipment item through

the Master Lease Purchase Program with six annual payments from the State General Fund of \$395,168.

Comprehensive Transportation Program Bonds.

The 2005 Legislature authorized the issuance of up to \$210.0 million in bonds to support the Kansas Department of Transportation's Comprehensive Transportation Program. The Governor recommends that the full \$210.0 million in bonds be issued in January 2006, shortly after commencement of the 2006 Legislative Session. The first debt service payment will be in FY 2007 for interest only of \$4,992,724. These bonds will be repaid through appropriations from the State General Fund in the 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. The 2001 Legislature, with the approval of the State Finance Council, authorized the issuance of another \$15.0 million in bonds for an underground parking garage. The 2004 Legislature authorized an additional \$19.8 million for Phase II of the Statehouse renovation. Another \$26.9 million was authorized by the 2005 Legislature to complete Phase III of the renovation.

For FY 2007, at the request of the Legislative Coordinating Council after its meeting in December 2005, the Governor recommends an additional \$16.2 million in bonding authority to cover cost increases experienced since the original bonding amounts were authorized. This authorization brings the total debt outstanding on the project to \$117.9 million. The additional bonding authority will not increase the FY 2007 debt service payments, because the first debt service payment on these bonds will not occur until FY 2008. The total project cost has been estimated to be \$135.0 million. With the changes approved by the LCC, the project total is expected to increase to \$162.0 million.

Kansas Public Employees Retirement System

Regents Employees. Bonds totaling \$15.5 million are funding the actuarial liability of a closed group of employees of the Regents system and the Hospital Authority of the University of Kansas Medical Center.

These individuals had prior service credit under KPERS but also had been under the Regents' defined contribution retirement plan. The Board of Regents is responsible for payment of the debt service on the bonds, which is \$1,786,004 in FY 2007, including \$1,250,000 in principal and \$536,004 in interest. Prior to the issuance of these bonds, the universities made cash payments of approximately \$9.5 million each year to retire this liability.

Department of Labor

Eastman HVAC System. In FY 2006, the Governor recommends \$65,000 from the Special Projects Fund for a new HVAC system and other necessary upgrades at the Department of Labor's call center. Of the total, \$62,000 is for principal and \$3,000 is for interest. The amount for FY 2007 is the same. However, the financing will be from the Special Employment Security Fund through the Master Lease Purchasing Program.

Unemployment Insurance Benefits IT System. The Department of Labor was authorized to issue \$21.0 million in bonds to build the computer system that supports the unemployment insurance benefits process for Kansas. The system is responsible for processing all types of claims, payments to claimants, appeals, overpayments, and associated statistics. Each year the system produces over one million warrants and \$300.0 million in payments.

The bonds to finance the system were issued in November 2005. For that reason, the agency included only \$140,129 in interest payments in its FY 2006 budget. For FY 2007, a total of \$1,877,475 is included. Of that total, \$1,495,000 is principal and \$382,475 is interest. The financing for repaying the bonds is from the interest earned on the Employment Security Benefits Trust Fund.

Board of Regents

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. The 2005 Legislature authorized another \$5.0 million in bonds for two new projects: the de-icing tunnel at Wichita State University and the polymer research facility at Pittsburg State University.

Under this initiative, the state is responsible for the first \$50.0 million of debt service, with the amount not to exceed \$10.0 million in any one year. After that point, the universities will assume responsibility for the debt service from revenue generated by the facilities. Between FY 2004 and FY 2006 the accumulated debt service for the project has been just \$6,314,846. Beginning in FY 2007, the debt service will increase to \$9,583,000, including \$6.0 million in principal and \$3,583,000 in interest. The Board of Regents estimates that the debt service will remain stable at that level for the next few years.

Kansas Bureau of Investigation

Automated Fingerprint Identification System. The Kansas Bureau of Investigation will be participating in the Master Lease Purchase Program to obtain an Automated Fingerprint Identification System. The system is used to assist law enforcement agencies with criminal investigations. The Governor recommends \$715,443 in FY 2007 to finance the debt service on the

new identification system. Of that total, \$551,995 is for principal and \$163,448 is for interest. The principal amount is financed with federal funds, while the majority of the interest amount is financed from the State General Fund.

Department of Wildlife & Parks

Tuttle Creek State Park Mitigation Project. Repair to the Tuttle Creek dam by the U.S. Army Corps of Engineers caused significant damage to the area of the state park where the current access road and campground are located. In order to facilitate building a new access road and campground at the state park, the U.S. Corps of Engineers will provide up to \$1.5 million in funding to be reimbursed to the state as the project proceeds. For FY 2005, the Legislature approved a \$1.2 million loan from the Pooled Money Investment Board to supply operating funds for this project. In late FY 2005, \$15,153 in interest was paid from the Park Fee Fund. In FY 2006, the agency expects to pay the same amount in interest, also from the Park Fee Fund, as well as \$500,000 for principal, which will be financed through a reimbursement from the federal government. In FY 2007, the agency will pay another \$15,153 in interest from the Park Fee Fund and \$700,000 for principal, which will also be financed by a reimbursement from the federal government.

Expenditures for Debt Service by Agency

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	Prin. Balance June 30, 2007 Estimate
Bonded Indebtedness					
Department of Administration					
Principal	3,863,172	4,485,000	5,165,000	4,744,128	810,190,000
Interest	2,180,783	2,863,024	14,775,960	25,254,068	
Kansas Public Employees Retirement System					
Principal	--	2,711,539	2,736,086	2,786,547	19,030,000
Interest	--	501,085	475,606	425,201	
Department of Commerce					
Principal	8,565,000	8,990,000	9,400,000	8,680,000	26,320,000
Interest	2,684,484	2,385,533	1,980,529	1,609,335	
Insurance Department					
Principal	140,000	585,000	--	--	--
Interest	44,300	35,404	--	--	
Total--General Government	\$ 17,477,739	\$ 22,556,585	\$ 34,533,181	\$ 43,499,279	\$ 855,540,000
Social & Rehabilitation Services					
Principal	765,000	2,670,000	2,810,000	2,895,000	72,425,000
Interest	1,979,465	2,877,215	3,694,462	3,599,163	
Health & Environment					
Principal	395,000	405,000	415,000	430,000	649,760,000
Interest	37,838	37,838	37,838	31,173	
Department of Labor					
Principal	200,000	145,000	145,000	1,645,000	22,240,000
Interest	196,308	123,356	271,263	512,983	
Total--Human Services	\$ 3,573,611	\$ 6,258,409	\$ 7,373,563	\$ 9,113,319	\$ 744,425,000
Board of Regents					
Principal	9,805,800	14,118,757	12,100,000	18,700,000	193,701,100
Interest	5,194,200	4,639,579	4,732,418	7,669,004	
Emporia State University					
Principal	471,000	494,407	501,000	516,000	11,923,049
Interest	188,671	151,733	160,746	252,882	
Fort Hays State University					
Principal	185,000	220,869	205,000	210,000	13,455,000
Interest	226,432	196,145	239,214	235,114	
Kansas State University					
Principal	2,854,409	3,055,092	3,045,118	4,272,643	76,965,000
Interest	1,099,000	901,861	1,297,636	2,473,932	
Pittsburg State University					
Principal	315,000	325,000	335,000	365,000	10,135,000
Interest	406,128	383,794	430,319	419,973	
University of Kansas					
Principal	3,015,000	4,851,495	3,300,000	3,605,000	60,385,000
Interest	2,216,451	2,201,189	1,973,722	1,870,108	
University of Kansas Medical Center					
Principal	205,000	205,000	1,210,000	815,000	22,075,000
Interest	254,544	730,190	606,384	997,076	
Wichita State University					
Principal	720,000	1,750,000	1,830,000	1,965,000	23,890,000
Interest	787,046	782,781	988,261	1,184,947	
Total--Education	\$ 27,943,681	\$ 35,007,892	\$ 32,954,818	\$ 45,551,679	\$ 412,529,149
Department of Corrections					
Principal	8,716,810	7,745,000	5,034,697	3,980,000	26,875,000
Interest	2,257,024	1,784,212	1,535,303	1,400,000	

Expenditures for Debt Service by Agency

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	Prin. Balance June 30, 2007 Estimate
Juvenile Justice Authority					
Principal	1,950,269	1,710,000	1,795,000	1,885,000	41,775,000
Interest	2,381,815	2,280,439	2,205,512	2,115,763	
Adjutant General					
Principal	215,000	225,000	850,000	1,160,000	19,320,000
Interest	159,047	332,185	437,094	866,811	
Highway Patrol					
Principal	630,000	665,000	695,000	768,957	3,940,000
Interest	332,961	275,867	252,107	285,636	
Kansas Bureau of Investigation					
Principal	210,000	230,000	245,000	250,000	850,000
Interest	95,652	69,029	70,958	57,200	
Total--Public Safety	\$ 16,948,578	\$ 15,316,732	\$ 13,120,671	\$ 12,769,367	\$ 92,760,000
Kansas State Fair					
Principal	630,000	1,000,000	1,050,000	1,080,000	24,800,000
Interest	770,914	1,084,158	1,199,737	1,167,251	
Total--Agriculture & Natural Resources	\$ 1,400,914	\$ 2,084,158	\$ 2,249,737	\$ 2,247,251	\$ 24,800,000
Kansas Department of Transportation					
Principal	28,350,000	38,460,000	46,755,000	53,020,000	1,821,705,000
Interest	51,662,637	64,777,550	76,384,151	74,183,230	
Total--Transportation	\$ 80,012,637	\$ 103,237,550	\$ 123,139,151	\$ 127,203,230	\$ 1,821,705,000
Total					
Principal	\$ 72,201,460	\$ 95,047,159	\$ 99,621,901	\$ 113,773,275	\$ 3,951,759,149
Interest	\$ 75,155,700	\$ 89,414,167	\$ 113,749,220	\$ 126,610,850	
Total Bonded Indebtedness	\$ 147,357,160	\$ 184,461,326	\$ 213,371,121	\$ 240,384,125	\$ 3,951,759,149
Off Budget					
Department of Administration					
Principal	535,000	1,356,702	1,630,000	1,705,000	43,855,000
Interest	641,796	1,852,793	1,816,039	1,745,434	
Total Off Budget Bond Indebtedness	\$ 1,176,796	\$ 3,209,495	\$ 3,446,039	\$ 3,450,434	\$ 43,855,000
Pooled Money Investment Board Loans					
Kansas State University--ESARP					
Principal	--	1,000,000	--	--	2,875,000
Interest	--	26,619	49,024	42,217	
Kansas Water Office					
Principal	221,992	226,892	229,946	232,039	--
Interest	15,485	8,267	7,999	5,906	
Department of Wildlife & Parks					
Principal	--	--	500,000	700,000	--
Interest	--	15,153	15,153	15,153	
Principal	\$ 221,992	\$ 1,226,892	\$ 729,946	\$ 932,039	\$ 2,875,000
Interest	\$ 15,485	\$ 50,039	\$ 72,176	\$ 63,276	
Total PMIB Loans	\$ 237,477	\$ 1,276,931	\$ 802,122	\$ 995,315	\$ 2,875,000
Off Budget					
Department of Administration					
Principal	728,667	734,066	737,395	738,988	2,199,567
Interest	201,697	148,216	98,618	52,607	
Total Off Budget PMIB Loans	\$ 930,364	\$ 882,282	\$ 836,013	\$ 791,595	\$ 2,199,567

Expenditures for Debt Service by Agency

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	Prin. Balance June 30, 2007 Estimate
Facilities Conservation Improvement Program					
Insurance Department					
Principal	--	--	37,500	37,500	300,000
Interest	--	--	37,500	37,500	
Total--General Government	\$ --	\$ --	\$ 75,000	\$ 75,000	\$ 300,000
Kansas Neurological Institute					
Principal	103,631	105,338	113,643	118,526	1,713,603
Interest	87,739	85,713	81,357	76,474	
Parsons State Hospital & Training Center					
Principal	--	50,781	104,736	110,117	1,818,190
Interest	--	35,515	83,054	77,673	
Total--Human Services	\$ 191,370	\$ 277,347	\$ 382,790	\$ 382,790	\$ 3,531,793
School for the Blind					
Principal	--	43,928	32,464	25,276	372,806
Interest	--	--	23,664	18,652	
School for the Deaf					
Principal	--	--	52,021	54,197	903,055
Interest	--	--	41,251	39,075	
Emporia State University					
Principal	10,453	11,059	11,700	12,378	57,908
Interest	5,761	5,155	4,514	3,836	
Fort Hays State University					
Principal	16,162	186,586	170,424	184,511	4,454,466
Interest	5,926	5,116	194,865	187,597	
Kansas State University					
Principal	198,300	308,315	322,543	333,678	2,195,086
Interest	99,086	139,695	125,469	109,499	
Pittsburg State University					
Principal	340,095	350,410	445,597	459,141	6,609,416
Interest	315,341	271,634	331,668	318,124	
University of Kansas					
Principal	--	651,520	682,388	715,271	16,651,020
Interest	--	876,014	844,334	811,151	
University of Kansas Medical Center					
Principal	369,983	--	--	--	--
Interest	2,587	--	--	--	
Total--Education	\$ 1,363,694	\$ 2,849,432	\$ 3,282,902	\$ 3,272,386	\$ 31,243,757
El Dorado Correctional Facility					
Principal	--	62,310	171,431	171,431	1,715,387
Interest	--	45,082	88,389	88,389	
Ellsworth Correctional Facility					
Principal	--	6,084	74,353	77,097	719,738
Interest	--	2,663	30,404	27,660	
Hutchinson Correctional Facility					
Principal	218,382	218,834	237,777	248,112	1,732,260
Interest	112,247	102,755	92,852	82,517	
Lansing Correctional Facility					
Principal	--	306,254	317,347	328,842	2,660,701
Interest	--	126,988	115,895	104,400	
Larned Correctional Mental Health Facility					
Principal	--	1,163	14,236	14,762	137,822
Interest	--	508	5,820	5,294	

Expenditures for Debt Service by Agency

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	Prin. Balance June 30, 2007 Estimate
Juvenile Justice Authority					
Principal	1,950,269	1,710,000	1,795,000	1,885,000	41,775,000
Interest	2,381,815	2,280,439	2,205,512	2,115,763	
Adjutant General					
Principal	215,000	225,000	850,000	1,160,000	19,320,000
Interest	159,047	332,185	437,094	866,811	
Highway Patrol					
Principal	630,000	665,000	695,000	768,957	3,940,000
Interest	332,961	275,867	252,107	285,636	
Kansas Bureau of Investigation					
Principal	210,000	230,000	245,000	250,000	850,000
Interest	95,652	69,029	70,958	57,200	
Total--Public Safety	\$ 16,948,578	\$ 15,316,732	\$ 13,120,671	\$ 12,769,367	\$ 92,760,000
Kansas State Fair					
Principal	630,000	1,000,000	1,050,000	1,080,000	24,800,000
Interest	770,914	1,084,158	1,199,737	1,167,251	
Total--Agriculture & Natural Resources	\$ 1,400,914	\$ 2,084,158	\$ 2,249,737	\$ 2,247,251	\$ 24,800,000
Kansas Department of Transportation					
Principal	28,350,000	38,460,000	46,755,000	53,020,000	1,821,705,000
Interest	51,662,637	64,777,550	76,384,151	74,183,230	
Total--Transportation	\$ 80,012,637	\$ 103,237,550	\$ 123,139,151	\$ 127,203,230	\$ 1,821,705,000
Total					
Principal	\$ 72,201,460	\$ 95,047,159	\$ 99,621,901	\$ 113,773,275	\$ 3,951,759,149
Interest	\$ 75,155,700	\$ 89,414,167	\$ 113,749,220	\$ 126,610,850	
Total Bonded Indebtedness	\$ 147,357,160	\$ 184,461,326	\$ 213,371,121	\$ 240,384,125	\$ 3,951,759,149
Off Budget					
Department of Administration					
Principal	535,000	1,356,702	1,630,000	1,705,000	43,855,000
Interest	641,796	1,852,793	1,816,039	1,745,434	
Total Off Budget Bond Indebtedness	\$ 1,176,796	\$ 3,209,495	\$ 3,446,039	\$ 3,450,434	\$ 43,855,000
Pooled Money Investment Board Loans					
Kansas State University--ESARP					
Principal	--	1,000,000	--	--	2,875,000
Interest	--	26,619	49,024	42,217	
Kansas Water Office					
Principal	221,992	226,892	229,946	232,039	--
Interest	15,485	8,267	7,999	5,906	
Department of Wildlife & Parks					
Principal	--	--	500,000	700,000	--
Interest	--	15,153	15,153	15,153	
Principal	\$ 221,992	\$ 1,226,892	\$ 729,946	\$ 932,039	\$ 2,875,000
Interest	\$ 15,485	\$ 50,039	\$ 72,176	\$ 63,276	
Total PMIB Loans	\$ 237,477	\$ 1,276,931	\$ 802,122	\$ 995,315	\$ 2,875,000
Off Budget					
Department of Administration					
Principal	728,667	734,066	737,395	738,988	2,199,567
Interest	201,697	148,216	98,618	52,607	
Total Off Budget PMIB Loans	\$ 930,364	\$ 882,282	\$ 836,013	\$ 791,595	\$ 2,199,567

Expenditures for Debt Service by Agency

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	Prin. Balance June 30, 2007 Estimate
University of Kansas Medical Center					
Principal	1,448,353	355,124	525,549	1,069,879	2,157,637
Interest	258,316	19,605	54,009	90,766	
Wichita State University					
Principal	1,448,353	--	--	--	--
Interest	258,316	--	--	--	--
Total--Education	\$ 4,974,995	\$ 2,779,422	\$ 2,260,350	\$ 2,864,906	\$ 3,331,275
Highway Patrol					
Principal	357,843	373,863	393,320	413,789	1,882,001
Interest	177,960	159,403	139,946	119,477	
Kansas Bureau of Investigation					
Principal	11,246	11,793	12,967	551,995	3,276,959
Interest	1,721	1,175	601	163,448	--
Total--Public Safety	\$ 548,770	\$ 546,234	\$ 546,834	\$ 1,248,709	\$ 5,158,960
Department of Wildlife & Parks					
Principal	4,360	9,068	9,301	4,771	--
Interest	440	531	298	29	
Total--Agriculture & Natural Resources	\$ 4,800	\$ 9,599	\$ 9,599	\$ 4,800	\$ --
Principal	\$ 5,105,046	\$ 3,440,552	\$ 2,968,695	\$ 4,262,028	\$ 12,469,427
Interest	\$ 1,006,415	\$ 511,680	\$ 458,496	\$ 708,260	
Total Master Lease	\$ 6,111,461	\$ 3,952,232	\$ 3,427,191	\$ 4,970,288	\$ 12,469,427
Off Budget					
Department of Administration					
Principal	2,124,212	1,159,254	1,371,340	1,093,419	1,528,309
Interest	134,194	76,583	102,387	65,812	
Total Off Budget Master Lease	\$ 2,258,406	\$ 1,235,837	\$ 1,473,727	\$ 1,159,231	\$ 1,528,309

Expenditures for Debt Service by Agency

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
Third Party & Other Debt				
Department of Administration				
Principal	76,310	105,837	107,556	113,064
Interest	22,282	38,559	35,259	29,751
Kansas Corporation Commission				
Principal	--	34,361	45,425	45,425
Interest	--	--	--	--
Citizens Utility Ratepayer Board				
Principal	--	968	1,680	1,680
Interest	--	--	--	--
Attorney General				
Principal	--	--	39,435	33,227
Interest	--	--	--	6,208
Total--General Government	\$ 98,592	\$ 179,725	\$ 229,355	\$ 229,355
Department of Social & Rehabilitation Services				
Principal	320,699	314,704	377,509	137,500
Interest	28,839	21,949	6,421	--
Kansas Neurological Institute				
Principal	15,492	16,406	16,500	16,500
Interest	--	--	--	--
Larned State Hospital				
Principal	29,789	45,874	68,944	68,944
Interest	--	--	--	--
Osawatomie State Hospital				
Principal	64,082	75,887	72,781	44,029
Interest	--	3,158	3,987	2,919
Parsons State Hospital				
Principal	14,607	19,976	12,217	12,217
Interest	--	--	--	--
Rainbow Mental Health Facility				
Principal	13,221	14,273	11,100	11,100
Interest	--	--	--	--
Commission on Veterans Affairs				
Principal	14,692	14,692	2,259	2,711
Interest	--	--	--	--
Total--Human Services	\$ 501,421	\$ 526,919	\$ 571,718	\$ 295,920
Emporia State University				
Principal	45,480	45,771	52,191	52,191
Interest	--	--	--	--
Kansas State University				
Principal	45,480	45,771	52,191	52,191
Interest	--	--	--	--
Pittsburg State University				
Principal	5,941	5,941	5,941	5,941
Interest	--	--	--	--
University of Kansas				
Principal	55,000	55,000	55,000	348,870
Interest	--	--	--	91,330
University of Kansas Medical Center				
Principal	1,296,538	1,212,929	823,010	524,555
Interest	97,307	130,916	190,635	255,890
Total--Education	\$ 1,545,746	\$ 1,496,328	\$ 1,178,968	\$ 1,330,968
Water Office				
Principal	400,009	460,650	476,464	492,855
Interest	519,928	693,579	677,766	661,374
Total--Agriculture & Natural Resources	\$ 919,937	\$ 1,154,229	\$ 1,154,230	\$ 1,154,229

Expenditures for Debt Service by Agency

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
Principal	\$ 2,397,340	\$ 2,469,040	\$ 2,220,203	\$ 1,963,000
Interest	\$ 668,356	\$ 888,161	\$ 914,068	\$ 1,047,472
Total Third Party & Other Debt	\$ 3,065,696	\$ 3,357,201	\$ 3,134,271	\$ 3,010,472
Off Budget				
Dept. of Administration				
Principal	26,484	--	--	--
Interest	17,739	--	--	--
Total Off Budget:				
Third Party & Other Debt	\$ 44,223	\$ --	\$ --	\$ --

Capital Budget Summary

FY 2006 Expenditures

The FY 2006 capital budget that was approved a year ago by the 2005 Legislature totaled \$1,021,013,640 from all funding sources. The State General Fund portion of that total amounted to \$14,196,623. Expenditures for the revised FY 2006 capital budget now total \$1,157,861,073, of which \$14,888,165 is estimated to be spent from the State General Fund. The revised budget from all funding sources is some \$136.8 million higher than a year ago. And the State General Fund portion within this total is higher by \$691,542.

Most of the increase is attributable to monies in FY 2005 that were not spent. However, the authority to spend these funds to complete projects carries over into FY 2006. Nonetheless, there are a few new projects included in the Governor's recommendation for the current fiscal year. These include construction of a parking lot and acquisition of the Eastman Building on the old Topeka Hospital grounds by the Department of Labor, replacement of skylights at the Kansas History Museum, repairs to the Grandstand at the State Fair, and beginning construction of the veterans' cemetery at Fort Riley. The Governor's revised estimates account more systematically for all expenditures related to the Facilities Conservation Improvement Program, which is administered financially by the Department of Administration.

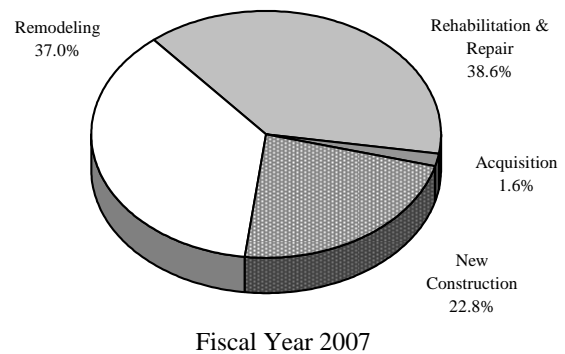
FY 2007 Expenditures

The Governor recommends capital expenditures totaling \$853,810,445 from all funding sources for FY 2007, with \$13,364,642 of that being financed from the State General Fund, \$754,025,878 from the State Highway Fund, \$47,564,754 from the three building funds, and the remaining \$38,855,171 from a variety of special revenue funds, many of which are dedicated specifically for capital projects. The capital budget constitutes 7.3 percent of the total budget.

There is a significant decrease in expenditures from FY 2006 to FY 2007. Some of the decrease is

attributable to carryover funds being added to the approved FY 2006, making the level of funding higher than the level for the forthcoming year. Nevertheless, there is a large decrease in expenditures by the Department of Transportation. This is the result of an unusually large number of scheduled projects being let in FY 2006. At the same time, there are also several new projects recommended for FY 2007, including repairs to the roof of the Dillon House, remodeling facilities at the Soldiers Home and the Kansas Veterans Home, installation of back-up generators at these same two facilities, student housing debt service payments at Kansas State University, renovation of the Lied Biomedical Building at the KU Medical Center, and establishment of a rehabilitation and repair account for the KBI.

How It Is Spent



The pie chart above illustrates capital expenditures by project type in accordance with the categories and definitions provided by the *Budget Instructions*, as published by the Division of the Budget. The distribution of expenditures among the major categories is relatively equal. The exception is the category for the acquisition of property or existing facilities, which is very small compared to the others. Rehabilitation and repair includes projects intended to keep facilities in working order. Renovation and remodeling are more extensive than just repairs, often converting facilities to a different use. And new construction involves the erection of a facility where none existed before or one in which the old facility was totally demolished and then rebuilt.

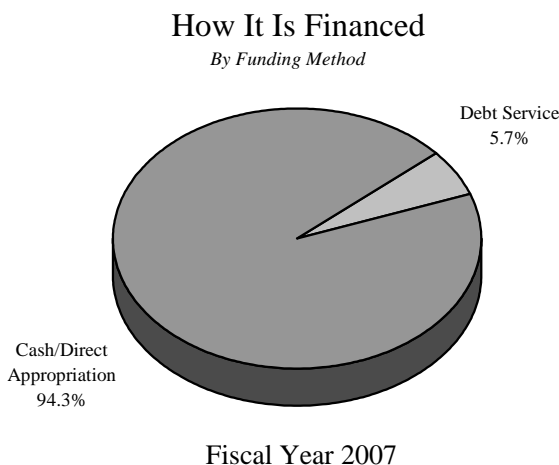
Capital Budget Process

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. 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. Most capital projects are funded through appropriations of available cash in the State General Fund and special revenue funds. However, the use of revenue bonds for financing capital projects continues to increase.

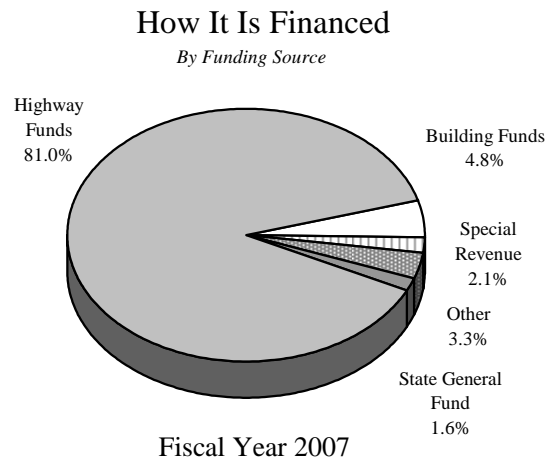
Financing

The following pie chart illustrates the portion of the capital budget that is debt financed as opposed to the



portion that is financed from direct appropriations of cash. In keeping with the definition of capital improvements, only the principal portion of the debt service is represented.

Transportation projects are by far the largest part of the state's capital budget. They constitute 89.2 percent of the FY 2006 expenditures for capital improvements and, as indicated by the pie chart below showing expenditures by funding source, 88.3 percent of FY 2007 capital expenditures. The State Highway Fund within the Transportation function 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, a one-fourth percent-dedicated sales tax, and federal funds.



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 activities. The table on the next page shows the status of the building funds, encompassing the past two complete fiscal years, the current fiscal year, the budget fiscal year, and estimates for two out years.

Educational Building Fund. For FY 2007, the Governor recommends total capital improvement expenditures from the EBF of \$30,375,000. The

majority of the recommended financing is for Crumbling Classroom projects and includes \$15.0 million for the ongoing debt service payment for Crumbling Classroom projects, of which \$11,450,000 is for principal and \$3,550,000 is for interest. Also recommended is \$15.0 million for rehabilitation and repair. The recommendation also includes \$375,000 for the insurance premium for state buildings. It is expected that this level of funding can be sustained or slightly increased for the next few fiscal years with an estimated carryover balance of approximately \$1.0 to \$2.0 million as a buffer against any fluctuations in new revenues.

State Institutions Building Fund. The Governor's recommendation for the SIBF totals \$15,193,887 for FY 2007. A number of different agencies depend on the SIBF for financing their capital improvements, including SRS hospitals, juvenile correctional facilities, the Schools for the Blind and Deaf, and the Veterans Commission. The level of expenditure from the fund has been well below the resources available,

thereby creating a notable balance of uncommitted funds.

Correctional Institutions Building Fund. The statute authorizing 10.0 percent of gaming receipts to be deposited in the CIBF produces a stable source of revenue for improvements to correctional facilities. These commonly take the form of regular debt payments on the construction of facilities as well as rehabilitation and repair that is distributed from the central office of the Department of Corrections to the correctional institutions, as needed. The Governor's recommendation for FY 2007 from the CIBF totals \$4,995,867.

Effect on Operating Budget

This section includes a description of the operating costs that will accompany the completion of new facilities as they become operational.

Status of State Building Funds						
	FY 2004 <u>Actual</u>	FY 2005 <u>Actual</u>	FY 2006 <u>Gov. Est.</u>	FY 2007 <u>Gov. Rec.</u>	FY 2008 <u>Estimate</u>	FY 2009 <u>Estimate</u>
Educational Building Fund						
Beginning Balance	\$ 6,602,449	\$ 6,089,057	\$ 8,148,466	\$ 1,022,423	\$ 1,701,546	\$ 2,361,100
Released Encumbrances/Adjs.	504,562	309,575	--	--	--	--
Property Tax	23,244,087	24,979,536	26,698,236	27,900,450	28,813,289	29,892,364
Motor Vehicle Taxes	2,126,782	1,801,027	3,076,754	3,153,673	3,232,515	3,313,327
Resources Available	\$ 32,477,880	\$ 33,179,195	\$ 37,923,456	\$ 32,076,546	\$ 33,747,350	\$ 35,566,791
Expenditures	\$ 26,388,823	\$ 25,030,729	\$ 36,901,033	\$ 30,375,000	\$ 31,386,250	\$ 32,897,838
State Institutions Building Fund						
Beginning Balance	\$ 15,385,641	\$ 15,372,013	\$ 11,735,074	\$ 9,907,420	\$ 10,240,594	\$ 12,466,998
Released Encumbrances/Adjs.	1,268,990	291,113	--	--	--	--
Property Tax	11,621,968	12,486,463	13,349,118	13,950,225	14,406,645	14,946,182
Motor Vehicle Taxes	1,063,391	900,513	1,538,377	1,576,836	1,616,257	1,656,664
Other Receipts/Refunds	--	424	--	--	--	--
Vet Cemetery Repayment	--	--	--	--	355,000	--
Resources Available	\$ 29,339,990	\$ 29,050,526	\$ 26,622,569	\$ 25,434,481	\$ 26,618,496	\$ 29,069,844
Expenditures	\$ 13,967,977	\$ 17,315,452	\$ 16,715,149	\$ 15,193,887	\$ 14,151,498	\$ 14,153,126
Correctional Institutions Building Fund						
Beginning Balance	\$ 1,585,102	\$ 2,046,674	\$ 1,477,937	\$ 22,362	\$ 18,495	\$ 18,495
Released Encumbrances/Adjs.	7,051	15,605	--	--	--	--
Gaming Revenues	4,992,062	4,992,147	4,992,000	4,992,000	4,992,000	4,992,000
Resources Available	\$ 6,584,215	\$ 7,054,426	\$ 6,469,937	\$ 5,014,362	\$ 5,010,495	\$ 5,010,495
Expenditures	\$ 4,537,541	\$ 5,576,489	\$ 6,447,575	\$ 4,995,867	\$ 4,992,000	\$ 4,992,000

Department of Wildlife & Parks

Prairie Spirit Rail Trail. The Prairie Spirit Rail Trail is a 52-mile-long recreational trail located on a former Atchison, Topeka and Santa Fe (ATSF) rail corridor between Ottawa and Welda, Kansas. The first two stages of the trail were approved in FY 1995 and FY 1996, with construction of these two stages completed in FY 1998. Completion of the third stage of the Prairie Spirit Rail Trail, between the City of Welda and the City of Iola will be finished in FY 2006. For FY 2007, the Governor recommends \$65,000 from the State General Fund and 1.00 FTE position for the operating costs of this trail.

Commission of Veterans Affairs

Veterans Cemetery at Fort Riley. The Kansas Commission on Veterans Affairs plans to begin construction of the veterans cemetery at Fort Riley during FY 2006 and open the facility in late FY 2007. For expected operating costs of this facility, the Governor recommends \$72,792 from the State General Fund for FY 2007. Of this amount, \$62,587 will cover salaries and wages to fill an existing position within the state cemetery program and \$10,205 will fund other operating expenses connected with this position. The use of these funds is contingent upon the cemetery opening in FY 2007.

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 budget recommendation for FY 2006 includes estimated expenditures totaling \$716,944 for rehabilitation and repair, of which \$516,944 is from the State General Fund and \$200,000 from the State Buildings Depreciation Fund. Of the State General Fund amount, \$153,731 is a carry forward amount for maintenance projects at the Statehouse and Cedar Crest, and \$63,203 is a carry forward amount for maintenance projects at the Kansas Judicial Center. The Governor recommends \$200,000 from the State Buildings Depreciation Fund in FY 2007. In addition, the Governor recommends \$300,000 from the State General Fund and \$75,000 from the Printing Services Depreciation Fund for rehabilitation and repair in FY 2007. The State General Fund portion of rehabilitation and repair projects will provide \$200,000 for maintenance to the Statehouse and Cedar Crest and \$100,000 for Judicial Center repairs. The monies from the Printing Services Depreciation Fund would provide for maintenance at the state printing plant.

Statehouse Improvements. The Legislature has authorized the issuance of \$74.8 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 the future visitors center, and relocation of utilities. This project is an effort to renovate the entire Statehouse by 2011 at an estimated cost of \$162.0 million. This estimate was recently increased from \$135.0 million by the Legislative Coordinating Council at its December meeting. For FY 2006, the debt service totals \$8,317,027, of which \$4,432,027 is interest and

\$3,885,000 is principal. All funding for debt service is from the State General Fund. For FY 2007, the Governor recommends \$8,463,690 for debt service, of which \$4,833,690 is interest and \$3,630,000 is principal. The Governor also will be recommending additional bonding authority of \$16.2 million. The debt service will increase accordingly starting in FY 2008.

Judicial Center Improvements. The Governor recommends \$98,360 from the State General Fund for Judicial Center improvements in FY 2006. This amount is for debt service on bonds that were financed over a 16-year period, beginning in FY 2002. Of the debt service, \$60,000 is for principal and \$38,560 is for interest. In FY 2007, the Governor recommends \$101,653 from the State General Fund to pay debt service, of which \$65,000 is for principal and \$36,653 is for interest.

Improvements to State Facilities. The Governor recommends \$774,412 for FY 2006, \$414,412 for interest and \$360,000 for principal, for improvements to state facilities for which the Department of Administration is responsible, with the funding to come from the State Buildings Depreciation Fund. The debt service increases slightly to \$776,412 for FY 2007, of which \$396,412 is interest and \$380,000 is principal. In FY 2007, the funding is also recommended from the State Buildings Depreciation Fund.

Projects involved under this umbrella include the Capitol Complex consolidation, which has involved remodeling the Landon State Office Building after the relocation of several departments; the Capitol Complex steam system, which 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 has been remodeled for use as the SRS Staff Development and Training Center; the KDHE lab at Forbes Building No. 740, which has been remodeled to meet the needs of the remaining laboratory operations; and the Woodward Building at the State Complex West, which has been remodeled for Kansas

Services for the Blind to house clients attending training at the Rehabilitation Center for the Blind.

Repairs for State Parking Lots. The Governor includes \$95,000 from the Building and Ground Fund in FY 2006 and another \$95,000 in FY 2007 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.

Energy Conservation Improvements Program. The Governor recommends \$1,043,516 for FY 2006 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, \$995,000 is principal and \$48,516 is interest. For FY 2007, debt service is estimated to total \$780,990, \$695,000 of which is principal and \$85,990 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 of the Landon State Office Building. For FY 2006, \$562,250 from the State Buildings Operating Fund is recommended for the principal amount. An additional \$88,835 for the interest payment is included in the operating budget, for a total of \$651,085. The FY 2006 principal debt service payment totals \$562,250 and the interest payment \$88,835.

Printing Plant Debt Service. The Governor recommends \$175,145 for FY 2006 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 \$9,783, is recommended as part of the operating budget. For FY 2007, \$176,738 is recommended from the same fund for the principal portion of the debt service. To finance the interest portion, \$8,189 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 \$434,230 for FY 2006, \$209,230 in interest and \$225,000 in principal. For FY 2007, the total is \$433,993, of which \$198,993 is interest and \$235,000 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. Expenditures for debt service total \$38,238 from the Building and Ground Fund in FY 2006. Of this amount, \$18,196 is interest and \$20,042 is principal. For FY 2007, the total payment is \$38,238, with the principal portion \$21,922 and interest \$16,316.

Motor Pool Building. The debt service on this facility, also acquired from the City of Topeka, totals \$44,223, all from the Building and Ground Fund, for FY 2006. The state uses these facilities for storing maintenance equipment. The principal is \$32,690 and interest is \$11,533. For FY 2007, the total is also \$44,223, \$36,318 for principal and \$7,905 for interest.

Eisenhower Building Debt Service. In FY 2000, the state purchased the old Security Benefit Group building located at 700 SW Harrison for \$18.5 million. In 2002, the Legislature approved the bonding of \$10.6 million for renovation and rehabilitation of the building. The resulting debt service will be paid from the State Buildings Operating Fund. In FY 2006, the Governor recommends \$1,129,397 for interest, with a principal payment of \$1,045,000, and in FY 2007 a total of \$2,240,029 is recommended, with \$1,150,029 of interest and \$1,090,000 of principal being paid.

Topeka State Hospital Cemetery Fence. The Governor recommends \$50,000 from the State General Fund in FY 2006 to erect a fence at the site of the old Topeka State Hospital cemetery. The fence is to be black and made of tubular steel.

Passive Entrance for Memorial Hall. The Governor recommends \$200,000 from the State General Fund in FY 2006 to construct a ramp for an accessible entrance at Memorial Hall. The new ramp will ensure easy access for persons in wheelchairs. This project was included at the request of the Attorney General and the Secretary of State, the current occupants of the building.

Remodel Eastman Building. The Governor recommends that \$350,000 from the State Buildings Operating Fund be provided to the Department of Labor to remodel the Eastman Building located on the

Topeka West Campus in FY 2006. This work is being done as part of an agreement to sell the building to the Department of Labor, which actually will perform the remodeling.

Dillon House Roof Repairs. The Governor recommends \$52,000 from the State General Fund in FY 2007 for repairs to the roof of the Dillon House. This project will entail removing the existing roof, repairing damaged framing, and installing a new roof that will allow for better draining of water than the existing roof.

Department of Commerce

Rehabilitation & Repair. The Governor recommends a total of \$80,000 for general rehabilitation and repair in FY 2006. The costs will be financed by the federal Workforce Investment Act Fund and the federal Wagner Peyser Fund. This money will be used for upkeep on various buildings across the state owned by the Department. The projects include roofing, overlaying of parking lots, mudjacking or replacing sidewalks, painting, carpeting, and caulking.

HVAC Unit Replacement at Topeka Workforce Building. The Governor recommends \$238,500 for FY 2006 to replace the heating, ventilation, and air conditioning (HVAC) unit at the Topeka Workforce Building, which is located at 1430 SW Topeka Blvd. in Topeka. This project will be financed with Workforce Investment Act monies and Wagner Peyser funds. Replacing the HVAC unit is necessary because the current unit is not capable of providing the climate control necessary for the information technology equipment, which is extremely sensitive to temperature and humidity changes. Of the total project cost, \$209,000 will be used for construction; \$10,000 for consulting services; and \$3,000 for other construction-related items. Commerce also has included \$16,500 for contingency needs.

Replace Roof at Topeka Workforce Building. The Governor recommends \$138,000 in FY 2006 to replace the roof at the Topeka Workforce Building, which is located at 1430 SW Topeka Blvd. in Topeka. This project will be financed from both the Workforce Investment Act Fund and the Wagner Peyser Fund. The roof needs to be replaced because of escalating problems with water run-off and leaking. Of the total

project cost, \$110,000 will be used for construction; \$10,000 for consulting services; and \$1,500 for other construction-related items. Commerce also has included \$16,500 for contingencies.

Property Acquisition Debt Service. Bonds were issued on behalf of the Department of Labor to purchase the property located at 1430 SW Topeka Blvd. to accommodate the Department's workforce growing from reorganizations. The property was transferred under Executive Reorganization Order No. 31, approved by the 2004 Legislature, to the Department of Commerce. Debt payments associated with the property are financed by the Reimbursement and Recovery Fund. The debt payment in FY 2006 includes \$65,000 for principal and \$70,785 for interest. In FY 2007, the payment for principal is \$65,000 and the interest is \$68,803.

Insurance Department

Contingent Building Repairs. The Governor recommends \$31,500 in FY 2007 for unforeseen repairs to the Insurance Department Building from agency fee funds. The approved amount for FY 2006 is \$30,000. In previous years, funds have been used to upgrade mechanical systems and repair elevators.

Carpet & Flooring Replacement. The Governor recommends \$30,000 from agency fee funds in FY 2007 for its ongoing flooring and carpeting replacement plans. The plans allow for the replacement of worn and heavily stained carpeting on one floor each year. The hardwood flooring on the building's ground floor was recently evaluated and needs to be replaced.

Retaining Wall/Erosion Prevention. The Governor recommends \$25,000 from agency fee funds in FY 2006 to repair or replace a retaining wall and stairs leading to the basement of the Insurance Department Building. These repairs will restore the function and safety of the steps into the building.

Energy Conservation Projects. The Governor recommends \$75,000 in debt service payments from agency fee funds in FY 2007 to address the antiquated heating/cooling systems in the 75-year-old building. Of this amount, \$37,500 is for principal and \$37,500 is for interest. The upgrades will make it possible to maintain even temperatures throughout the year.

Judiciary

Partial Renovation of the Judicial Center. Included in the Governor's recommendation is \$165,540 from the State General Fund in FY 2007 to remodel a portion of the office space in the Judicial Center. The space is to house a new 13th Court of Appeals Judge and two associated research attorneys, who will be added on January 1, 2007.

Human Services

Social & Rehabilitation Services

Rehabilitation & Repair—Chanute Office Building. The Governor recommends \$300,000 in each of FY 2006 and FY 2007 for routine maintenance and rehabilitation and repair projects at the Chanute Office Building. Funding 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 fund the continual rehabilitation and repair needs of the state institutions, including plumbing repairs, equipment replacement, code compliance, renovations, and other major maintenance needs.

The 2003 Legislature approved the issuance of \$49.2 million in bonds to finance major rehabilitation and repair projects at the state hospitals. The debt service on the bonds will be paid by the State Institutions Building Fund. After reviewing the status and outlook for the State Institutions Building Fund, the Governor recommended a bond issuance of \$35.0 million and an appropriation of \$7.0 million in FY 2005. This recommendation reduced the annual debt service obligation on the fund. The 2004 Legislature approved that plan. For ongoing rehabilitation and repair projects that are not financed through the bond issue, the Governor recommends the approved amount of \$2.3 million for FY 2006 and \$1.9 million for FY 2007.

Debt service payments on the rehabilitation and repair bonds began in FY 2005 and the Governor

recommends \$2.6 million, \$1.4 million for debt service interest and \$1.2 million for debt service principal, for this year. For FY 2007, the recommended payment also totals \$2.6 million, \$1.4 million for debt service interest and \$1.2 million for debt service principal.

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 began in FY 2003 and was completed in FY 2005. The facility will replace the three separate buildings on the Larned State Hospital campus currently used to treat security patients. For FY 2006, the Governor recommends \$3,910,762 from the State Institutions Building Fund to finance the debt service payments for the new State Security Hospital. Of the recommended amount, \$2,270,762 will be used for the debt service interest and \$1,640,000 will be used for debt service principal. For FY 2007, \$3,907,263 from the SIBF is recommended. Of that amount, \$2,212,263 will be used for the debt service interest and \$1,695,000 will be used for debt service principal.

The amounts available for expenditure in FY 2006 for each of the state hospitals represent unspent monies from FY 2005 that carried over into FY 2006. Rehabilitation and repair funds for FY 2007 are budgeted in the central office of SRS and will be distributed after FY 2007 commences.

Kansas Neurological Institute

Rehabilitation & Repair. Ongoing rehabilitation and repair projects at the Kansas Neurological Institute will be funded through the Governor's budget recommendation of \$21,282 from the State Institutions Building Fund for FY 2006. Capital improvement expenditures for FY 2007 will be allocated systemwide by SRS.

Larned State Hospital

Rehabilitation & Repair. The Governor's recommendation for ongoing rehabilitation and repair projects for FY 2006 is \$164,082 from the State Institutions Building Fund. These projects include routine maintenance designed to keep the condition of facilities at status quo.

Osawatomie State Hospital

Rehabilitation & Repair. The Governor recommends \$39,265 from the State Institutions Building Fund in FY 2006 for ongoing rehabilitation and repair projects.

Rainbow Mental Health Facility

Rehabilitation & Repair. An amount of \$824 is recommended by the Governor from the State Institutions Building Fund for FY 2006 for ongoing rehabilitation and repair projects. This amount represents unspent money from FY 2005.

Department of Labor

Rehabilitation & Repair. A total of \$40,000 is recommended by the Governor in special revenue funds for general rehabilitation and repair in FY 2007. This money will be used for upkeep on various buildings across the state. The recommendation for FY 2006 is \$390,000 from special revenue funds and includes approved projects that were not completed during the prior fiscal year.

Headquarters Debt Service. Bonds were issued on behalf of the Department of Labor to finance renovation of the Department's headquarters, which is located at 401 SW Topeka Blvd. in Topeka. The debt payment in FY 2006 includes \$145,000 for principal and \$123,356 for interest. In FY 2007, the principal is \$150,000 and the interest is \$131,134. These payments are financed by the Special Employment Security Fund.

Purchase Eastman Building. During the 2005 Legislative Session, the Kansas Department of Labor was authorized to use for other capital improvement projects the savings from the bond proceeds originally requested to renovate the Department's headquarters building. The Department will use these remaining proceeds, along with other agency funds, to remodel the Eastman Building, which is located on the Topeka West Campus (former Topeka State Hospital grounds). The amount of bond proceeds that will be used totals \$550,000. An additional \$350,000 in expenditures from the Human Resources Special Projects Fund that is provided by the Department of Administration also will be used to remodel the building.

The actual purchase of the Eastman Building was financed by federal funds. The Kansas Department of Labor was granted authority by the United States Department of Labor to use \$350,000 from the Employment Security Administration Sale of Property Fund to purchase the building. This sale was approved by the State Finance Council in September 2005.

Eastman HVAC System. In FY 2006, the Governor recommends \$65,000 from the Special Projects Fund for a new HVAC system and other necessary upgrades at the Department of Labor's call center. Of the total, \$62,000 is for principal and \$3,000 is for interest. The amount for FY 2007 is the same. However, the financing will be from the Special Employment Security Fund through the Master Lease Purchasing Program.

IT Building Remodel & Upgrade. The Governor recommends \$215,000 from special revenue funds to remodel and upgrade the Department's building located at 1309 Topeka Blvd. in Topeka. This building houses the information technology section. Of the total recommendation, \$125,000 will be used to replace the heating, ventilation, and air conditioning system. The remaining \$90,000 will be used for interior remodeling.

Approved Projects. The Department of Labor has two specific projects that were approved in prior fiscal years and are expected to be completed in FY 2006. First, \$33,255 in special revenue funds is included in the agency's budget to repair the roofs of the Department of Labor's buildings located at 414 and 416 SW Jackson in Topeka. In addition, \$224,395 in special revenue funds is included to complete the construction of a parking lot at the Department's headquarters.

Commission on Veterans Affairs

Rehabilitation & Repair. For rehabilitation and repair at the Kansas Soldiers Home, the 2005 Legislature approved \$257,130 in FY 2006 and the Governor recommends \$279,615 in FY 2007 from the State Institutions Building Fund. The funding will be used for routine maintenance of the cottages; for draining, cleaning, and resealing the wastewater ponds; for street maintenance and repair; for the start of a project to replace steam heat radiators in 32

cottages; for completion of projects to meet ADA requirements, and for attending to general repair and upkeep of the facility. For rehabilitation and repair at the Kansas Veterans Home, the approved SIBF amount for rehabilitation and repair is \$137,380 for FY 2006, and the Governor recommends \$100,000 for FY 2007. The recommended amount will pay for replacement of pneumatic HVAC controls in Donlon and Timmerman Halls as well as replacement of the fire panel.

Veterans Cemeteries. A statewide system of veterans cemeteries was authorized by the Legislature in 1999. In addition to the Kansas Soldiers Home Cemetery in Fort Dodge, established in 1980, cemeteries were opened in 2004 at Winfield and WaKeeney. 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 began on each cemetery, the federal government reimbursed the state for the planning expenditures associated with each cemetery. This reimbursement was, in turn, used for planning 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, which is planned for FY 2008. The Governor recommends expenditures of \$450,000 in FY 2006 and \$4,507,403 in FY 2007 from the Veterans Cemeteries Federal Construction Grant Fund to begin construction of the cemetery at Fort Riley.

Soldiers Home Facility Conservation Improvement Project. To complete the energy conservation projects approved by the 1999 Legislature for the Kansas Soldiers Home, the Governor recommends \$7,995 for FY 2006, of which \$6,695 is from the State Institutions Building Fund and \$1,300 is from special revenue funds. This is unspent money from FY 2005.

Veterans Home Heating, Ventilation, & Air Conditioning Replacement. For FY 2006, the Governor recommends expenditures of \$94,752 to complete the heating, ventilation, and air conditioning projects begun in FY 2004 at the two veterans homes. Of this amount, \$57,303 is from the State Institutions Building Fund and \$37,049 is from federal grants.

Kansas Veterans Cemeteries Rehabilitation & Repair. For FY 2006, the Governor recommends \$357,600 from the Veterans Cemeteries Federal

Construction Grant Fund for rehabilitation and repair at the state veterans cemeteries. These funds will be used to purchase a backhoe and to drill water wells for the irrigation system at the Winfield cemetery. For FY 2007, the Governor recommends \$100,000, of which \$50,000 will come from the State Institutions Building Fund, and \$50,000 from federal funds. These funds will be used to repair the sand and limestone wall that surrounds the Old Soldiers Home Cemetery at Fort Dodge.

Kansas Soldiers Home Halsey Hall Dementia Unit. For FY 2007, the Governor recommends \$50,000 from the State Institutions Building Fund to remodel the second floor, east wing of Halsey Hall into a special care unit for residents who have or develop dementia-related diseases. This project will convert seven existing rooms into a 14-bed capacity special care unit.

Kansas Soldiers Home Health & Safety Matching Grant. The Governor recommends \$1,246,390 for FY 2007 to complete a number of projects that are considered essential to the health and safety of residents at the Home for FY 2007. Of this amount, \$436,237 will come from the State Institutions Building Fund to serve as matching funds, and \$810,153 will come from a federal grant applied for by the Home in April 2005. The projects to be completed include installing sprinkler systems in the domiciliary buildings; constructing centralized tornado shelters for Nimitz, Grant, and Lincoln Halls and the cottages; installing automatic doors for Nimitz, Grant, and Lincoln Halls; making ceiling repairs in Halsey Hall; and establishing a key control system for the entire complex, including ADA-compliant locks on all cottages.

Kansas Veterans Home Bleckley Hall Entry. For FY 2007, the Governor recommends \$31,500 from the State Institutions Building Fund to remodel the entry to Bleckley Hall. The Home plans to add an alcove going west from the existing sliding doors and then add a second set of sliding doors. This modification will provide insulation, as well as reduce or eliminate problems with insects entering the building through the existing single set of doors.

Soldiers Home Backup Generator. The Kansas Soldiers Home has applied for a grant from the U.S. Department of Veterans Affairs to add backup power to Halsey Hall, an 86-bed long-term nursing care

facility; three domiciliary halls; Eisenhower Hall housing administrative offices and auditorium; the power plant; the sewer lift station pumps; and the condensate return pumps. The total cost of this project is \$617,500. For FY 2007, the Governor recommends \$216,125 from the State Institutions Building Fund to match federal funds of \$401,375.

Veterans Home Backup Generator. The Kansas Veterans Home has also applied for a grant from the U.S. Department of Veterans Affairs to add backup power for the Home, re-roof Triplett Hall, re-floor Bleckley and Timmerman Halls and to install overhead fire sprinklers in Donlon Hall. The total cost of the project is \$1,445,590. For FY 2007, the Governor recommends \$505,956 from the State Institutions Building fund to match federal funds of \$939,634.

Education

School for the Blind

Rehabilitation & Repair. For FY 2006, the Governor recommends \$302,898 from the State Institutions Building Fund for rehabilitation and repair projects. For FY 2007, the Governor recommends \$67,451 for rehabilitation and repair projects from the State Institutions Building Fund. Projects that will be complete include elevators, sidewalks, motors, and safety needs.

Energy Conservation Debt Service. The Governor recommends \$32,464 for FY 2006, which includes \$28,613 from the State General Fund and \$3,851 from special revenue fees and \$25,276 for FY 2007 from the State General Fund to pay the debt service on energy conservation upgrades for the School for the Blind. These upgrades will generate enough utility savings to pay for the debt service.

School for the Deaf

Rehabilitation & Repair. For FY 2006, the Governor recommends \$183,430 for rehabilitation and repair projects from the State Institutions Building Fund.

Some of the projects are masonry and metal works, as well as repairs to electric motors, boiler systems, elevators, and sidewalks, and repairs for safety inspections. For FY 2007, the Governor recommends \$185,000 for rehabilitation and repair projects to make repairs similar to those listed above.

Roth Dorm Renovation. Because 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 floor in the old dorm wings to code until all six dormitory areas are finished. The east wing will be completed in FY 2006. The Governor's budget includes \$1,952,968 in FY 2006 for the dormitory renovation. However, a dorm study will be conducted to determine the status of the dormitory before proceeding with the west wing remodeling, which is the next scheduled phase. Therefore, the Governor recommends \$25,000 in FY 2007 to undertake the dorm study. The financing for this project is entirely from the State Institutions Building Fund.

Replacement of Heating & Air Systems/Debt Service. The Governor recommends \$52,021 and \$54,197 from the State General Fund for FY 2006 and FY 2007, respectively, to fund debt service on the replacement of heating and air conditioning systems at the School for the Deaf. The replacement of the heating and air conditioning systems will provide for maximum energy conservation at the school.

Board of Regents

Rehabilitation & Repair. The use of the Educational Building Fund (EBF) for the ongoing rehabilitation and repair of campus facilities is recommended by the Governor in the amount of \$15.0 million for FY 2007. The funding is distributed through a formula based on the square footage of each university's buildings. The total amount is determined on the basis of the funding that is projected for FY 2007 from the EBF, using a consensus process between the Division of the Budget, Legislative Research, and the Department of Revenue in estimating property tax revenues.

Crumbling Classroom Debt Service. For FY 2006 and FY 2007 each, the Governor recommends that \$15.0 million be expended from the Educational Building Fund for the debt service payment on the

“Crumbling Classroom” bond issue. The principal and interest for FY 2006 is \$10,880,000 and \$4,120,000, respectively, and for FY 2007 is \$11,450,000 and \$3,550,000. These bond issues were approved during the 1996 Legislative Session upon the Governor’s recommendation. Initial bonds of \$50.0 million were issued in November 1996, and another \$110.0 million was issued in October 1997. In FY 2005, the bond issue was restructured. The savings generated from a lower interest rate provided an additional \$1,100,994 for projects, while keeping the debt service payments at approximately the same level.

Research Initiative Debt Service. For FY 2007, the Governor recommends \$9,583,000 to pay \$6.0 million in principal and \$3,583,000 in interest on the research initiative bonds. To finance the debt service, State General Fund monies are transferred into restricted funds, and expenditures are made from the restricted funds. When all bonds have been issued, they will total \$120.0 million. The projects include construction of a life science 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. The state is responsible for the first \$50.0 million in debt service. After that, the universities will assume responsibility for paying debt obligations from revenue generated by the facilities.

Emporia State University

Rehabilitation & Repair. A total of \$1,349,948 is included in the Governor’s recommendation in FY 2006 from the Educational Building Fund, of which \$855,000 is from the allocation of new funds from the Board of Regents, and \$494,948 is reappropriated from FY 2005. In addition, approximately \$2,200 is recommended from restricted use funds in both FY 2006 and FY 2007. The University will use the funds to make repairs to existing campus facilities.

Parking Lot Improvements. To finance parking lot improvements, the Governor recommends \$90,000 each in FY 2006 and FY 2007 from campus parking fees.

Residence Hall Debt Service. Financing of the debt service on the residence halls comes from student fees.

The Governor recommends \$220,000 for principal and \$36,763 for interest in FY 2006 and \$230,000 for principal and \$27,413 for interest in FY 2007 to pay the debt service on the bonds for improvements to the halls.

Student Recreational Building Debt Service. 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 \$105,000 for principal and \$118,333 for interest in FY 2006 and \$110,000 for principal and \$113,975 for interest in FY 2007 to pay debt service on the bonds. Planning and construction of the building are financed through student fees.

Memorial 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 in principal and \$550 in interest for each of FY 2006 and FY 2007 to pay for the debt service for renovations at the Student Union from restricted fees.

Twin Towers Men’s Dormitories Debt Service. The Governor recommends expenditures of \$45,000 in FY 2006 and \$45,000 in FY 2007 from restricted fees for principal payments for the construction of new dormitories for men. The debt service will also include interest of \$5,100 in FY 2006 and \$110,944 in FY 2007.

Energy Conservation Debt Service. The Governor recommends \$16,214 from the State General Fund in FY 2006 and \$16,214 in FY 2007 for the payment of debt service on the Morris Hall lighting project. The debt service includes principal of \$11,700 in FY 2006 and \$12,378 in FY 2007.

Fort Hays State University

Rehabilitation & Repair. The Governor’s budget includes \$1,294,140 in FY 2006 from the Educational Building Fund, of which \$1,015,500 is from the allocation of new funds from the Board of Regents and \$276,767 is reappropriated.

Student Housing Debt Service. The Governor recommends \$145,000 in FY 2006 and \$150,000 FY

2007 to pay the principal on the bonds from restricted fees. The debt service also requires interest of \$202,268 in FY 2006 and \$198,800 in FY 2007. The bonds finance the renovation and remodeling of student dormitories.

Parking Improvements. To finance improvements to parking on the campus, the Governor recommends \$150,000 in FY 2006 and \$300,000 in FY 2007. These improvements are funded by parking fees.

Lewis Field Stadium Renovation Debt Service. The Governor recommends \$60,000 in FY 2006 and \$60,000 in FY 2007 to make the principal payment on bonds from restricted fees. The debt service will also include \$36,946 for interest in FY 2006 and \$36,314 in FY 2007. The bonds are financing the remodeling of the stadium.

Energy Conservation Debt Service. The Governor recommends \$365,289 for FY 2006 and \$372,108 for FY 2007 from the State General Fund for debt service on energy improvements to Stroup Hall and other miscellaneous projects. The debt service includes principal of \$170,424 in FY 2006 and \$184,511 in FY 2007.

Kansas State University

Rehabilitation & Repair. The recommendation of the Governor includes a total of \$5,330,493 from the Educational Building Fund for rehabilitation and repair of campus facilities in FY 2006. Of this amount, \$4,374,000 is a transfer of new funds from the Board of Regents and \$956,493 is reappropriated from FY 2005.

Lease-Purchase of Salina Aeronautical Center. For the Aeronautical Center, the Governor recommends \$189,446 in each of FY 2006 and FY 2007 from the State General Fund for the 12th and 13th payments in a lease-purchase agreement. 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.

Student Union Renovation Debt Service. The Governor recommends \$708,073 in FY 2006 and \$712,275 in FY 2007 from restricted funds for the

renovation of the KSU student union. The amounts include principal of \$355,000 in FY 2006 and \$375,000 in FY 2007.

Energy Conservation Debt Service. To fund miscellaneous conservation projects, the Governor recommends debt service payments of \$1,970,668 in FY 2006 and \$1,540,585 in FY 2007. These amounts include principal payments of \$1,525,000 in FY 2006 and \$695,000 in FY 2007. Debt service is paid from savings generated by energy efficiencies.

Oracle Project Debt Service. The debt service on the remodeling of the University's Oracle computer facility is \$455,235 in FY 2006 and \$513,509 in FY 2007. Those amounts include principal payments of \$425,118 and \$498,008 for the same years. Payments will be made with restricted fee funds. The facility will contribute to the University's capability to update its systems.

Farrell Library Expansion Debt Service. The Governor recommends debt service payments of \$299,055 in FY 2006 and \$301,173 in FY 2007. Restricted use dollars fund the project. Payments include principal of \$160,000 in FY 2006 and \$170,000 in FY 2007.

Recreation Complex Remodeling Debt Service. Student fees are used to finance remodeling of the KSU recreation complex. The cost of the debt service is \$435,000 in principal and \$228,140 interest in FY 2006 and \$460,000 in principal and \$209,653 in interest in FY 2007.

Remodel Ackert Hall Debt Service. The Governor recommends \$161,010 in FY 2006 and \$161,510 in FY 2007 to pay the debt service. The debt service includes principal of \$90,000 in FY 2006 and \$95,000 in FY 2007. The remodeling will update the classrooms in the facility.

Parking Lot Improvements. To finance parking improvements, the Governor recommends \$800,000 for each of FY 2006 and FY 2007 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.

Renovation of Haymaker Hall. The renovation of Haymaker Hall will convert the old-style student

housing with gang showers to suites with private bathrooms. The project will also include improvements, such as electrical, plumbing, sprinkler systems, and environmental systems. The Governor recommends \$1,725,000 in FY 2006 from dormitory fees to complete this project.

Jardine Student Housing Complex Debt Service. The Governor recommends \$2,769,635 in FY 2007 from restricted use funds to begin payment of debt service for the redevelopment of this large student housing complex. The principal amount included in the debt service is \$1,929,635.

Salina Student Housing Debt Service. The renovation of student housing will modernize the facilities; making them more attractive to students. The debt service is paid from student housing funds and will cost \$85,573 in FY 2006 and \$78,235 in FY 2007. This includes principal of \$55,000 and \$50,000, respectively.

Aircraft Runway Improvements. The Governor recommends \$2.0 million in FY 2006 and the same amount in FY 2007 from restricted use funds to make improvements to the University's runway in Salina.

Energy Conservation Debt Service. The Governor recommends \$448,012 for FY 2006 and \$443,177 for FY 2007 from restricted use funds for debt service. This includes projects in Throckmorton, Waters, Justin, and Ackert Halls and the central chiller plant. The debt service includes principal of \$322,543 in FY 2006 and \$333,678 in FY 2007.

KSU—Veterinary Medical Center

New Animal Resource Center. A total of \$300,000 is recommended by the Governor in FY 2006 and \$315,000 in FY 2007 from the restricted fees funds for the construction of an Animal Resource Center. This project began in FY 2006 and will be completed in FY 2007. When completed, this new facility will be used to house research animals.

Pittsburg State University

Rehabilitation & Repair. Funds for rehabilitation and repair are initially appropriated to the Board of

Regents. The Governor recommends \$1,122,034 in FY 2006 from the Educational Building Fund, \$996,000 of which is from the allocation of new funds from the Board of Regents, and \$126,034 is reappropriated from FY 2005. In addition, \$750,000 is recommended from restricted use funds in both FY 2006 and in FY 2007.

Parking Improvements. To finance parking lot improvements, the Governor recommends \$400,000 in FY 2006 and \$250,000 in FY 2007 from campus parking fees.

Jack H. Overman Student Center Debt Service & Remodeling. Financing of the debt service on the Jack H. Overman Student Center renovation comes from student fees. The Governor recommends \$183,652 in FY 2006 and \$195,921 in FY 2007 to make the debt service payment on bonds issued to renovate the student center. That includes principal payments of \$85,000 in FY 2006 and \$100,000 in FY 2007. In addition, the Governor recommends \$250,000 in each of FY 2006 and FY 2007 from student fees to complete remodeling projects at the Center.

Horace Mann Debt Service. An amount of \$244,034 is included in the Governor's recommendation in FY 2006 and \$248,672 in FY 2007 for debt service payments on renovation of the Horace Mann Administration Building. Those payments include principal of \$130,000 in FY 2006 and \$140,000 in FY 2007. These debt service payments are made from restricted fees.

Student Health Center & Hospital Improvements. To complete the expansion of the Student Health Center, the Governor recommends \$20,000 in FY 2006 from restricted fees. The expansion includes the Student Health Center's reception area and provides space for another physician.

Armory/Classroom/Recreation Center. In FY 2002, the University was appropriated \$410,000 from the Educational Building Fund for planning. The total cost of the project will be approximately \$14.0 million 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 2006, the Governor recommends \$258,257 from the Educational Building Fund and

\$5,917,305 from federal funds for the project. The University was also given over \$4.0 million in bonding authority by the 2005 Legislature. The University estimates that those bonds will be issued in FY 2007.

Energy Conservation Debt Service. The Governor recommends \$777,265 in FY 2006 and an identical amount in FY 2007 to pay the debt service on energy conservation bonds. Those payments include principal of \$445,597 in FY 2006 and \$459,141 in FY 2007. The energy conservation projects are designed to generate sufficient savings to pay for the debt service. Buildings receiving conservation improvements include Willard, Tanner, Trout, Brown, Gibson, and Nation Halls.

Willard Hall Debt Service. To pay for the debt service on the Willard Hall renovation, the Governor recommends \$337,633 in FY 2006 and \$340,380 in FY 2007 from restricted fees. Included in the debt service is principal of \$120,000 for FY 2006 and \$125,000 for FY 2007. This residence hall was remodeled from the traditional dormitory style into suites.

University of Kansas

Rehabilitation & Repair. An amount of \$7,581,317 is recommended by the Governor from the Educational Building Fund for rehabilitation and repair of campus facilities in FY 2006. Of this amount, \$3,220,817 is a reappropriation from FY 2005 and \$4,360,500 is a distribution of new funds from the Board of Regents. The Governor also recommends expenditures of \$2,163,355 in FY 2006 and \$630,021 in FY 2007 from restricted use fee funds to make additional repairs and improvements.

Parking Improvements. The Governor recommends \$648,405 in FY 2006 and in \$600,180 in FY 2007 from parking fees for the completion of various parking improvements on the campus.

Park & Ride. To begin preliminary work on the University's new park and ride facility on the west campus, the Governor recommends \$2.0 million from restricted fees. In addition, the University has received approximately \$10.5 million in bonding authority for the project. The lot will have 1,500 parking stalls serving students, faculty, and staff with a less expensive option compared to lots closer to campus.

Wescow Hall Remodeling. For the remodeling of Wescow Hall in FY 2006 the Governor recommends \$3.5 million from restricted use funds. This building houses many student classrooms and faculty offices. In addition to making repairs, the project will provide additional office space for teaching staff.

New Scholarship Hall. The University of Kansas plans to build a scholarship hall for women on the Lawrence campus. The Governor recommends \$197,750 in FY 2006 and \$3,302,250 in FY 2007 from restricted fees for this project. This hall will have 12 suites for four women each, a director's apartment, a president's suite, and a proctor's suite. Sited on the east edge of the campus, the hall will be designed and detailed to complement the surrounding residential area.

New Multicultural Resource Center. In April 2003, the KU Student Senate approved a student fee to finance half, \$1.5 million, of the cost of a Multicultural Resource Center building. The other half will come from private gifts. The Center will act as a hub for diversity programs focusing on multicultural education and issues for the campus community. Expenditures are expected to be \$2,603,316 in FY 2006.

New Continuing Education Building. For construction of a new continuing education facility, the Governor recommends \$198,283 in FY 2006 and \$199,225 in FY 2007 for debt service from restricted funds. The amounts include principal payments of \$135,000 and \$140,000 respectively.

Child Care Facility Debt Service. Debt service on KU's new child care facility is \$247,585 in FY 2006 and \$247,185 in FY 2007. The Governor recommends principal payments of \$120,000 and \$125,000, respectively. The debt service is funded with restricted use dollars.

Parking Garages Debt Service. The Governor recommends \$1,475,548 in FY 2006 and \$1,483,385 in FY 2007 for debt service on two covered parking garages. The principal portion of the debt service is \$1,035,000 in FY 2006 and \$1,085,000 in FY 2007. Funding for the facility is generated through parking fees.

Student Housing Debt Service. For additions to student housing, the Governor recommends debt

service of \$992,741, including \$355,000 for principal, in FY 2006 and \$1,154,857, including \$525,000 for principal, in FY 2007. Debt service is funded with the Housing System Fee Fund.

New Student Recreation & Fitness Center. The new Center was approved by students and funded with student fees. The debt service on the facility, as recommended by the Governor, is \$1,332,121, including \$870,000 in principal, in FY 2006 and \$1,154,857, including \$900,000, in FY 2007.

Bio-Science Center Debt Service. The Governor recommends funding for the development of this research center at KU in the amount of \$581,225 in FY 2006 and \$587,975 in FY 2007. These debt service amounts include principal of \$450,000 in FY 2006 and \$480,000 in FY 2007. Funding for the project is through restricted fees.

Student Union Addition Debt Service. The expansion of the Union is funded through student fees to meet the debt service of \$445,219 in FY 2006 and \$449,979 in FY 2007. This includes the principal payments of \$335,000 and \$350,000, respectively. The facility will provide meeting and study areas for students.

Energy Conservation Debt Service. The Governor recommends \$1,526,722 for FY 2006 and \$1,526,422 for FY 2007 in debt service for miscellaneous projects. The principal portion of the debt service is \$682,388 in FY 2006 and \$715,271 in FY 2007. In both years \$6,088 is funded with restricted funds and the remainder is from State General Fund. Payments are funded through energy savings generated by the projects.

University of Kansas Medical Center

Rehabilitation & Repair. To fund rehabilitation and repair projects, the Governor recommends \$1,770,225 from the Educational Building Fund for Medical Center facilities in FY 2006. This recommendation includes a reappropriation of \$237,225 from FY 2005.

Parking Facility No. 3 Debt Service. Using parking fees, the Governor recommends \$50,525 in FY 2006 and \$263,800 in FY 2007 to pay debt service on a parking garage at the Medical Center. The debt

service includes \$120,000 principal in FY 2007. This 900-stall facility will be multi-level with entrance/exit access at both the upper and lower levels.

Parking Lot & Garage Improvements. For routine maintenance on the Medical Center's parking lots, the Governor recommends expenditures of \$550,000 in FY 2007. Expenditures will be from parking fee funds.

Research Support Facility Debt Service. The Governor recommends \$642,556 in FY 2006 and \$686,918 in FY 2007 for restricted use funds to build a research support facility. The recommended debt service payment includes principal payments of \$330,000 in FY 2006 and \$345,000 in FY 2007.

Lied Biomedical Building Renovation. This building is scheduled for renovation in FY 2007. The Governor recommends the \$2.0 million necessary for the renovation. The total will be half federal funds and half private donations.

Energy Conservation Debt Service. The Governor recommends \$1,123,303 in FY 2006 and \$861,358 in FY 2007 to pay the debt service on energy conservation bonds. Those payments include principal of \$880,000 in FY 2006 and \$350,000 in FY 2007. The funding will address a number of projects and will come from restricted use funds.

Wichita State University

Rehabilitation & Repair. A total of \$2,838,392 is recommended for FY 2006 from the Educational Building Fund for rehabilitation and repair of campus facilities. Of the recommended amount, \$972,392 is a reappropriation from FY 2005 and \$1,866,000 is a distribution of new money from the Board of Regents.

On-Campus Parking Improvements Debt Service. For the expansion of on-campus parking, the Governor recommends \$551,663 in FY 2006 and \$550,538 in FY 2007 from restricted fees for debt service. Included in the debt service are principal payments of \$300,000 in FY 2006 and \$315,000 in FY 2007.

Student Housing Debt Service. The debt service for remodeling of student housing recommended by the Governor is \$958,098 for FY 2006 and \$953,698 for

FY 2007. That includes principal payments of \$480,000 in FY 2006 and \$490,000 in FY 2007.

Aviation Research Debt Service. Authorization for a \$13.0 million bond issue was given to Wichita State University to advance aviation research on its campus. The Governor recommends \$1,308,500 in FY 2006 and \$1,645,711 in FY 2007 from the State General Fund to pay the debt service on \$13.0 million in bonds. The amount includes principal of \$1,050,000 in FY 2006 and \$1,160,000 in FY 2007. The revenues are funding equipment for aviation research.

Historical Society

Rehabilitation & Repair. The Governor recommends \$125,000 in FY 2006 and \$125,000 in FY 2007, both from the State General Fund, to handle routine and emergency repairs at the state historic sites and the Kansas Museum of History. In addition, \$379,599 in special revenue funds is recommended in FY 2006 for rehabilitation and repair projects at the historic sites. Of this amount, \$348,400 is from special revenue funds and \$31,199 is from the State General Fund.

Replacement of Museum Skylights. For FY 2006, the Governor recommends \$184,420 from the State General Fund as a supplemental appropriation for the replacement of skylights at the Kansas History Museum. The current skylights are prone to breakage because of failing seals, posing a safety risk for patrons of the Museum. The new skylights will eliminate the risk of falling glass.

Public Safety

Department of Corrections

Rehabilitation & Repair. The Governor recommends rehabilitation and repair projects totaling \$2.9 million in FY 2006 and \$3.2 million in FY 2007. Financed from the Correctional Institutions Building Fund (CIBF), the Department will disburse the funds among the correctional facilities as needed for rehabilitation and repair projects.

RDU Relocation Debt Service. The Governor recommends expenditures of \$1,336,000 from the

State General Fund in FY 2006 for the debt service payment in association with relocation of the Reception and Diagnostic Unit to El Dorado. Of this amount, \$711,000 is for interest and \$625,000 is for principal. For FY 2007, \$1,332,000 is recommended from the State General Fund, including \$650,000 for principal and \$682,000 for interest.

Labette Correctional Conservation Camp Debt Service. This debt service is utilized to pay for a 100-bed expansion project that was authorized in 1997. For FY 2006, the Governor recommends a debt service payment of \$161,000, including \$130,000 for principal and \$31,000 for interest. This amount will be paid from the State General Fund. For FY 2007, the Governor recommends \$159,000 from the State General Fund for this payment, including \$135,000 for principal and \$24,000 for interest.

Ellsworth Correctional Facility Debt Service. This debt service is utilized to pay off original construction costs for Ellsworth Correctional Facility. This correctional facility was constructed at a time when additional prison bed space was needed. For debt service payments for this facility, the Governor recommends \$1,620,000 from the State General Fund in FY 2006, including \$1,430,000 for principal and \$190,000 for interest. For FY 2007, the Governor recommends \$1,622,000 from the State General Fund, including \$1,505,000 for the principal payment and \$117,000 for interest.

Wichita Work Release Facility Debt Service. This issue of bonds was used to pay for the acquisition and renovation of the Wichita Work Release Facility in 1990. In FY 2006, a total of \$165,000 from the State General Fund is recommended for the debt service payment for the Wichita Work Release Facility. Of this amount, \$165,000 is for principal and \$5,000 is for interest. This bond issue will be paid off by the end of FY 2006.

Revenue Refunding Bonds Debt Service. This issue paid for the original construction of El Dorado and Larned Correctional Facilities. The Governor recommends \$2,265,000 from all funding sources in FY 2006 for the debt service payment for the revenue refunding bonds. Of this amount, \$1,620,000 is for principal and \$645,000 is for interest. The amount budgeted for the principal payment is from the CIBF.

For FY 2007, the Governor recommends \$2,267,000. Of this amount, \$1,690,000 is for principal and \$577,000 is for interest. Of the total principal payment, \$303 will be paid from the State General Fund and \$1,689,697 will be paid from the CIBF.

Topeka & Lansing Correctional Facilities Debt Service. Part of this bond issue paid for the renovation of several buildings that were damaged by 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 2006, the Governor recommends \$1,018,000 from the State General Fund for the payment of debt service for the Topeka and Lansing Correctional Facilities. Of this amount, \$995,000 is for principal and \$23,000 is for interest. This bond issue will be paid off by the end of FY 2006.

Kansas Correctional Industries—Rehabilitation & Repair. For FY 2006, the Governor recommends expenditures of \$130,000 from the Correctional Industries Fund for the rehabilitation and repair of various correctional industries buildings. For FY 2007, the Governor recommends \$80,000 from the Correctional Industries Fund for this purpose.

KCI—Showroom & Warehouse. For FY 2006, the Department of Corrections plans to construct a new showroom and warehouse on the grounds of the Topeka Correctional Facility at a cost of \$535,000 from the Correctional Industries Fund. This project will allow KCI to showcase products to its customers more effectively, and store merchandise and materials.

KCI—Great Plains Manufacturing Building. For FY 2006, the Department of Corrections plans to construct a private industries building for the Great Plains Manufacturing Co. at the Ellsworth Correctional Facility. The company will produce agricultural equipment and initially will hire 13 inmate workers. KCI has committed \$150,000 for this project.

KCI—New Manufacturing Building. For FY 2007, the Department of Corrections plans to build a new manufacturing building at the Hutchinson Correctional Facility at a cost of \$450,000 from the Correctional Industries Fund. This building will provide an additional 20,000 square feet of traditional industries and private sector manufacturing space.

El Dorado Correctional Facility

Rehabilitation & Repair. The Governor recommends a total of \$11,953 from the CIBF for general repairs in FY 2006. These funds were reappropriated from FY 2005 for ongoing projects.

Facilities Conservation Improvement Program Debt Service. Each of the correctional facilities participates in the Facilities Conservation Improvement Program, which is administered by the Department of Administration. The program allows the facilities to replace toilets, showerheads, boilers, and other energy-consuming devices with more efficient equipment. Financing is provided through a line of credit, and each facility will repay its ten-year obligation from the budget savings it realizes as a result of installing more energy-efficient equipment. For the El Dorado Correctional Facility, the Governor recommends \$259,820 from the State General Fund for this debt payment in FY 2006 and FY 2007, including \$88,389 for interest and \$171,431 for principal each year.

Ellsworth Correctional Facility

Rehabilitation & Repair. For FY 2006, the Governor recommends \$49,947 from the CIBF for general repairs. These funds were reappropriated from FY 2005 for ongoing projects.

Facilities Conservation Improvement Program Debt Service. For the Ellsworth Correctional Facility, the Governor recommends \$104,757 from the State General Fund for this debt payment in FY 2006 and FY 2007. Of the total amount in FY 2006, \$74,353 is for payment of principal and \$30,404 is for interest. For FY 2007, \$77,097 is for payment of principal and \$27,660 is for interest.

Hutchinson Correctional Facility

Rehabilitation & Repair. For ongoing rehabilitation and repair projects, the Governor recommends \$143,826 from the CIBF in FY 2006. These funds were reappropriated from FY 2005.

Facilities Conservation Improvement Program Debt Service. For the Hutchinson Correctional Facility, the Governor recommends \$330,629 from the

State General Fund for this debt payment in FY 2006 and FY 2007. Of the total amount in FY 2006, \$237,777 is for payment of principal and \$92,852 is for interest. For FY 2007, \$248,112 is for payment of principal and \$82,517 is for interest.

Lansing Correctional Facility

Rehabilitation & Repair. For rehabilitation and repair, the Governor recommends \$490,710 from the CIBF in FY 2006.

Facilities Conservation Improvement Program Debt Service. For the Lansing Correctional Facility, the Governor recommends \$433,242 from the State General Fund for this debt payment in FY 2006 and FY 2007. Of the total amount in FY 2006, \$317,347 is for payment of principal and \$115,895 is for interest. For FY 2007, \$328,842 is for payment of principal and \$104,400 is for interest.

Larned Correctional Mental Health Facility

Rehabilitation & Repair. For FY 2006, the Governor recommends \$641 from the CIBF for ongoing rehabilitation and repair projects. This funding was reappropriated from FY 2005.

Facilities Conservation Improvement Program Debt Service. For the Larned Correctional Mental Health Facility, the Governor recommends \$20,056 from the State General Fund for this debt payment in FY 2006 and FY 2007. Of the total amount in FY 2006, \$14,236 is for payment of principal and \$5,820 is for interest. For FY 2007, \$14,762 is for payment of principal and \$5,294 is for interest.

Norton Correctional Facility

Rehabilitation & Repair. For FY 2006, the Governor recommends \$453,200 from the CIBF for ongoing rehabilitation and repair projects. This funding was reappropriated from FY 2005.

Facilities Conservation Improvement Program Debt Service. For the Norton Correctional Facility,

the Governor recommends \$203,865 from the State General Fund for this debt payment in FY 2006 and FY 2007. Of the total amount in FY 2006, \$143,672 is for payment of principal and \$60,193 is for interest. For FY 2007, \$149,535 is for payment of principal and \$54,330 is for interest.

Topeka Correctional Facility

Rehabilitation & Repair. The Governor recommends \$306,771 from the CIBF for ongoing rehabilitation and repair projects in FY 2006. These funds were reappropriated from the previous fiscal year and will be used to ensure the facility is properly maintained.

Facilities Conservation Improvement Program Debt Service. For the Topeka Correctional Facility, the Governor recommends \$86,976 from the State General Fund for this debt payment in FY 2006 and FY 2007. Of the total amount in FY 2006, \$61,736 is for payment of principal and \$25,240 is for interest. For FY 2007, \$64,015 is for payment of principal and \$22,961 is for interest.

Winfield Correctional Facility

Rehabilitation & Repair. For FY 2006, the Governor recommends \$368,401 from the CIBF for ongoing rehabilitation and repair projects. This funding was reappropriated from FY 2005.

Facilities Conservation Improvement Program Debt Service. For the Winfield Correctional Facility, the Governor recommends \$170,691 from the State General Fund for this debt payment in FY 2006 and FY 2007. Of the total amount in FY 2006, \$120,293 is for payment of principal and \$50,398 is for interest. For FY 2007, \$125,202 is for payment of principal and \$45,489 is for interest.

Juvenile Justice Authority

Rehabilitation & Repair. The Governor recommends \$392,300 in FY 2006 and \$734,800 in FY 2007 from the State Institutions Building Fund for rehabilitation projects at juvenile correctional facilities. Projects that will be completed in FY 2006 include repairing

sidewalks, upgrading HVAC controls, and replacing steam valves. The projects to be completed in FY 2007 include replacing the HVAC system at Beloit; upgrading the “food pass” doors, implementing requirements for ADA, and relocating electrical systems at the Kansas Juvenile Correctional Complex; and replacing locks at Atchison.

Facility Construction Debt Service. For FY 2006, the Governor recommends \$1,795,000 from the State Institutions Building Fund for the principal payment and \$2,205,512 for the interest payment on the debt for facility construction and expansion of juvenile correctional facilities. For FY 2007, the Governor recommends \$1,885,000 for the principal payment and \$2,115,763 for the interest payment. Bonds were issued in FY 2002 to build a 210-bed maximum-security and reception and diagnostic center in Topeka, to construct a 152-bed replacement facility at Larned, and to renovate a living unit at the Beloit Facility to house maximum-security offenders. The new Larned Facility opened in June 2003; the Beloit renovation was completed in May 2002; and the new maximum-security facility at Topeka, the Kansas Juvenile Correctional Complex, opened in September 2004.

Atchison Juvenile Correctional Facility

Rehabilitation & Repair. The Governor recommends \$245,597 from the State Institutions Building Fund in FY 2006 from various rehabilitation and repair projects. This amount has been reappropriated from FY 2005.

Beloit Juvenile Correctional Facility

Rehabilitation & Repair. The Governor recommends \$56,162 for FY 2006 from the State Institutions Building Fund for various rehabilitation and repair services. This amount has been reappropriated from FY 2005.

Kansas Juvenile Correctional Complex

Rehabilitation & Repair. The Governor recommends \$10,310 from the State Institutions Building Fund in FY 2006 from various rehabilitation and repair projects. The amount has been reappropriated from FY 2005.

Adjutant General

Armory Repair Debt Service. The agency 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 and construct certain replacement armories. Bonds were issued totaling \$2.0 million in November 2000, \$2.0 million in November 2001, \$6.0 million in June 2003, \$6.0 million in June 2004, and \$6.0 million in November 2005.

For FY 2006, the Governor recommends \$1,287,094 from the State General Fund to finance debt service payment on bonds issued for the Armory Rehabilitation Plan. Of the recommended amount, \$850,000 will be used for debt service principal and \$437,094 for debt service interest. The Governor recommends \$2,026,811 in FY 2007 from the State General Fund to finance the debt service payment. Of the recommended amount, \$1,160,000 will be used for debt service principal and \$866,811 for debt service interest.

Armory Repair. In addition to the bond proceed funds, the Adjutant General receives federal money to assist in the renovation of armories. The state matches these federal funds dollar for dollar. In both FY 2006 and FY 2007, the Governor recommends \$1.0 million from federal funds for armory renovation projects. The federal money is used to replace roofs, doors, windows, plumbing systems, electrical systems, and HVAC systems.

Highway Patrol

Rehabilitation, Repair, & Scale Replacement. The Governor recommends \$291,509 in FY 2006 and \$251,233 in FY 2007 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 is from the Highway Patrol Training Center Fund, with the remainder from the KHP Operations Fund.

Training Center Debt Service. The Governor recommends \$445,000 in FY 2006 from the Highway Patrol Training Center Fund to finance debt service on

the agency's Training Center in Salina. For FY 2007, \$470,000 is recommended. These amounts represent the principal portion of the debt, which was incurred in FY 1993 for purchase of the Training Center. The Center is used by the Patrol for its new recruits, but also by other agencies.

Fleet Facility Debt Service. In FY 2006, the Governor, for the purpose of paying the debt service principal on the Highway Patrol fleet facility, recommends \$205,000 from the KHP Operations Fund. In FY 2007, \$210,000 is recommended for the same purpose. The facility was purchased using bonds that were issued in November 2001.

Olathe Vehicle Inspection Facility Debt Service. The Governor recommends \$45,000 from the Vehicle Identification Number Fee Fund in FY 2006 to finance the debt service on bonds issued for the purchase of the Vehicle Inspection Facility in Olathe. In FY 2007, the Governor recommends \$45,000 for the same purpose. These amounts represent the principal portion of the debt.

Aircraft Hangar Construction. The Governor recommends \$1.5 million from the Federal Forfeiture Fund in FY 2006 to construct an aircraft hangar at Billard Airport in Topeka. The Patrol has six aircraft, which are currently in three leased hangars. The new hangar will be located on land that is owned by the agency. The hangar will allow the Patrol to consolidate its aircraft and related staff into one facility.

Port Modernization Debt Service. An amount of \$43,957 is recommended from the KHP Operations Fund by the Governor in FY 2007 for port modernization. These funds will pay for the debt service principal on bonds to rebuild 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

Rehabilitation & Repair. For FY 2007, the Governor recommends \$100,000 from the State General Fund to finance various rehabilitation and repair projects. This recommendation will provide a new pool of funds for

the KBI dedicated to ongoing maintenance. The agency will prioritize the projects for its headquarters building and regional offices.

Headquarters Building Debt Service. The Governor recommends \$245,000 in FY 2006 and \$250,000 in FY 2007 from the State General Fund to finance the debt service principal payments on the headquarters building in Topeka. Included in the agency's operating budget is \$70,958 in FY 2006 and \$57,220 in FY 2007 from the State General Fund to finance the interest portion on the debt service payments.

Agriculture & Natural Resources

Kansas State Fair

Rehabilitation & Repair. For FY 2006, the Governor recommends \$104,966 from the State Fair Capital Improvements Fund and \$70,635 from the State General Fund for various rehabilitation and repair projects on the State Fairgrounds in Hutchinson. For FY 2007, the Governor recommends \$107,713 from the State Fair Capital Improvements Fund for rehabilitation and repair projects. Included in the recommendation are \$45,157 for maintenance contract expenditures and \$62,556 for miscellaneous and contingency projects.

Master Plan Improvements Debt Service. In FY 2002, the Kansas Development Finance Authority was authorized to issue bonds totaling \$29.0 million to finance a capital improvements master plan for facilities of the Kansas State Fair. For FY 2006, the Governor recommends \$2,249,737 for debt service payments related to these bonds. The principal portion is \$1,050,000 and the interest is \$1,549,737. The financing is \$1,549,737 from the State General Fund, \$400,000 from the State Fair Debt Service Revenue Fund, and \$300,000 from the City of Hutchinson and Reno County. For FY 2007, the Governor recommends \$2,247,251 for debt service payments. The principal total is \$1,080,000 and the interest is \$1,167,251. The financing is \$1,547,251 from the State General Fund, \$400,000 from the State Fair Debt Service Revenue Fund, and \$300,000 from the City of Hutchinson and Reno County.

Department of Wildlife & Parks

Rehabilitation & Repair. In an ongoing response to the need to keep the state's parks, public lands, and wildlife areas in good repair and accessible to all visitors, the Governor recommends \$11.0 million from all funding sources for rehabilitation and repair in FY 2006. Of this amount, \$1,991,165 was approved by the 2005 Legislature and \$404,255 was approved by the State Finance Council. For FY 2007, the recommendation is \$3.1 million from all funding sources. The categories of rehabilitation and repair that are emphasized by these recommendations are general rehabilitation and repair as well as road and bridge maintenance.

General rehabilitation and repair includes maintenance of the facilities managed by the Department. For FY 2006, the Governor recommends \$8,312,579 from all funding sources. Of this amount, \$144,430 is from the Parks Fee Fund, \$710,091 is from the Wildlife Fee Fund, \$1,795,485 is from the Land and Water Conservation Fund, \$4,442,318 is from the Federal Grant Fund, \$1,206,080 is from the Wildlife Conservation Fund—Federal, and \$14,175 is from the State General Fund. For FY 2007, the total for rehabilitation and repair is \$1,425,000, including \$775,000 from the federal Land and Water Conservation Fund, \$350,000 from the Wildlife Fee Fund, and \$300,000 is from the Migratory Waterfowl Fund.

To repair the earthen dam at the Leavenworth State Fishing Lake, which partially collapsed in late February 2005, the State Finance Council approved an increase of \$404,255 to the expenditure limitation established for the Wildlife Fee Fund by the 2005 Legislature.

To ensure that access roads and bridges in state parks, public lands, wildlife areas, and other facilities managed by the Department are well maintained and safe, the Governor recommends \$2,261,658 from the State Highway Fund for FY 2006. Of this amount, \$1,779,806 is for access roads and \$481,852 is for bridges. For FY 2007, the Governor's budget recommendation totals \$2.7 million from the State Highway Fund, of which \$2.5 million is for roads and \$200,000 is for bridges.

Coast Guard Boating Projects. To continue a program to provide secure, off-season storage facilities

for the Department's powerboats, the Governor recommends expenditure of an additional \$16,856 over the approved \$100,000 for FY 2006 and \$100,000 from the Boating Fee Fund—Federal in FY 2007.

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. To enhance recreational activities, the Governor recommends \$1,811,516 in addition to the \$810,000 approved by the 2005 Legislature for a total of \$2,661,516 to be funded from special revenue funds for land and wetlands acquisition, development, and rehabilitation in FY 2006. Of this amount, \$1,356,351 is for land and \$1,305,165 is for wetlands. Financing for land acquisition and development is from the Wildlife Conservation Fund, and financing for wetlands includes \$480,240 from the Migratory Waterfowl Propagation and Protection Fund and \$824,925 from the Wildlife Conservation Fund—Federal.

For FY 2007, the Governor recommends \$1,050,000 for both land and wetlands development. The recommendation includes \$450,000 from the Wildlife Conservation Fund—State and \$300,000 from the Wildlife Conservation Fund—Federal for land, and \$300,000 from the Wildlife Conservation Fund—State for wetlands.

Water Intake Line at Milford Hatchery. For FY 2006, the Governor recommends \$1,154,054 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 recommends \$100,000 from the Boating Fee Fund—Federal for river access in FY 2007. In the past, the Department has worked with communities to construct boat ramps at St. George, White Cloud, Atchison, Kaw Point, and Lecompton.

Motorboat Access. In response to the U.S. Fish and Wildlife Service requirement that at least 10.5 percent of the federal funds received by the Department be used for motorboat access projects, the Governor recommends \$810,000 for FY 2007. Of this amount,

\$600,000 comes from the Wildlife Fee Fund—Federal and \$210,000 comes from the Boating Fee Fund—Federal.

State Park No. 24. The Department is in the process of acquiring portions of land from the Menninger Foundation, adjacent to Cedar Crest and the State History Center, in order to create a day-use park with river access and a wetlands demonstration area. To implement the planning phase of the development of this park, \$60,000 was approved to be spent from the Parks Fee Fund for FY 2006.

Tuttle Creek State Park Mitigation Project. Repair to the Tuttle Creek dam by the U.S. Army Corps of Engineers caused significant damage to the area of the state park where the current access road and campground are located. In order to facilitate building a new access road and campground at the state park, the U.S. Corps of Engineers will provide up to \$1.5 million in funding to be reimbursed to the state as the project proceeds. For FY 2005, the Legislature approved a \$1.2 million loan from the Pooled Money Investment Board to supply operating funds for this project. In late FY 2005, \$15,153 in interest was paid from the Park Fee Fund.

In FY 2006, the agency expects to pay the same amount in interest, also from the Park Fee Fund, and \$500,000 for principal from a reimbursement from federal funds. In FY 2007, the agency will pay another \$15,153 in interest from the Park Fee Fund and \$700,000 for principal, which will be financed by a reimbursement from the federal government.

Transportation

Kansas Department of Transportation

The Governor recommends \$1,033,356,023 in FY 2006 and \$754,025,878 in FY 2007 for the Department of Transportation’s capital improvement projects. Included in the FY 2007 budget are funds for rehabilitation and repair projects, replacement of deteriorated roofs on the agency’s facilities, and replacement of deteriorated equipment storage sheds at the area and sub-area shops. The table below summarizes the recommendations for the expenditures that are related to the Comprehensive Transportation Plan by major classification of expenditure. The totals in the table will not match the total for capital improvement expenditures cited above, because the table includes only the Routine and Substantial Maintenance Programs and the agency’s Priority Bridge and System Enhancement Projects.

Comprehensive Transportation Plan		
Construction Costs		
<i>(Dollars in Thousands)</i>		
	FY 2006	FY 2007
Routine Maintenance	134,831	137,471
Substantial Maintenance	180,929	162,297
Major Mods.-Priority Bridge	359,040	301,920
System Enhancements	160,736	155,267
Total	\$835,536	\$756,955

Expenditures for Capital Improvements by Project

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Educational Building Fund					
Board of Regents					
Crumbling Classroom Debt Service	11,040,000	10,880,000	11,450,000	--	11,450,000
Rehabilitation & Repair	--	--	15,000,000	--	15,000,000
Emporia State University					
Rehabilitation & Repair	391,930	1,349,948	--	--	--
Fort Hays State University					
Rehabilitation & Repair	457,883	1,294,140	--	--	--
Kansas State University--Main Campus					
Rehabilitation & Repair	3,287,400	5,330,493	--	--	--
Kansas State University--ESARP					
Rehabilitation & Repair	20,460	--	--	--	--
Pittsburg State University					
Rehabilitation & Repair	555,261	1,122,034	--	--	--
Armory/Classroom/Recreation Center	--	258,257	--	--	--
University of Kansas					
Rehabilitation & Repair	2,875,172	7,581,317	--	--	--
University of Kansas Medical Center					
Rehabilitation & Repair	1,178,920	1,770,225	--	--	--
Wichita State University					
Rehabilitation & Repair	933,863	2,838,392	--	--	--
Subtotal--EBF	\$ 20,740,889	\$ 32,424,806	\$ 26,450,000	\$ --	\$ 26,450,000
Crumbling Classrooms Interest	3,960,000	4,120,000	3,550,000	--	3,550,000
State Building Insurance Premium	329,840	356,227	375,000	--	375,000
Total--EBF	\$ 25,030,729	\$ 36,901,033	\$ 30,375,000	\$ --	\$ 30,375,000
State Institutions Building Fund					
Social & Rehabilitation Services					
State Hospital Rehabilitation & Repair	4,880,954	2,287,861	8,768,200	--	1,947,277
State Security Hospital Debt Service	1,590,000	1,640,000	1,695,000	--	1,695,000
State Hospital Rehab. & Repair Debt Serv.	1,080,000	1,170,000	1,200,000	--	1,200,000
Kansas Neurological Institute					
Rehabilitation & Repair	--	21,282	--	--	--
Larned State Hospital					
Rehabilitation & Repair	26,443	164,082	164,082	--	--
Osawatomie State Hospital					
Rehabilitation & Repair	7,473	39,265	--	--	--
Rainbow Mental Health Facility					
Rehabilitation & Repair	6,414	824	--	--	--
Commission on Veterans Affairs					
Rehabilitation & Repair--Soldiers Home	105,127	257,130	279,615	--	279,615
Rehabilitation & Repair--Veterans Home	169,569	137,380	100,000	--	100,000
Rehabilitation & Repair--Veterans Cemeteries	--	--	50,000	--	50,000
Replace HVAC--Veterans Home	604,108	57,703	--	--	--
Facility Conservation--Soldiers Home	86,412	6,695	--	--	--
Soldiers Home Health & Safety Grant Match	--	--	436,237	--	436,237
Remodel Dementia Unit at Soldiers Home	--	--	50,000	--	50,000
Remodel Bleckley Hall Entry--Veterans Home	--	--	31,500	--	31,500
Soldiers Home Backup Generator Grant Match	--	--	--	216,125	216,125
Veterans Home Backup Generator Grnt Match	--	--	--	505,956	505,956
School for the Blind					
Rehabilitation & Repair	36,950	302,898	67,451	--	67,451
Install Underground Drain	--	--	57,150	--	--
School for the Deaf					
Rehabilitation & Repair	172,639	183,430	185,000	5,000	185,000
Roth Dorm Air Conditioning	112,000	108,000	--	--	--

Expenditures for Capital Improvements by Project

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
School for the Deaf, Cont'd.					
Roth Dorm Renovation	187,043	1,844,968	25,000	--	25,000
Taylor Gym Roof Replacement	103,070	33,256	140,000	--	--
Roth Roof Replacement	40,194	--	--	--	--
Roberts Dorm Renovation	91,650	--	--	--	--
Juvenile Justice Authority					
Rehabilitation & Repair	20,465	392,300	887,000	--	734,800
Facility Construction Debt Service	2,233,618	1,795,000	1,885,000	--	1,885,000
Construct New Maintenance Building at AJCF	--	--	--	596,987	--
Construct New Grounds Building at LJCF	--	--	--	58,865	--
Atchison Juvenile Correctional Facility					
Rehabilitation & Repair	273,225	245,597	--	--	--
Beloit Juvenile Correctional Facility					
Rehabilitation & Repair	126,375	56,162	--	--	--
Kansas Juvenile Correctional Complex					
Rehabilitation & Repair	147,558	10,310	--	--	--
Subtotal--SIBF	\$ 12,101,287	\$ 10,754,143	\$ 16,021,235	\$ 1,382,933	\$ 9,408,961
Juvenile Justice Projects--Interest	2,280,439	2,205,512	2,115,763	--	2,115,763
SRS Projects--Interest	2,877,215	3,694,462	3,599,163	--	3,599,163
State Building Insurance Premium	56,511	61,032	70,000	--	70,000
Total--SIBF	\$ 17,315,452	\$ 16,715,149	\$ 21,806,161	\$ 1,382,933	\$ 15,193,887
Correctional Institutions Building Funds					
Department of Corrections					
Rehabilitation & Repair	116,478	2,876,296	3,246,170	--	3,246,170
Revenue Refunding Debt Service	1,689,697	1,620,000	1,689,697	--	1,689,697
El Dorado Correctional Facility					
Rehabilitation & Repair	156,501	11,953	--	--	--
Ellsworth Correctional Facility					
Rehabilitation & Repair	160,733	49,947	--	--	--
Hutchinson Correctional Facility					
Rehabilitation & Repair	1,071,901	143,826	--	--	--
Lansing Correctional Facility					
Rehabilitation & Repair	1,780,478	490,710	--	--	--
Larned Correctional Mental Health Facility					
Rehabilitation & Repair	69,545	641	--	--	--
Norton Correctional Facility					
Rehabilitation & Repair	128,461	453,200	--	--	--
Topeka Correctional Facility					
Rehabilitation & Repair	136,938	306,771	--	--	--
Winfield Correctional Facility					
Rehabilitation & Repair	213,782	368,401	--	--	--
Subtotal--CIBF	\$ 5,524,514	\$ 6,321,745	\$ 4,935,867	\$ --	\$ 4,935,867
Department of Corrections Projects--Interest	--	69,697	--	--	--
State Building Insurance Premium	51,975	56,133	60,000	--	60,000
Total--CIBF	\$ 5,576,489	\$ 6,447,575	\$ 4,995,867	\$ --	\$ 4,995,867
State General Fund					
Department of Administration					
Rehabilitation & Repair	35,998	353,731	200,000	--	200,000
Dillon House Roof Repairs	--	--	--	--	52,000
Topeka State Hospital Cemetery Fence	--	50,000	--	--	--
Memorial Hall Passive Access Entrance	--	200,000	--	--	--
Energy Conservation Improvement Debt Serv.	1,265,000	995,000	695,000	--	695,000
Judicial Center Improvements Debt Service	119,065	60,000	65,000	--	65,000

Expenditures for Capital Improvements by Project

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Department of Administration, Cont'd.					
Statehouse Renovation Debt Service	2,955,000	3,885,000	3,630,000	1,440,000	3,630,000
Cooling Tower Replacement in Docking Bldg.	--	--	--	2,041,573	--
Judicial Center Rehabilitation & Repair	114,178	163,213	100,000	--	100,000
Docking Fire Alarm Upgrade and Repair	--	--	--	214,500	--
Landon Chiller Switch Gear Replacement	--	--	--	109,170	--
Docking Penthouse Roof Replacement	--	--	--	100,000	--
Landon Inspection & Façade Study	--	--	--	50,000	--
Landon Data Center Chiller System Repair	--	--	--	160,000	--
Eisenhower West Building Roof Replacement	--	--	--	85,000	--
Re-roof Forbes Bldg. No. 725	--	--	--	51,153	--
Replace West Hall Boiler	--	--	--	180,000	--
Replace Capitol Complex Maintenance Tunnel	--	--	--	770,000	--
Repair Exterior Judicial Center Steps	--	--	--	60,000	--
KDOT Data Center Cooling Sys. Redundancy	--	--	--	264,000	--
Replace Landon Fire Pump & Ancil. Control	--	--	--	75,000	--
Replace Judicial Center Fire Alarms	--	--	--	180,000	--
Repair Northwest Corner of Landon Roof	--	--	--	35,000	--
Exterior Maintenance of Judicial Center	--	--	--	500,000	--
Memorial Hall Window Replacement	--	--	--	283,360	--
Judicial Center Lighting Upgrade	--	--	--	180,000	--
Judicial Center Landscape Improvements	--	--	--	18,000	--
Renovate Dillon House	--	--	--	1,705,000	--
New Generator Exhaust System in Landon	--	--	--	333,000	--
Judiciary					
Part. Renov. of Judicial Center for New Judges	216,968	--	165,540	--	165,540
Social and Rehabilitation Services					
Rehabilitation & Repair of Area Offices	1,045	--	--	--	--
Kansas Neurological Institute					
Rehabilitation & Repair	607	--	--	--	--
Larned State Hospital					
Rehabilitation & Repair	3,325	--	--	--	--
Osawatomie State Hospital					
Rehabilitation & Repair	15,663	--	--	--	--
School for the Blind					
Energy Conservation Debt Service	43,928	28,613	25,276	--	25,276
School for the Deaf					
Replace Heating & Air System--Debt Service	42,335	52,021	54,197	--	54,197
Emporia State University					
William Allen White Library Addition	--	--	--	425,036	--
Fort Hays State University					
Picken Hall Renovation	--	--	--	320,000	--
Kansas State University					
Rehabilitation & Repair	26,974	--	--	--	--
Energy Conservation Debt Service	204,177	--	--	--	--
Renovate Memorial Stadium	--	--	--	515,000	--
Lease-Purchase of Aeronautical Center	189,446	189,446	189,446	--	189,446
Kansas State University--ESARP					
Rehabilitation & Repair	107,913	--	--	--	--
Pittsburg State University					
Rehabilitation & Repair	9,672	--	--	--	--
Energy Conservation Debt Service	116,489	128,567	134,701	--	134,701
McCray Hall Renovations	--	--	--	3,437,280	--
University of Kansas					
Rehabilitation & Repair	1,901,610	--	--	--	--

Expenditures for Capital Improvements by Project

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
University of Kansas, Cont'd.					
Utility Tunnel Improvement	--	--	--	8,800,000	--
Energy Conservation Debt Service	645,432	676,300	709,183	--	709,183
University of Kansas Medical Center					
Rehabilitation & Repair	568,958	--	--	--	--
Upgrade Applegate Energy Center	--	--	--	6,228,701	--
Wichita State University					
Rehabilitation & Repair	2,753	--	--	--	--
Aviation Research Initiative Debt Service	1,000,000	1,050,000	1,160,000	--	1,160,000
Energy Study	--	--	--	145,000	--
Historical Society					
Rehabilitation & Repair	218,801	125,000	125,000	--	125,000
Historic Sites Preservation & Development	30,000	31,199	--	280,000	--
Replace Skylights at Kansas History Museum	--	184,420	--	--	--
Museum Rehabilitation	--	--	--	515,039	--
Department of Corrections					
Rehabilitation & Repair	--	--	--	1,689,697	--
Ellsworth Correctional Facility Debt Service	1,370,000	1,430,000	1,505,000	--	1,505,000
Revenue Refunding Debt Service	2,865,303	--	303	--	303
Labette Correct. Conserv. Camp Debt Serv.	125,000	130,000	135,000	--	135,000
RDU Relocation Debt Service	595,000	625,000	650,000	--	650,000
Topeka & Lansing Correct. Facil. Debt Serv.	950,000	995,000	--	--	--
Wichita Work Release Facility Debt Service	150,000	165,000	--	--	--
Hutchinson Correctional Facility					
Energy Conservation Debt Service	218,834	237,777	248,112	--	248,112
El Dorado Correctional Facility					
Energy Conservation Debt Service	56,994	171,431	171,431	--	171,431
Ellsworth Correctional Facility					
Rehabilitation & Repair	27,294	--	--	--	--
Energy Conservation Debt Service	6,084	74,353	77,097	--	77,097
Lansing Correctional Facility					
Energy Conservation Debt Service	306,253	317,347	328,842	--	328,842
Replace Maximum Security Clinic	--	--	--	5,617,790	--
Expand Medium Security Visiting Area	--	--	--	379,573	--
Larned Correctional Mental Health Facility					
Energy Conservation Debt Service	1,163	14,236	14,762	--	14,762
Norton Correctional Facility					
Construct Medium Security Dining Hall	--	--	--	595,000	--
Energy Conservation Debt Service	138,039	143,672	149,535	--	149,535
Topeka Correctional Facility					
Energy Conservation Debt Service	8,544	61,736	64,015	--	64,015
Winfield Correctional Facility					
Energy Conservation Debt Service	115,576	120,293	125,202	--	125,202
Atchison Juvenile Correctional Facility					
Rehabilitation & Repair	1,024	--	--	--	--
Beloit Juvenile Correctional Facility					
Rehabilitation & Repair	5,948	--	--	--	--
Kansas Juvenile Correctional Complex					
Rehabilitation & Repair	57,773	--	--	--	--
Adjutant General					
Armory Repair & Debt Service	225,000	850,000	1,160,000	--	1,160,000
Rehab. & Repair National Guard Bureau	25,724	--	--	--	--
Highway Patrol					
Repair Firearms Range at Salina Train. Cntr.	11,613	--	--	--	--

Expenditures for Capital Improvements by Project

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Kansas Bureau of Investigation					
Rehabilitation & Repair	--	--	--	--	100,000
Rehab. & Repair to Great Bend Reg. Office	--	--	--	25,000	--
Headquarters Building Acquisition Debt Serv.	230,000	245,000	250,000	--	250,000
Repair to Headquarters Building	--	--	--	35,000	--
Security for Regional Offices	--	--	--	35,000	--
Construct Topeka Parking Garage	--	--	--	112,985	--
Renovate Great Bend Laboratory	--	--	--	357,310	--
Construct Headquarters Parking Lot	--	--	--	60,000	--
Kansas State Fair					
Rehabilitation & Repair	--	70,635	--	--	--
Master Plan Debt Service	1,000,000	1,050,000	1,080,000	--	1,080,000
Department of Wildlife & Parks					
Rehabilitation & Repair	--	--	--	305,000	--
Remodel Office Building	29,194	--	--	--	--
Crawford State Fishing Lake Project	34,872	14,175	--	--	--
Total--State General Fund	\$ 18,390,569	\$ 14,888,165	\$ 13,212,642	\$ 38,713,167	\$ 13,364,642
Regents Restricted Funds					
Board of Regents					
Research Initiative Debt Service	1,890,000	--	6,000,000	--	6,000,000
Emporia State University					
Rehabilitation & Repair	570,508	2,199	2,200	--	2,200
Residence Hall Debt Service	210,000	220,000	230,000	--	230,000
Student Union Renovation	121,974	131,000	131,000	--	131,000
Twin Towers Men's Dormitory Debt Service	40,000	45,000	45,000	--	45,000
Student Recreational Building Debt Service	122,433	105,000	110,000	--	110,000
Energy Conservation Debt Service	11,059	11,700	12,378	--	12,378
Parking Lot Improvements	127,561	90,000	90,000	--	90,000
Fort Hays State University					
Rehabilitation & Repair	90,463	--	--	--	--
Student Housing Debt Service	145,000	145,000	150,000	--	150,000
Lewis Field Stadium Renovation Debt Service	75,869	60,000	60,000	--	60,000
Parking Improvements	215,183	150,000	300,000	--	300,000
Energy Conservation Debt Service	186,586	170,424	184,511	--	184,511
Kansas State University--Main Campus					
Rehabilitation & Repair	3,628,547	--	--	--	--
Oracle Project Debt Service	638,993	425,118	498,008	--	498,008
Student Union Renovation Debt Service	270,000	355,000	375,000	--	375,000
Energy Conservation Debt Service	--	1,525,000	695,000	--	695,000
Farrell Library Expansion Debt Service	155,000	160,000	170,000	--	170,000
Plant Science Building Addition Debt Service	865,510	--	--	--	--
Recreation Complex Construction Debt Serv.	448,615	435,000	460,000	--	460,000
Ackert Hall Addition Debt Service	90,000	90,000	95,000	--	95,000
Parking Improvements Debt Service	505,000	--	--	--	--
Student Housing Debt Service	--	--	1,929,635	--	1,929,635
Salina Housing Renovation Debt Service	55,000	55,000	50,000	--	50,000
Energy Conservation Debt Service	104,138	322,543	333,678	--	333,678
Parking Improvements	590,067	800,000	800,000	--	800,000
Renovation of Residence Halls	1,989,894	1,725,000	--	--	--
Salina Runway Improvements	--	2,000,000	2,000,000	--	2,000,000
Kansas State University--ESARP					
Rehabilitation & Repair	318,147	--	--	--	--
Grain Science Center Debt Service	1,000,000	--	--	--	--

Expenditures for Capital Improvements by Project

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
KSU--Veterinary Medical Center					
Construct Animal Resource Center	--	300,000	315,000	--	315,000
Pittsburg State University					
Rehabilitation & Repair	119,908	--	--	--	--
Overman Student Center Debt Service	85,000	85,000	100,000	--	100,000
Energy Conservation Debt Service	233,921	317,030	324,440	--	324,440
Willard Hall Debt Service	115,000	120,000	125,000	--	125,000
Horace Mann Debt Service	125,000	130,000	140,000	--	140,000
University of Kansas					
Rehabilitation & Repair	5,120,653	2,163,355	630,021	--	630,021
Energy Conservation Debt Service	6,088	6,088	6,088	--	6,088
Student Union Renovation Debt Service	320,000	335,000	350,000	--	350,000
Student Rec. & Fitness Center Debt Serv.	840,000	870,000	900,000	--	900,000
Parking Facilities Debt Service	1,019,495	1,035,000	1,085,000	--	1,085,000
Bio-Science Center Debt Service	1,890,000	450,000	480,000	--	480,000
Regents Center Debt Service	82,000	--	--	--	--
Student Housing Debt Service	455,000	355,000	525,000	--	525,000
Child Care Facility Debt Service	115,000	120,000	125,000	--	125,000
Continuing Education Building Debt Service	130,000	135,000	140,000	--	140,000
Construct Scholarship Hall No. 4	--	197,750	3,302,250	--	3,302,250
Construct Park and Ride	--	2,000,000	--	--	--
Parking Improvemenmts	515,312	648,405	600,180	--	600,180
Remodel Wesco Hall	--	3,500,000	--	--	--
Construct Multicultural Research Center	193,684	2,603,316	--	--	--
Remodel Mallot Hall	1,736,838	--	--	--	--
University of Kansas Medical Center					
Rehabilitation & Repair	2,463,763	--	--	--	--
Renovate Lied Biomedical Building	--	--	2,000,000	--	2,000,000
Energy Conservation Debt Service	--	880,000	350,000	--	350,000
Research Support Facility Debt Service	205,000	330,000	345,000	--	345,000
Parking Lot & Garage Improvements	1,012,632	--	550,000	--	550,000
Construct Parking Facility No. 3	--	--	120,000	--	120,000
Wichita State University					
Rehabilitation & Repair	192,767	--	--	--	--
Parking Construction Debt Service	285,000	300,000	315,000	--	315,000
Dormitory Renovation Debt Service	465,000	480,000	490,000	--	490,000
Total--Regents Restricted Funds	\$ 32,192,608	\$ 26,383,928	\$ 28,039,389	\$ --	\$ 28,039,389
Special Revenue Funds					
Department of Administration					
Rehabilitation & Repair of West Complex	28,880	--	--	--	--
Paint & Grounds Shop Debt Service	16,742	20,042	21,922	--	21,922
Motor Pool Building Debt Service	32,690	32,690	36,318	--	36,318
Repairs for State Parking Lots	--	95,000	95,000	--	95,000
Department of Commerce					
Rehabilitation & Repair	66,947	80,000	--	--	--
HVAC Replacement at Topeka Workforce Bldg.	--	238,500	--	--	--
Replace Roof at Topeka Workforce Building	--	138,000	--	--	--
Debt Serv. on Purchase of 1430 Topeka Blvd.	--	65,000	65,000	--	65,000
Insurance Department					
Rehabilitation & Repair	9,988	30,000	31,500	--	31,500
Carpet Replacement & Flooring	30,000	30,000	30,000	--	30,000
Energy Conservation Debt Service	--	37,500	37,500	--	37,500
Retaining Wall/Erosion Prevention	--	25,000	--	--	--
Insurance Building Acquisition Debt Service	585,000	--	--	--	--

Expenditures for Capital Improvements by Project

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Social & Rehabilitation Services					
Rehabilitation & Repair--Chanute Office Bldg.	297,101	300,000	300,000	--	300,000
Rehabilitation & Repair--Area Offices	1,176	--	--	--	--
Kansas Neurological Institute					
Rehabilitation & Repair	1,383	--	--	--	--
Parsons State Hospital					
Rehabilitation & Repair	16,570	--	--	--	--
Department of Labor					
Rehabilitation & Repair	622,758	390,000	40,000	--	40,000
Re-roof Jackson	--	33,255	--	--	--
Headquarters Acquisition Debt Service	145,000	145,000	150,000	--	150,000
Acquire Eastman Building	--	350,000	--	--	--
Construct Parking Lot	--	224,395	--	--	--
Master Lease Debt Service	--	62,000	62,000	--	62,000
Replace HVAC at 1309 Topeka Blvd.	--	--	125,000	--	125,000
Remodel 1309 Topeka Blvd.	--	--	90,000	--	90,000
Commission on Veterans Affairs					
Rehab. & Repair of Veterans Cemeteries	--	--	50,000	--	50,000
Soldiers Home Health & Safety Grant Match	--	--	810,153	--	810,153
Soldiers Home Facility Conservation	124,160	1,300	--	--	--
Replace HVAC at Veterans Home	195,723	37,049	--	--	--
Construct Veterans Cemeteries	809,454	--	--	--	--
Construct Ft. Riley Veterans Cemetery	--	450,000	4,507,403	--	4,507,403
Construct Water Wells at Veterans Cemeteries	--	357,600	--	--	--
Soldiers Home Backup Generator Grant	--	--	--	401,375	401,375
Veterans Home Backup Generator Grant	--	--	--	939,634	939,634
School for the Blind					
Rehabilitation & Repair Debt Service	--	3,851	--	--	--
School for the Deaf					
Repair Taylor Gym Roof	660	--	--	--	--
Kansas State University--ESARP					
Rehabilitation & Repair	167,958	--	--	--	--
Pittsburg State University					
Rehabilitation & Repair	1,007,401	750,000	750,000	--	750,000
Rehabilitation & Repair Student Health Center	7,957	20,000	--	--	--
Student Center Maintenance	--	250,000	250,000	--	250,000
Parking Lot Maintenance	32,929	400,000	250,000	--	250,000
Rec. Center/Armory/Classrooms Remodel	--	5,917,305	--	--	--
Historical Society					
Rehabilitation & Repair--Historical Sites	478,452	348,400	--	--	--
Department of Corrections--Industries					
Rehabilitation & Repair	122,706	130,000	80,000	--	80,000
Construct Manufacturing Bldg. at HCF	--	--	450,000	--	450,000
Construct Manufacturing Bldg. at ECF	--	150,000	--	--	--
Showroom & Warehouse	--	535,000	--	--	--
Ellsworth Correctional Facility					
Rehabilitation & Repair	4,500	--	--	--	--
Juvenile Justice Authority					
Rehabilitation & Repair	18,559	--	--	--	--
Juvenile Correctional Facility Remodeling	197,984	--	--	--	--
Adjutant General					
Rehab. & Repair--National Guard Bureau	1,387,542	1,000,000	1,000,000	--	1,000,000
Highway Patrol					
Port Modernization--I-70 & I-35	--	--	43,957	--	43,957
Rehabilitation & Repair, Scale Replacement	99,384	291,509	251,233	--	251,233

Expenditures for Capital Improvements by Project

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Highway Patrol, Cont'd.					
Olathe Vehicle Inspection Facility Debt Serv.	40,000	45,000	45,000	--	45,000
Fleet Facility Debt Service	200,000	205,000	210,000	--	210,000
Training Center Debt Service	425,000	445,000	470,000	--	470,000
Construct Aircraft Hangar at Billard Airport	--	1,500,000	--	--	--
Kansas State Fair					
Rehabilitation & Repair	105,479	104,966	107,713	--	107,713
Department of Wildlife & Parks					
Rehabilitation & Repair	3,380,885	11,370,962	3,125,000	--	3,125,000
Tuttle Creek State Park Mitigation Project	--	500,000	700,000	--	700,000
Land/Wetland Acquisition & Development	454,375	2,661,516	1,050,000	--	1,050,000
River Access	94,659	351,262	100,000	--	100,000
Planning & Development of State Park No. 24	40,000	60,000	--	--	--
Construct Water Intake Line at Milford Hatch.	73,233	1,154,054	--	--	--
Boating Access & Development	874,301	2,279,251	810,000	--	810,000
Coast Guard Boating Projects	88,144	116,856	100,000	--	100,000
Develop National Recreational Trails	157,335	--	--	--	--
Remodel Building Offices	101,256	--	--	--	--
Total--Special Revenue Funds	\$ 12,544,271	\$ 33,732,263	\$ 16,244,699	\$ 1,341,009	\$ 17,585,708
State Highway Fund					
Kansas Department of Transportation					
Rehabilitation & Repair--KDOT Buildings	5,619,348	4,413,717	14,806,727	--	5,176,780
Design Contracts	28,448,939	13,763,250	6,776,600	--	6,776,600
Construction Operations	90,457,683	140,102,356	110,481,361	2,415,962	112,693,345
Construction Contracts	318,159,544	512,749,400	287,797,553	--	287,797,553
City/County Construction	106,129,993	134,643,200	126,263,900	--	126,263,900
Debt Service	38,460,000	46,755,000	53,020,000	--	53,020,000
Substantial Maintenance	173,426,201	180,929,100	162,297,700	--	162,297,700
Total--State Highway Fund	\$ 760,701,708	\$ 1,033,356,023	\$ 761,443,841	\$ 2,415,962	\$ 754,025,878
Total--State Capital Improvements	\$ 862,195,846	\$ 1,157,861,073	\$ 866,347,673	\$ 43,853,071	\$ 853,810,445
Off-Budget Expenditures					
Department of Administration					
Rehabilitation & Repair	153,537	200,000	200,000	--	200,000
Rehabilitation & Repair of Eastman Building	--	350,000	--	--	--
Rehabilitation & Repair of Complex West	60,353	--	--	--	--
Rehabilitation & Repair of State Buildings	34,982	--	--	--	--
Rehabilitation & Repair of Printing Plant	12,509	--	--	75,000	75,000
Re-roof Printing Plant	22,223	--	--	--	--
Eisenhower Building Debt Service	806,702	1,045,000	1,090,000	--	1,090,000
Improvements to State Facilities Debt Service	335,000	360,000	380,000	--	380,000
Memorial Hall Debt Service	215,000	225,000	235,000	--	235,000
Landon Building Debt Service	562,250	562,250	562,250	--	562,250
Printing Plant Debt Service	171,816	175,145	176,738	--	176,738
Total--Off-Budget Expenditures	\$ 2,374,372	\$ 2,917,395	\$ 2,643,988	\$ 75,000	\$ 2,718,988

The purpose of this primer is to describe briefly the annual budget and appropriations process for the state.

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 2007 Governor's Budget Report*, the actual fiscal year is FY 2005, the current fiscal year is FY 2006, and the budget year is FY 2007.

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 source of the "uncommitted" revenue 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, and a dedicated one-fourth cent sales tax. Other examples of special revenue funds are the three state building funds, which are used predominantly 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. The Economic Development Initiatives Fund, the Children's Initiatives Fund, and the State Water Plan Fund are special revenue funds. However, these funds function the same as the State General Fund.

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.

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 20 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 2007 is \$5.22 billion, which is subject to revision in April 2006. 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. The statutory provisions were suspended for the first time for FY 2004, and the suspension was continued in FY 2005 and 2006. For FY 2007, the Governor proposes a budget that conforms once again to the statutory requirement for a 7.5 percent ending balance.

The "spending lid" statute requires *The Governor's Budget Report* and actions of the Legislature to 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 not sufficient to satisfy 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. The allotment system had not been used for 30 years; however, budget problems in FY 2003 required reductions to be made twice under this law.

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 services, education, public safety, agriculture and natural resources, and transportation. Category of expenditure classifies expenditures according to 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.

FY 2007 Expenditures by Function		
<i>(Dollars in Millions)</i>		
	<u>SGF</u>	<u>All Funds</u>
General Government	\$ 219.0 4.1%	\$ 661.0 5.7%
Human Services	\$ 1,204.5 22.7%	\$ 3,856.1 33.0%
Education	\$ 3,470.3 65.4%	\$ 5,194.6 44.4%
Public Safety	\$ 377.8 7.1%	\$ 579.4 5.0%
Agriculture & Natural Resources	\$ 29.7 0.6%	\$ 171.5 1.5%
Transportation Agencies	\$ 5.0 0.1%	\$ 1,233.0 10.5%
Total	\$ 5,306.4 100.0%	\$ 11,695.6 100.0%

Totals may not add because of rounding.

General Government includes state agencies with both administrative and regulatory functions. These agencies include elected officials (the Governor, Secretary of State, etc.) and the Department of Administration, including the Division of Health Policy and Finance, which was transferred from the Department of Social and Rehabilitation Services. The Board of Nursing, the Kansas Corporation Commission, 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 5.7 percent of total expenditures and 4.1 percent of State General Fund expenditures recommended by the Governor for FY 2007 are for General Government.

Agencies in the *Human Services* function provide services to individuals. Such services include the nutrition programs of the Department on Aging; care of the developmentally disabled as well as financial assistance and social services 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 Labor; and Division of Health programs in the Department of Health and Environment. Expenditures recommended for Human Services for FY 2007 constitute 33.0 percent of all recommended expenditures and 22.7 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 44.4 percent of total expenditures for FY 2007 and 65.4 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 5.0 percent of the total recommended expenditures for the FY 2007 budget and 7.1 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 2007 expenditures recommended by the Governor constitute 1.5 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 and bond payments in the Department of Administration. Responsibilities of this agency include maintenance and construction of highways in Kansas. Recommended expenditures constitute 10.5 percent of the total recommended budget for FY 2007 and 0.1 percent of 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; as well as 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 expenditures 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 29.9 percent of the FY 2007 total budget and 26.3 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 \$2,665.5 million for FY 2007. This category constitutes 31.2 percent of the FY 2007 total budget and 53.7 percent of the State General Fund budget.

Other Assistance, Grants, and Benefits constitutes payments to individuals and agencies that are not governments. 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 31.7 percent of total expenditures in FY 2007 and 19.7 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. Capital improvement expenditures represent 7.3 percent of total expenditures in FY 2007 and 0.3 percent of State General Fund expenditures. Included in this volume are separate sections on capital improvements and debt service.

FY 2007 Expenditures by Category		
<i>(Dollars in Millions)</i>		
	<u>SGF</u>	<u>All Funds</u>
State Operations	\$ 1,396.7 26.3%	\$ 3,493.6 29.9%
Aid to Local Governments	\$ 2,851.4 53.7%	\$ 3,645.0 31.2%
Other Assistance, Grants, & Benefits	\$ 1,044.9 19.7%	\$ 3,703.1 31.7%
Capital Improvements	\$ 13.4 0.3%	\$ 853.8 7.3%
Total	\$ 5,306.4 100.0%	\$ 11,695.6 100.0%

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 2007, 19.1 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 as determined by 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 personnel 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 no more than 999 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 the 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 as well as 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 of the budget components are intended to reflect program priorities.

According to law, the Governor cannot make a recommendation with respect to the budget request submitted by the Judiciary. As a matter of policy, the Governor treats the legislative budgets in the same way. Therefore, the Governor includes these budgets as requested to present a complete state budget that

accounts for all budget resources. Modification to the Judiciary and Legislative Branch budgets, if any, is the responsibility of the Legislature.

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. Budget submissions also document performance that relates to the outputs and outcomes identified in the agency's strategic plan. Evaluation of performance 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 usually 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 Senate Subcommittees and House Budget Committees to consider appropriations for various agencies. They vary in size; usually between two and nine persons are named to a subcommittee or budget committee. After reviewing the budget requests, the subcommittee or budget committee drafts a report which details all budgetary adjustments to the Governor's budget recommendations. The budget committee or subcommittee report may contain administrative or programmatic recommendations.

The subcommittee or budget committee report is presented to the full committee for consideration. A committee may adjust the recommendations of its subcommittee or budget committee in any area or it may adopt the entire report as submitted. The appropriations are reprinted in order 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 is returned to the conference committee for further review and for 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 the statutes.
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 for the State General Fund.
6. Approval to issue bonds for capital projects when an agency has been granted bonding authority.

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.

The chart on the next page is intended to capture the essential elements of the budget process on a single page over the course of a complete yearly cycle and to depict the roles and interactions of the primary agencies involved in developing and approving the state budget.

Prepared by the Division of the Budget in cooperation with the Legislative Research Department.

Kansas Budget Cycle

	June	July	August	September	October	November	December	January	February	March	April	May
State Agencies	<p>Prepare 5-year capital improvement plans for submission July 1</p>		<p>Prepare budgets in budget system & submit to Budget Division & Legislative Research</p>						<p>Review budgets & request amendments to update the Governor's recommendations</p>			
Governor & Budget Division	<p>Budget Division issues instructions & allocations to agencies in developing budget requests</p>	<p>Budget Division conducts agency budget training, analyzes capital projects, & makes on-site agency visits</p>	<p>Budget staff analyzes agency budget requests & makes preliminary recommendations</p>	<p>Budget Division recommendations provided to agencies & agency appeals are heard</p>	<p>Governor develops recommendations to the Legislature & Budget Division prepares budget documents</p>	<p>Governor submits <i>Budget Report</i> to Legislature by 8th calendar day of the Session (21st day for new Governor)</p>	<p>Budget Division prepares fiscal notes on legislative bills, drafts introduced version of appropriation bills, tracks legislative adjustments to Governor's recommendations, & prepares amendments to Governor's original recommendations for the Omnibus Bill</p>	<p>Budget Division reconciles final budget numbers with legislative fiscal staff & prepares post-session report</p>				
Consensus Revenue Estimating Group				<p>Project State General Fund revenues</p>		<p>Project State General Fund revenues</p>					<p>Project State General Fund revenues</p>	
Legislative Fiscal Staff	<p>Legislative fiscal staff prepares <i>Fiscal Facts, Appropriations Report</i>, & works with interim legislative committees</p>		<p>Legislative fiscal staff analyzes agency budget requests, begins to prepare Budget Analysis, & continues to work with interim committees</p>		<p>Fiscal staff analyzes Governor's budget recommendations & completes the Budget Analysis</p>	<p>Legislative fiscal staff works with subcommittees of Senate Ways & Means & House Appropriations on finalizing the budget</p>	<p>Fiscal staff prepares items for Omnibus Bill consideration & works with Legislature to develop Omnibus Bill</p>	<p>Legislative fiscal staff reconciles final budget numbers with Budget Division & prepares post-session report</p>				
Legislature	<p>Legislative interim committees review assigned topics; House Appropriations, Senate Ways & Means, Legislative Post Audit, & State Building Committee tour state (October of odd numbered years)</p>											
				<p>Appropriations bills are reviewed & acted upon in the House & Senate</p>	<p>Conference Committees resolve differences in appropriations bills</p>	<p>Omnibus Bill considered & acted upon</p>	<p>Legislature adjourns</p>					

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 the 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 correctional facilities, and State Institutions Building Fund for hospitals and juvenile correctional facilities 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 administrative procedures and liens against property. Persistent delinquencies are pursued through legal proceedings and, after exhausting all remedies, may be referred to a private collection agency.

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 through the issuance of revenue bonds mainly to finance capital improvements, equipment, certain grant programs, and reducing the unfunded liability of the KPERS Fund. The use of debt financing for operating expenses is limited.

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

The most recent issuer ratings for the State of Kansas are Aa1 by Moodys and a strong 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 lower unemployment than the national average, continued economic diversification, a very low debt burden, conservative fiscal management combined with sound financial operations, and the state's general credit worthiness.

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 in accordance with generally accepted accounting principles, 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 budgeting, 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 cash outlays or liquidated and unliquidated encumbrances. 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 projects, the debt service is reported, not the cost of the project. The interest portion of capital projects is 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.

For budgeting purposes, 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 the same 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.

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.

Budget Preparation

The FY 2007 budget for the State of Kansas was prepared with the intent of maximizing the effectiveness of every tax dollar available for state government operations and the delivery of services.

As the first step in budget preparation, instructions were sent to state agencies in July 2005 on how to produce their requests. Agencies that receive annual appropriations were to prepare a revised FY 2006 budget and a new FY 2007 request. The agencies on a biennial budget cycle already had FY 2006 and FY 2007 authorized budgets and were advised to prepare revisions, if necessary, to those budgets. Executive Branch agencies were given allocation amounts for the State General Fund, Economic Development Initiatives Fund, and the Children's Initiatives Fund. Agencies were expected to build their base budgets within the amount of funds allocated.

Allocations were based on the approved FY 2006 budget with amounts added to cover increased KPERs rates and to annualize the salary increase that was financed for only the second half of FY 2006. Additional costs in FY 2006 for a 27th paycheck were removed, as they are extraordinary and will not recur for 11 years. Budgets were also adjusted downward slightly for a reduction in the state's unemployment assessment rate. A small number of other agency-specific amounts were added to cover necessary additional spending, such as new bond costs and the cost of a new prison inmate health contract. If the FY 2006 approved budget contained one-time spending items, those amounts were deleted from the agency's FY 2007 allocation. No funds were added to allocation amounts to cover inflation, new programs not yet approved by the Legislature, or an FY 2007 salary plan.

Agencies that wished to request funds beyond the amounts allocated were instructed to ask for the funding as an enhancement. Also, selected agencies

were directed to submit reduced resource packages that outlined how their regular agency budget request could be cut by 5.0 percent, if it were necessary to do that.

The Legislative and Judicial Branches of government were not given allocations as part of their budget instructions, nor were they expected to submit reduced resource packages. The budget requests of these branches of government are fully included in the Governor's recommendations as they requested, with increases that account for her salary plan.

Regents universities were also not given allocations or expected to submit reduced resource packages. Their FY 2006 State General Fund appropriation came through an operating grant. In their FY 2007 budget request, the universities were instructed to include an operating grant amount at the exact level of FY 2006.

A few agencies do not receive any allocated funds. Those agencies were expected to submit budget requests that simply continued current services from FY 2006 to FY 2007. Any funds to pay for new services were to be requested as enhancements.

Agency budget requests were due to the Division of the Budget on September 15. The Division of the Budget used the requests submitted to develop an initial set of recommendations for each agency and distributed those recommendations to agencies on November 10. Written appeals to the initial recommendations were collected by November 21. Oral appeals were heard November 21, 22, and 23.

The Governor developed final recommendations in December after considering the Division of the Budget's initial recommendations, agency appeals, and other factors. The resources used to finance the Governor's recommendations are based on the November 2005 Consensus Revenue Estimate.

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 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 1.00 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 Services, Education, Public Safety, Agriculture and 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 had been converted to revenue transfers with the amount of the transfers determined through the appropriations process.

Transfer (Revenue)

Authority in appropriation bills “relocating” all or part of the unencumbered balance in a fund to another fund prior to expenditure. The Governor proposed and the Legislature approved conversion of all 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 non-reportable 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 \$4,992,000.

Economic Development Initiatives Fund

A fund for financing economic activities that receives revenues from lottery activities. Most monies are appropriated directly from this fund to various agencies. However, with the KEOIF fund in the Department of Commerce, EDIF monies are transferred to and spent out of it.

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 non-reportable 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.

KEY Fund

The Kansas Endowment for Youth (KEY) Fund, which was created by the 1999 Legislature, is a trust fund in which all the tobacco settlement proceeds are deposited. The fund is invested and managed by the Kansas Public Employees Retirement System. Administrative expenditures for the Children's Cabinet can also be made from the fund.

Retirement Funds

Employee retirement funds managed by the Kansas Public Employees Retirement System. Employees of participating governments at the state and local levels 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 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 established in the *Kansas Constitution* 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 and cemeteries. 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 is authorized by law to receive 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” (as in 1.2) 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. All of the schedules contain actual expenditure information for FY 2004, the estimates of the Governor for the current fiscal year, and the recommendations of the Governor for 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.

Legislative agencies and the Judiciary are not subject to the allocation process. Therefore, the Base Budget column for them represents the request they submitted unconstrained by the financial resources of the state. Consistent with the practice of not making a recommendation concerning these budgets, by law for the Judiciary and by policy for the legislative agencies, the “FY 2007 Gov. Rec.” column represents the budgets requested by these agencies, adjusted only for salary and benefit increases applicable to all state agencies.

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 2005 Actual</u>	<u>FY 2006 Gov. Estimate</u>	<u>FY 2007 Base Budget</u>	<u>FY 2007 Enhance. Pkg.</u>	<u>FY 2007 Gov. Rec.</u>
Summary of State Expenditures					
State Operations	3,162,672,420	3,474,404,691	3,399,089,917	123,552,612	3,493,661,779
Aid to Local Governments	3,252,350,007	3,585,106,709	3,745,178,269	120,116,188	3,645,030,193
Other Assistance	3,308,258,072	3,609,589,264	3,593,210,277	188,448,335	3,703,123,956
Subtotal--Operating Expenditures	\$9,723,280,499	\$10,669,100,664	\$10,737,478,463	\$432,117,135	\$10,841,815,928
Capital Improvements	862,195,846	1,157,861,073	866,347,673	43,853,071	853,810,445
Total Expenditures	\$10,585,476,345	\$11,826,961,737	\$11,603,826,136	\$475,970,206	\$11,695,626,373
Expenditures by Object					
Salaries & Wages	2,044,994,906	2,218,305,265	2,187,934,725	29,746,009	2,228,586,216
Contractual Services	757,621,837	831,716,804	807,448,033	41,344,587	823,632,976
Commodities	157,520,994	169,432,294	168,773,327	4,491,108	171,153,963
Capital Outlay	114,295,973	141,492,333	112,056,434	11,761,941	120,476,904
Debt Services	88,238,710	113,457,995	121,103,095	1,685,042	126,478,294
Operating Adjustments	--	--	1,774,303	34,523,925	23,333,426
Subtotal--State Operations	\$3,162,672,420	\$3,474,404,691	\$3,399,089,917	\$123,552,612	\$3,493,661,779
Aid to Local Governments	3,252,350,007	3,585,106,709	3,745,178,269	120,116,188	3,645,030,193
Other Assistance	3,308,258,072	3,609,589,264	3,593,210,277	188,448,335	3,703,123,956
Subtotal--Operating Expenditures	\$9,723,280,499	\$10,669,100,664	\$10,737,478,463	\$432,117,135	\$10,841,815,928
Capital Improvements	862,195,846	1,157,861,073	866,347,673	43,853,071	853,810,445
Total Expenditures	\$10,585,476,345	\$11,826,961,737	\$11,603,826,136	\$475,970,206	\$11,695,626,373
Expenditures by Fund Class					
State General Fund	4,690,130,075	5,163,405,126	5,232,664,197	282,396,036	5,306,384,789
Water Plan	14,290,700	18,786,170	17,113,673	5,339,450	23,582,034
EDIF	38,589,733	39,506,246	37,979,657	5,752,750	38,838,819
Children's Initiatives Fund	50,811,340	54,515,858	53,492,126	200,000	56,192,126
State Highway Fund	1,180,321,458	1,475,162,745	1,217,274,225	4,271,637	1,212,833,464
Educational Building Fund	25,030,729	36,901,033	30,375,000	--	30,375,000
State Institutions Building Fund	17,315,452	16,715,149	21,806,161	1,382,933	15,193,887
Correctional Building Fund	5,576,489	6,447,575	4,995,867	--	4,995,867
Other Funds	4,563,410,369	5,015,521,835	4,988,125,230	176,627,400	5,007,230,387
Total--Expenditures	\$10,585,476,345	\$11,826,961,737	\$11,603,826,136	\$475,970,206	\$11,695,626,373

Schedule 1.2--State Expenditures from the State General Fund

	FY 2005 <u>Actual</u>	FY 2006 <u>Gov. Estimate</u>	FY 2007 <u>Base Budget</u>	FY 2007 <u>Enhance. Pkg.</u>	FY 2007 <u>Gov. Rec.</u>
Salaries & Wages	963,599,503	1,069,608,426	1,059,212,569	(5,766,301)	1,075,019,386
Other Operating Expenditures	270,268,970	278,927,270	280,352,878	74,402,487	321,716,393
Subtotal--State Operations	\$ 1,233,868,473	\$ 1,348,535,696	\$ 1,339,565,447	\$ 68,636,186	\$ 1,396,735,779
Aid to Local Governments	2,487,182,103	2,768,699,392	2,852,433,686	96,656,228	2,851,397,610
Other Assistance	950,688,930	1,031,281,873	1,027,452,422	78,390,455	1,044,886,758
Subtotal--Operating Expenditures	\$ 4,671,739,506	\$ 5,148,516,961	\$ 5,219,451,555	\$ 243,682,869	\$ 5,293,020,147
Capital Improvements	18,390,569	14,888,165	13,212,642	38,713,167	13,364,642
Total Expenditures	\$ 4,690,130,075	\$ 5,163,405,126	\$ 5,232,664,197	\$ 282,396,036	\$ 5,306,384,789
State Operations					
General Government	170,951,832	196,288,306	199,154,537	14,127,348	207,529,611
Human Services	177,385,034	194,292,284	194,155,868	29,414,871	197,500,760
Education	587,293,484	624,962,436	613,337,624	36,604,521	641,952,119
Public Safety	273,467,307	305,843,732	306,939,473	(18,659,405)	316,127,408
Agriculture & Natural Resources	24,770,816	27,148,938	25,977,945	7,148,851	28,633,157
Transportation	--	--	--	--	4,992,724
Subtotal--State Operations	\$ 1,233,868,473	\$ 1,348,535,696	\$ 1,339,565,447	\$ 68,636,186	\$ 1,396,735,779
Aid to Local Governments					
General Government	131,576	131,547	131,206	--	131,206
Human Services	18,967,726	18,640,535	18,640,535	6,566,953	19,640,535
Education	2,436,666,988	2,717,321,521	2,802,853,966	85,681,576	2,799,316,990
Public Safety	30,975,322	32,605,789	30,807,979	4,406,799	32,307,979
Agriculture & Natural Resources	440,491	--	--	900	900
Subtotal--Aid to Local Governments	\$ 2,487,182,103	\$ 2,768,699,392	\$ 2,852,433,686	\$ 96,656,228	\$ 2,851,397,610
Other Assistance					
General Government	5,351,053	6,370,596	5,614,128	1,799,812	6,464,128
Human Services	901,750,320	972,757,346	977,163,420	64,757,047	987,400,158
Education	25,586,429	27,165,835	25,333,876	1,242,000	26,623,876
Public Safety	18,001,117	24,988,096	19,340,998	10,591,596	24,398,596
Agriculture & Natural Resources	11	--	--	--	--
Subtotal--Other Assistance	\$ 950,688,930	\$ 1,031,281,873	\$ 1,027,452,422	\$ 78,390,455	\$ 1,044,886,758
Capital Improvements					
General Government	4,706,209	5,706,944	4,855,540	8,834,756	4,907,540
Human Services	20,640	--	--	--	--
Education	5,108,488	2,465,566	2,397,803	20,666,056	2,397,803
Public Safety	7,491,166	5,580,845	4,879,299	8,907,355	4,979,299
Agriculture & Natural Resources	1,064,066	1,134,810	1,080,000	305,000	1,080,000
Subtotal--Capital Improvements	\$ 18,390,569	\$ 14,888,165	\$ 13,212,642	\$ 38,713,167	\$ 13,364,642
Total Expenditures	\$ 4,690,130,075	\$ 5,163,405,126	\$ 5,232,664,197	\$ 282,396,036	\$ 5,306,384,789

Schedule 2.1--Expenditures from All Funding Sources by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Administration	28,172,175	40,871,662	43,468,967	12,256,341	44,248,526
Kansas Corporation Commission	18,062,236	19,505,609	19,363,346	152,000	19,429,134
Citizens Utility Ratepayer Board	625,336	746,794	730,060	--	739,283
Kansas Human Rights Commission	1,831,050	2,034,050	1,932,739	207,023	2,013,952
Board of Indigents Defense Services	18,114,853	18,950,760	18,248,885	4,329,271	18,886,055
Health Care Stabilization	31,493,912	34,134,119	33,998,016	33,341	34,017,453
Kansas Public Employees Retirement Sys.	33,022,723	39,504,176	37,629,762	2,654,000	40,393,047
Department of Commerce	106,302,434	108,562,456	100,980,578	1,471,000	109,979,827
Kansas Technology Enterprise Corporation	13,871,575	14,322,190	13,835,719	550,000	13,881,905
Kansas, Inc.	517,237	507,668	551,266	25,000	585,656
Kansas Lottery	45,294,614	55,391,215	55,365,609	152,800	55,585,554
Kansas Racing & Gaming Commission	5,666,431	6,203,334	5,586,053	550,584	5,855,441
Department of Revenue	84,081,205	92,561,691	86,597,940	356,277	88,689,864
Board of Tax Appeals	1,637,287	1,789,513	1,708,201	300,301	1,888,664
Abstracters Board of Examiners	20,271	22,161	21,719	--	21,756
Board of Accountancy	220,828	310,705	279,134	3,000	281,615
Banking Department	5,958,969	7,710,939	6,820,148	32,800	6,901,336
Board of Barbering	128,093	135,722	134,568	--	136,499
Behavioral Sciences Regulatory Board	528,007	590,338	561,070	--	569,285
Board of Cosmetology	710,231	812,860	688,213	25,000	709,374
Department of Credit Unions	888,433	1,001,456	934,032	--	951,416
Kansas Dental Board	324,085	308,076	293,661	--	296,950
Governmental Ethics Commission	590,837	649,658	636,437	--	647,423
Board of Healing Arts	2,489,603	2,639,456	2,740,080	33,958	2,737,091
Hearing Aid Board of Examiners	24,030	26,460	26,306	--	26,345
Board of Mortuary Arts	207,655	254,053	249,080	12,500	265,218
Board of Nursing	1,590,503	1,581,870	1,517,295	--	1,540,374
Board of Examiners in Optometry	110,542	121,109	121,328	--	122,318
Board of Pharmacy	698,952	610,872	608,844	42,250	637,959
Real Estate Appraisal Board	244,755	285,238	262,214	--	265,209
Kansas Real Estate Commission	744,023	1,026,698	964,464	--	977,874
Office of the Securities Commissioner	2,304,561	3,078,871	2,500,630	152,399	2,545,723
Board of Technical Professions	536,890	607,692	540,947	--	546,717
Board of Veterinary Examiners	257,897	286,548	267,673	--	271,332
Office of the Governor	14,219,764	13,100,502	11,589,220	--	11,636,767
Office of the Lieutenant Governor	132,929	178,440	191,565	--	195,198
Attorney General	17,326,259	17,169,716	15,404,126	871,438	15,731,703
Insurance Department	20,579,614	21,508,812	21,248,764	--	21,227,247
Secretary of State	5,656,571	21,843,178	5,571,130	--	5,628,880
State Treasurer	11,694,930	11,618,348	134,101,053	--	13,041,058
Legislative Coordinating Council	614,350	805,213	790,412	--	807,027
Legislature	12,473,453	15,015,742	15,446,677	--	15,631,352
Legislative Research Department	2,818,222	3,159,790	3,067,986	--	3,133,628
Legislative Division of Post Audit	1,927,713	2,572,681	2,505,636	--	2,550,899
Revisor of Statutes	2,340,311	2,714,917	2,739,872	--	2,789,917
Judiciary	104,716,253	112,073,141	109,270,356	6,718,536	111,587,694
Judicial Council	390,786	431,375	432,256	--	438,816
Total--General Government	\$ 602,163,388	\$ 679,337,874	\$ 762,524,037	\$ 30,929,819	\$ 661,046,361
Human Services					
Social & Rehabilitation Services	2,421,858,351	1,321,938,667	1,281,738,175	94,975,277	1,361,449,183
Kansas Neurological Institute	25,521,338	27,151,360	26,598,577	196,690	26,674,804
Larned State Hospital	40,484,509	45,679,355	44,590,768	5,812,130	48,365,490
Osawatomie State Hospital	21,047,084	22,529,643	21,509,886	1,159,276	22,640,211
Parsons State Hospital & Training Center	21,902,625	22,841,785	22,412,968	1,205,863	22,984,053

Schedule 2.1--Expenditures from All Funding Sources by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Rainbow Mental Health Facility	7,219,386	7,558,683	7,392,467	682,468	7,611,989
Subtotal--SRS	\$ 2,538,033,293	\$ 1,447,699,493	\$ 1,404,242,841	\$104,031,704	\$ 1,489,725,730
Administration--Health Policy & Finance	--	1,375,162,574	--	--	1,373,592,483
Kansas Health Policy Authority	--	--	1,393,719,380	27,402,759	--
Department on Aging	449,779,634	439,054,339	453,145,090	26,702,951	451,412,101
Health & Environment--Health	140,005,318	137,976,293	135,333,171	16,340,423	145,404,122
Department of Labor	318,265,747	354,242,401	366,131,511	146,200	368,692,372
Commission on Veterans Affairs	17,442,358	19,126,757	23,592,549	3,540,174	26,170,885
Kansas Guardianship Program	1,030,103	1,058,640	1,052,759	160,080	1,065,230
Total--Human Services	\$ 3,464,556,453	\$ 3,774,320,497	\$ 3,777,217,301	\$178,324,291	\$ 3,856,062,923
Education					
Department of Education	2,783,527,725	3,086,213,309	3,152,762,575	77,804,204	3,157,100,590
School for the Blind	5,219,913	5,726,547	5,494,581	182,871	5,567,052
School for the Deaf	8,606,699	10,728,742	8,709,014	369,020	8,768,921
Subtotal--Department of Ed.	\$ 2,797,354,337	\$ 3,102,668,598	\$ 3,166,966,170	\$ 78,356,095	\$ 3,171,436,563
Board of Regents	188,454,068	201,944,258	231,636,443	41,568,930	254,261,347
Emporia State University	66,877,718	69,344,111	66,612,799	425,036	67,095,419
Fort Hays State University	70,039,944	77,241,897	75,471,664	570,000	75,730,338
Kansas State University	425,110,640	469,276,639	457,699,457	515,000	460,429,024
Kansas State University--ESARP	109,655,711	120,989,229	120,001,503	--	121,020,931
KSU--Veterinary Medical Center	28,892,845	36,298,548	30,285,230	--	30,518,605
Pittsburg State University	477,382,623	495,545,296	477,742,812	8,800,000	482,348,327
University of Kansas	71,468,231	83,288,012	74,923,006	3,437,280	75,298,815
University of Kansas Medical Center	233,844,337	253,420,668	250,155,656	6,228,701	257,371,790
Wichita State University	171,419,298	185,345,541	178,255,395	2,145,000	181,332,185
Subtotal--Regents	\$ 1,843,145,415	\$ 1,992,694,199	\$ 1,962,783,965	\$ 63,689,947	\$ 2,005,406,781
Kansas Arts Commission	2,016,193	2,081,585	2,000,259	143,314	1,977,270
Historical Society	9,014,799	9,453,383	8,481,896	1,025,039	8,665,189
State Library	6,462,215	7,189,879	6,775,306	1,057,691	7,069,236
Total--Education	\$ 4,657,992,959	\$ 5,114,087,644	\$ 5,147,007,596	\$144,272,086	\$ 5,194,555,039
Public Safety					
Department of Corrections	105,303,192	122,043,542	122,453,259	8,347,292	127,035,955
El Dorado Correctional Facility	21,533,505	22,235,934	21,737,748	674,970	22,174,192
Ellsworth Correctional Facility	11,053,576	11,341,154	11,089,740	366,707	11,311,418
Hutchinson Correctional Facility	26,323,311	26,605,075	25,904,775	618,250	26,414,485
Lansing Correctional Facility	34,784,801	34,782,667	33,860,502	6,952,826	34,265,358
Larned Correctional Mental Health Facility	8,376,412	8,743,434	8,545,236	180,374	8,734,129
Norton Correctional Facility	12,883,405	13,719,618	12,987,769	892,438	13,256,115
Topeka Correctional Facility	11,815,312	12,556,772	12,074,502	477,711	12,323,938
Winfield Correctional Facility	10,979,308	11,818,731	10,786,364	669,856	11,464,749
Subtotal--Corrections	\$ 243,052,822	\$ 263,846,927	\$ 259,439,895	\$ 19,180,424	\$ 266,980,339
Juvenile Justice Authority	55,327,973	67,814,469	53,427,229	16,886,312	67,038,270
Atchison Juvenile Correctional Facility	6,248,544	6,406,007	6,096,349	623,973	5,926,560
Beloit Juvenile Correctional Facility	4,838,510	4,861,734	4,713,741	123,933	4,562,612
Kansas Juvenile Correctional Complex	14,640,844	15,624,881	15,363,441	19,000	15,378,950
Larned Juvenile Correctional Facility	7,969,478	8,480,742	8,186,879	167,300	8,217,425
Subtotal--Juvenile Justice	\$ 89,025,349	\$ 103,187,833	\$ 87,787,639	\$ 17,820,518	\$ 101,123,817
Adjutant General	69,437,034	61,343,455	38,839,757	53,200,846	66,090,004
Emergency Medical Services Board	1,535,356	1,556,963	1,291,859	200,000	1,507,139
State Fire Marshal	3,658,997	5,013,513	4,097,168	400,012	4,392,194
Highway Patrol	86,441,106	105,468,844	102,816,352	1,209,896	103,714,717
Kansas Bureau of Investigation	22,537,414	24,541,451	23,493,788	5,171,055	25,347,233

Schedule 2.1--Expenditures from All Funding Sources by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Kansas Parole Board	444,661	457,714	444,488	--	453,659
Sentencing Commission	5,581,478	9,355,361	6,778,702	5,417,541	9,791,934
Total--Public Safety	\$ 521,714,217	\$ 574,772,061	\$ 524,989,648	\$102,600,292	\$ 579,401,036
Agriculture & Natural Resources					
Department of Agriculture	20,934,139	24,267,061	22,835,248	2,895,072	25,201,492
Animal Health Department	2,567,713	3,720,958	2,632,088	182,624	2,687,388
State Conservation Commission	9,997,475	11,915,479	10,992,650	6,006,962	17,166,603
Health & Environment--Environment	60,696,836	64,376,665	59,976,344	3,171,069	60,895,619
Kansas State Fair	6,025,232	6,386,786	6,284,686	126,290	6,391,635
Kansas Water Office	5,784,171	7,774,551	10,084,398	779,764	10,878,853
Department of Wildlife & Parks	45,325,143	60,172,655	46,812,480	2,410,300	48,317,801
Total--Agriculture & Natural Resources	\$ 151,330,709	\$ 178,614,155	\$ 159,617,894	\$ 15,572,081	\$ 171,539,391
Transportation					
Department of Administration	--	--	--	--	4,992,724
Kansas Department of Transportation	1,187,718,619	1,505,829,506	1,232,469,660	4,271,637	1,228,028,899
Total--Transportation	\$ 1,187,718,619	\$ 1,505,829,506	\$ 1,232,469,660	\$ 4,271,637	\$ 1,233,021,623
Total Expenditures	\$10,585,476,345	\$11,826,961,737	\$11,603,826,136	\$475,970,206	\$11,695,626,373

Schedule 2.2--Expenditures from the State General Fund by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Administration	19,530,574	31,282,747	34,995,637	12,256,341	35,745,349
Kansas Human Rights Commission	1,407,518	1,649,112	1,585,007	207,023	1,666,220
Board of Indigents Defense Services	17,643,244	18,325,760	17,778,885	4,329,271	18,161,055
Kansas Public Employees Retirement System	3,185,621	3,216,709	3,211,748	--	3,211,748
Department of Commerce	237,346	234,602	225,835	--	5,209,701
Kansas Racing & Gaming Commission	--	--	--	510,584	--
Department of Revenue	19,961,670	20,571,834	20,113,647	116,300	20,154,916
Board of Tax Appeals	1,469,406	1,365,174	1,355,563	225,000	1,459,060
Governmental Ethics Commission	464,517	521,683	494,180	--	502,147
Office of the Governor	2,181,539	2,416,350	2,260,532	--	2,298,039
Office of the Lieutenant Governor	132,929	178,440	191,565	--	195,198
Attorney General	4,565,974	6,071,122	4,402,066	479,949	4,759,220
Secretary of State	114,292	643,455	--	--	--
Legislative Coordinating Council	614,350	805,213	790,412	--	807,027
Legislature	12,364,590	14,931,242	15,326,174	--	15,510,849
Legislative Research Department	2,741,439	3,078,799	3,005,155	--	3,070,797
Legislative Division of Post Audit	1,927,713	2,572,681	2,505,636	--	2,550,899
Revisor of Statutes	2,340,311	2,714,917	2,739,872	--	2,789,917
Judiciary	90,257,637	97,917,553	98,773,497	6,637,448	100,940,343
Total--General Government	\$ 181,140,670	\$ 208,497,393	\$ 209,755,411	\$ 24,761,916	\$ 219,032,485
Human Services					
Social & Rehabilitation Services	847,422,807	493,794,613	487,329,703	53,712,056	510,666,852
Kansas Neurological Institute	10,602,329	12,089,114	11,636,113	196,690	11,670,591
Larned State Hospital	29,906,584	33,943,438	32,992,729	5,812,130	36,870,796
Osawatomie State Hospital	8,334,219	9,416,789	8,541,672	1,159,276	8,823,246
Parsons State Hospital & Training Center	7,648,956	8,403,787	8,057,970	594,703	8,629,055
Rainbow Mental Health Facility	3,865,794	3,825,760	3,695,493	682,468	3,792,488
Subtotal--SRS	\$ 907,780,689	\$ 561,473,501	\$ 552,253,680	\$ 62,157,323	\$ 580,453,028
Administration--Health Policy & Finance	--	426,843,212	--	--	417,615,683
Kansas Health Policy Authority	--	--	435,689,706	9,504,021	--
Department on Aging	165,988,225	168,336,502	173,915,514	11,299,940	174,663,751
Health & Environment--Health	16,802,849	19,647,972	19,427,458	16,140,423	22,700,804
Department of Labor	514,992	419,154	337,744	--	368,141
Commission on Veterans Affairs	6,006,862	7,911,184	7,282,962	1,477,084	7,674,816
Kansas Guardianship Program	1,030,103	1,058,640	1,052,759	160,080	1,065,230
Total--Human Services	\$1,098,123,720	\$1,185,690,165	\$1,189,959,823	\$100,738,871	\$1,204,541,453
Education					
Department of Education	2,324,165,341	2,596,791,293	2,676,675,745	77,731,271	2,672,394,934
School for the Blind	4,645,849	4,956,756	4,938,414	182,871	5,065,031
School for the Deaf	7,487,806	8,052,468	8,018,534	364,020	8,215,731
Subtotal--Department of Ed.	\$2,336,298,996	\$2,609,800,517	\$2,689,632,693	\$ 78,278,162	\$2,685,675,696
Board of Regents	139,424,497	151,230,324	159,018,990	41,568,930	181,608,428
Emporia State University	30,834,266	32,853,033	31,906,246	425,036	31,906,246
Fort Hays State University	31,881,390	33,489,742	32,803,701	570,000	32,803,701
Kansas State University	104,660,954	109,596,494	107,214,633	515,000	107,214,633
Kansas State University--ESARP	48,661,933	51,253,277	50,056,962	--	50,356,962
KSU--Veterinary Medical Center	9,989,497	10,529,658	10,245,026	--	10,245,026
Pittsburg State University	33,573,271	35,491,460	34,583,136	3,437,280	34,583,136
University of Kansas	136,397,091	143,506,291	140,046,474	8,800,000	140,046,474
University of Kansas Medical Center	104,037,593	109,675,976	107,221,166	6,228,701	112,221,166
Wichita State University	66,679,547	71,668,249	68,882,725	2,145,000	70,882,725
Subtotal--Regents	\$ 706,140,039	\$ 749,294,504	\$ 741,979,059	\$ 63,689,947	\$ 771,868,497

Schedule 2.2--Expenditures from the State General Fund by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Kansas Arts Commission	1,481,857	1,497,554	1,524,951	143,314	1,497,616
Historical Society	5,809,694	6,307,787	5,796,099	1,025,039	5,964,582
State Library	4,924,803	5,014,996	4,990,467	1,057,691	5,284,397
Total--Education	\$3,054,655,389	\$3,371,915,358	\$3,443,923,269	\$144,194,153	\$3,470,290,788
Public Safety					
Department of Corrections	83,299,373	98,613,313	101,872,334	8,267,292	106,311,815
El Dorado Correctional Facility	21,168,802	22,091,263	21,609,745	674,970	22,046,189
Ellsworth Correctional Facility	10,830,815	11,236,549	11,050,412	366,707	11,271,253
Hutchinson Correctional Facility	24,989,673	26,090,642	25,537,283	618,250	25,992,078
Lansing Correctional Facility	32,844,323	34,106,957	33,675,502	6,952,826	33,998,604
Larned Correctional Mental Health Facility	8,306,596	8,738,143	8,543,586	180,374	8,732,479
Norton Correctional Facility	12,559,391	13,085,539	12,806,890	892,438	13,072,605
Topeka Correctional Facility	10,345,567	11,313,926	11,143,006	477,711	11,377,206
Winfield Correctional Facility	10,522,591	11,222,623	10,560,745	669,856	11,221,276
Subtotal--Corrections	\$ 214,867,131	\$ 236,498,955	\$ 236,799,503	\$ 19,100,424	\$ 244,023,505
Juvenile Justice Authority	29,564,235	30,517,432	29,692,876	2,797,351	30,442,208
Atchison Juvenile Correctional Facility	5,799,762	6,010,294	5,958,849	623,973	5,789,060
Beloit Juvenile Correctional Facility	4,461,076	4,553,532	4,504,735	123,933	4,353,606
Kansas Juvenile Correctional Complex	13,993,591	15,048,477	14,879,347	19,000	14,845,988
Larned Juvenile Correctional Facility	7,658,724	8,085,181	8,032,082	167,300	8,060,971
Subtotal--Juvenile Justice	\$ 61,477,388	\$ 64,214,916	\$ 63,067,889	\$ 3,731,557	\$ 63,491,833
Adjutant General	4,907,292	10,149,138	6,277,945	6,589,599	9,929,670
Highway Patrol	30,685,287	34,641,983	34,513,369	(34,513,369)	34,558,672
Kansas Bureau of Investigation	12,106,482	14,013,663	14,272,661	4,947,321	15,903,754
Kansas Parole Board	444,661	457,714	444,488	--	453,659
Sentencing Commission	5,446,671	9,042,093	6,591,894	5,390,813	9,452,189
Total--Public Safety	\$ 329,934,912	\$ 369,018,462	\$ 361,967,749	\$ 5,246,345	\$ 377,813,282
Agriculture & Natural Resources					
Department of Agriculture	9,560,294	10,399,625	10,054,039	2,612,573	11,047,255
Animal Health Department	644,357	774,801	655,524	248,683	685,074
State Conservation Commission	1,022,721	644,009	658,116	199,250	874,302
Health & Environment--Environment	9,426,548	9,691,200	9,200,320	2,987,481	9,761,086
Kansas State Fair	1,384,158	1,620,372	1,547,251	--	1,547,251
Kansas Water Office	1,395,898	1,440,009	1,404,650	779,764	2,196,044
Department of Wildlife & Parks	2,841,408	3,713,732	3,538,045	627,000	3,603,045
Total--Agriculture & Natural Resources	\$ 26,275,384	\$ 28,283,748	\$ 27,057,945	\$ 7,454,751	\$ 29,714,057
Transportation					
Department of Administration	--	--	--	--	4,992,724
Total--Transportation	\$ --	\$ --	\$ --	\$ --	\$ 4,992,724
Total Expenditures	\$4,690,130,075	\$5,163,405,126	\$5,232,664,197	\$282,396,036	\$5,306,384,789

Schedule 2.3--Expenditures from the Children's Initiatives Fund by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Commerce					
After School Program	--	--	--	--	500,000
Total--General Government	\$ --	\$ --	\$ --	\$ --	\$ 500,000
Human Services					
Social & Rehabilitation Services					
Children's Cabinet Accountability Fund	424,982	658,622	541,802	--	541,802
Children's Mental Health Initiative	3,800,000	3,800,000	3,800,000	--	3,800,000
Family Centered System of Care	4,992,500	5,000,000	5,000,000	--	5,000,000
Therapeutic Preschool	1,000,000	1,000,000	1,000,000	--	1,000,000
Child Care Services	1,400,000	1,400,000	1,400,000	--	1,400,000
Community Services for Child Welfare	3,106,230	3,492,101	3,492,101	--	3,492,101
HealthWave	2,000,000	--	--	--	--
Smart Start Kansas	8,032,832	9,753,728	8,893,279	--	8,693,279
Medical Assistance	3,000,000	--	--	--	--
Immunization Outreach	229,455	--	--	--	--
Family Preservation	3,343,770	2,957,899	2,957,899	--	2,957,899
School Violence Prevention	228,000	228,000	228,000	--	228,000
Attendant Care for Independent Living	50,000	50,000	50,000	--	50,000
Pre-K Pilot	--	--	--	--	2,000,000
Total--SRS	\$ 31,607,769	\$ 28,340,350	\$ 27,363,081	\$ --	\$ 29,163,081
Administration--Health Policy & Finance					
HealthWave	--	2,000,000	--	--	2,000,000
Medical Assistance	--	3,000,000	--	--	3,000,000
Immunization Outreach	--	500,000	--	--	500,000
Total--HPF	\$ --	\$ 5,500,000	\$ --	\$ --	\$ 5,500,000
Kansas Health Policy Authority					
HealthWave	--	--	2,000,000	--	--
Medical Assistance	--	--	3,000,000	--	--
Immunization Outreach	--	--	500,000	--	--
Total--KHPA	\$ --	\$ --	\$ 5,500,000	\$ --	\$ --
Health & Environment--Health					
Healthy Start/Home Visitor	250,000	250,000	250,000	--	250,000
Infants & Toddlers Program	800,000	800,000	800,000	200,000	1,200,000
Smoking Prevention Grants	500,000	1,000,000	1,000,000	--	1,000,000
Total--Health & Environment	\$ 1,550,000	\$ 2,050,000	\$ 2,050,000	\$ 200,000	\$ 2,450,000
Total--Human Services	\$ 33,157,769	\$ 35,890,350	\$ 34,913,081	\$ 200,000	\$ 37,113,081
Education					
Department of Education					
Reading & Vision Research	300,000	300,000	300,000	--	300,000
Parent Education Program	2,618,299	2,541,456	2,500,000	--	2,500,000
Four-Year-Old At-Risk Program	4,500,000	5,304,045	5,304,045	--	5,304,045
Special Education	952,487	1,225,000	1,225,000	--	1,225,000
Total--Department of Ed.	\$ 8,370,786	\$ 9,370,501	\$ 9,329,045	\$ --	\$ 9,329,045
University of Kansas Medical Center					
Tele-Kid Health Care Link	282,786	255,007	250,000	--	250,000
Total--Education	\$ 8,653,572	\$ 9,625,508	\$ 9,579,045	\$ --	\$ 9,579,045
Public Safety					
Juvenile Justice Authority					
Juvenile Prevention Program Grants	5,414,486	5,414,487	5,414,487	--	5,414,487

Schedule 2.3--Expenditures from the Children's Initiatives Fund by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Juvenile Justice Authority, Cont'd.					
Juvenile Graduated Sanctions Grants	3,585,513	3,585,513	3,585,513	--	3,585,513
Total--Public Safety	\$ 8,999,999	\$ 9,000,000	\$ 9,000,000	\$ --	\$ 9,000,000
Total Expenditures	\$ 50,811,340	\$ 54,515,858	\$ 53,492,126	\$ 200,000	\$ 56,192,126

Schedule 2.4--Expenditures from the EDIF Fund by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Commerce					
Operating Grant	14,789,751	16,164,976	15,516,090	1,441,000	15,701,164
Older Kansans Employment Program	239,430	239,430	230,481	--	230,481
Total--Department of Commerce	15,029,181	16,404,406	15,746,571	1,441,000	15,931,645
Kansas Technology Enterprise Corporation					
Operations	1,618,422	1,732,543	1,672,305	--	1,698,695
University & Strategic Research	5,677,796	5,449,891	5,345,205	--	5,345,205
Product Development	1,214,951	1,519,030	1,519,030	--	1,519,030
Commercialization	1,379,494	2,116,334	1,790,249	550,000	1,790,249
Mid-America Mfg. Technical Center	1,474,359	1,528,152	1,528,152	--	1,547,788
Total--KTEC	\$ 11,365,022	\$ 12,345,950	\$ 11,854,941	\$ 550,000	\$ 11,900,967
Kansas, Inc.					
Operations	315,894	379,671	375,483	25,000	382,085
Kansas Racing & Gaming Commission					
Racing Operations	--	--	--	--	200,000
Total--General Government	\$ 26,710,097	\$ 29,130,027	\$ 27,976,995	\$ 2,016,000	\$ 28,414,697
Human Services					
Social & Rehabilitation Services					
Call Center	--	--	--	340,000	340,000
Child Care	--	--	--	3,085,250	--
Total--Human Services	\$ --	\$ --	\$ --	\$ 3,425,250	\$ 340,000
Education					
Board of Regents					
Vocational Education Capital Outlay	2,565,000	2,565,000	2,565,000	--	2,565,000
Postsecondary Aid for Vocational Education	6,957,162	6,957,162	6,957,162	--	6,957,162
Technology Innovation & Internship	183,696	180,749	180,500	--	180,500
Total--Board of Regents	9,705,858	9,702,911	9,702,662	--	9,702,662
Kansas State University--ESARP					
Agriculture Experiment Stations	300,000	300,000	300,000	--	--
Wichita State University					
Aviation Research	1,828,778	292,058	--	--	--
Kansas Arts Commission					
Grants for the Arts	35,000	--	--	--	--
Total--Education	\$ 11,869,636	\$ 10,294,969	\$ 10,002,662	\$ --	\$ 9,702,662
Agriculture & Natural Resources					
State Conservation Commission					
Conservation Easements	--	31,250	--	311,500	311,500
Horsethief Reservoir	--	50,000	--	--	--
Total--Conserv. Commission	\$ --	\$ 81,250	\$ --	\$ 311,500	\$ 311,500
Kansas State Fair					
Largest Classroom	--	--	--	--	19,960
Ticket Marketing	--	--	--	--	50,000
Total--Kansas State Fair	\$ --	\$ --	\$ --	\$ --	\$ 69,960
Kansas Water Office					
Project Water Education for Teachers	10,000	--	--	--	--
Total--Agriculture & Natural Resources	\$ 10,000	\$ 81,250	\$ --	\$ 311,500	\$ 381,460
Total Expenditures	\$ 38,589,733	\$ 39,506,246	\$ 37,979,657	\$ 5,752,750	\$ 38,838,819

Schedule 2.5--Expenditures from the State Water Plan Fund by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Education					
University of Kansas					
Geological Survey	39,144	40,856	40,000	--	40,000
Total--Education	\$ 39,144	\$ 40,856	\$ 40,000	\$ --	\$ 40,000
Agriculture & Natural Resources					
Department of Agriculture					
Floodplain Management	65,953	68,773	--	--	--
Water Appropriations	181,750	187,925	--	--	--
Interstate Water Issues	246,398	254,986	--	--	--
Water Use Study	59,781	60,018	60,018	--	71,121
<i>Kansas v. Colorado</i> Compact Compliance	--	--	--	--	1,027,764
Subbasin Water Resources Management	486,936	554,369	678,577	--	674,552
Total--Department of Agriculture	\$ 1,040,818	\$ 1,126,071	\$ 738,595	\$ --	\$ 1,773,437
State Conservation Commission					
Nonpoint Source Pollution Assistance	2,725,854	3,081,317	2,757,520	--	2,757,520
Aid to Conservation Districts	1,043,000	1,044,000	1,044,000	4,000	1,048,000
Watershed Dam Construction	435,576	1,102,499	601,499	--	601,499
Water Quality Buffer Initiatives	204,093	307,157	307,157	--	307,157
Multipurpose Small Lakes	--	236,333	1,100,000	200,000	1,100,000
Riparian & Wetland Program	261,744	258,236	186,782	65,000	186,782
Water Rights Purchase	--	--	398,120	--	398,120
Lake Restoration/Management	--	--	--	--	400,000
Irrigation Water Use Reductions	--	--	--	777,212	786,268
Conservation Reserve Enhancement Program	--	--	--	4,000,000	4,000,000
Quick Response Area Incentive Grants	--	--	--	450,000	450,000
Water Resources Cost-Share	3,297,667	4,238,308	3,412,218	--	3,415,778
Total--Conservation Commission	\$ 7,967,934	\$ 10,267,850	\$ 9,807,296	\$ 5,496,212	\$ 15,451,124
Health & Environment					
Contamination Remediation	984,286	1,183,818	1,183,868	(30,844)	955,567
Local Environmental Protection Program	1,502,624	1,502,850	1,502,727	--	1,502,737
Nonpoint Source Program	344,837	370,214	367,043	(101,321)	291,257
TMDL Initiatives	241,552	323,338	325,501	(24,597)	299,269
Use Attainability Analysis (SB 204)	--	300,000	--	--	--
Watershed Rest. & Protect. Plans (WRAPS)	--	800,000	800,000	--	800,000
Total--Health & Environment	\$ 3,073,299	\$ 4,480,220	\$ 4,179,139	(\$ 156,762)	\$ 3,848,830
Kansas Water Office					
Assessment and Evaluation	163,976	744,704	884,011	--	884,011
Federal Cost-Share Programs	72,094	--	--	--	--
GIS Data Base Development	247,405	247,405	247,405	--	247,405
MOU--Storage Operations and Maintenance	427,199	411,712	409,132	--	409,132
PMIB Loan Payment for Storage	235,159	237,945	237,945	--	237,945
Stream Gaging	392,296	412,668	--	--	--
Technical Assistance to Water Users	180,131	246,150	266,150	--	266,150
Water Planning Process	267,215	313,205	--	--	--
Water Resource Education	36,500	60,000	84,000	--	84,000
Water Authority	27,530	37,384	--	--	--
Weather Stations	--	--	60,000	--	60,000
Weather Modification	120,000	120,000	120,000	--	120,000
Total--Water Office	\$ 2,169,505	\$ 2,831,173	\$ 2,308,643	\$ --	\$ 2,308,643
Department of Wildlife & Parks					
Stream Monitoring	--	40,000	40,000	--	40,000
River Access	--	--	--	--	120,000
Total--Wildlife & Parks	\$ --	\$ 40,000	\$ 40,000	\$ --	\$ 160,000
Total--Agriculture & Natural Resources	\$ 14,251,556	\$ 18,745,314	\$ 17,073,673	\$ 5,339,450	\$ 23,542,034
Total Expenditures	\$ 14,290,700	\$ 18,786,170	\$ 17,113,673	\$ 5,339,450	\$ 23,582,034

Schedule 3.1--Expenditures from All Funding Sources for State Operations by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Administration	16,319,925	27,587,044	30,439,480	1,796,773	31,067,039
Kansas Corporation Commission	17,704,452	19,347,599	19,305,336	152,000	19,221,124
Citizens Utility Ratepayer Board	625,336	746,794	730,060	--	739,283
Kansas Human Rights Commission	1,831,050	2,034,050	1,932,739	207,023	2,013,952
Board of Indigents Defense Services	18,114,853	18,950,760	18,248,885	4,329,271	18,886,055
Health Care Stabilization	6,389,120	5,388,347	5,252,244	33,341	5,271,681
Kansas Public Employees Retirement Sys.	29,837,102	36,287,467	34,418,014	2,654,000	37,181,299
Department of Commerce	29,506,869	35,252,368	33,892,516	686,000	38,641,765
Kansas Technology Enterprise Corp.	2,902,175	2,896,610	2,832,325	490,000	2,878,511
Kansas, Inc.	517,237	507,668	551,266	25,000	585,656
Kansas Lottery	20,165,322	22,351,315	22,112,409	152,800	22,332,354
Kansas Racing & Gaming Commission	4,280,400	4,886,137	4,318,856	550,584	4,588,244
Department of Revenue	72,329,309	78,388,346	75,062,595	356,277	75,969,519
Board of Tax Appeals	1,637,287	1,789,513	1,708,201	300,301	1,888,664
Abstracters Board of Examiners	20,271	22,161	21,719	--	21,756
Board of Accountancy	220,828	310,705	279,134	3,000	281,615
Banking Department	5,863,969	7,665,939	6,775,148	32,800	6,856,336
Board of Barbering	128,093	135,722	134,568	--	136,499
Behavioral Sciences Regulatory Board	528,007	590,338	561,070	--	569,285
Board of Cosmetology	710,231	812,860	688,213	25,000	709,374
Department of Credit Unions	888,433	1,001,456	934,032	--	951,416
Kansas Dental Board	324,085	308,076	293,661	--	296,950
Governmental Ethics Commission	590,837	649,658	636,437	--	647,423
Board of Healing Arts	2,489,603	2,639,456	2,740,080	33,958	2,737,091
Hearing Aid Board of Examiners	24,030	26,460	26,306	--	26,345
Board of Mortuary Arts	207,655	254,053	249,080	12,500	265,218
Board of Nursing	1,590,503	1,535,470	1,517,295	--	1,540,374
Board of Examiners in Optometry	110,542	121,109	121,328	--	122,318
Board of Pharmacy	698,952	610,872	608,844	42,250	637,959
Real Estate Appraisal Board	244,755	285,238	262,214	--	265,209
Kansas Real Estate Commission	744,023	1,026,698	964,464	--	977,874
Office of the Securities Commissioner	2,244,561	3,038,871	2,495,630	152,399	2,540,723
Board of Technical Professions	536,890	607,692	540,947	--	546,717
Board of Veterinary Examiners	257,897	286,548	267,673	--	271,332
Office of the Governor	2,883,078	3,192,148	2,963,576	--	3,011,123
Office of the Lieutenant Governor	132,929	178,440	191,565	--	195,198
Attorney General	9,417,133	9,822,832	8,319,159	696,438	8,646,736
Insurance Department	9,769,267	11,031,312	10,744,764	--	10,723,247
Secretary of State	5,656,071	9,843,178	5,571,130	--	5,628,880
State Treasurer	2,303,978	2,774,548	2,564,373	--	4,180,378
Legislative Coordinating Council	614,350	805,213	790,412	--	807,027
Legislature	12,468,453	15,015,742	15,446,677	--	15,631,352
Legislative Research Department	2,818,222	3,159,790	3,067,986	--	3,133,628
Legislative Division of Post Audit	1,927,713	2,572,681	2,505,636	--	2,550,899
Revisor of Statutes	2,340,311	2,714,917	2,739,872	--	2,789,917
Judiciary	102,453,656	110,103,879	107,112,635	6,718,536	109,429,973
Judicial Council	390,786	431,375	432,256	--	438,816
Total--General Government	\$ 393,760,549	\$ 449,989,455	\$ 433,372,810	\$ 19,450,251	\$ 448,834,134
Human Services					
Social & Rehabilitation Services	305,486,315	268,763,417	261,505,981	13,606,991	267,192,049
Kansas Neurological Institute	25,503,606	27,130,078	26,598,577	196,690	26,674,804
Larned State Hospital	40,454,067	45,515,273	44,426,686	5,812,130	48,365,490
Osawatomie State Hospital	21,021,222	22,488,378	21,507,886	1,159,276	22,638,211
Parsons State Hospital & Training Center	21,884,810	22,841,785	22,412,968	1,205,863	22,984,053

Schedule 3.1--Expenditures from All Funding Sources for State Operations by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Rainbow Mental Health Facility	7,212,279	7,556,655	7,391,263	682,468	7,610,785
Subtotal--SRS	\$ 421,562,299	\$ 394,295,586	\$ 383,843,361	\$ 22,663,418	\$ 395,465,392
Administration--Health Policy & Finance	--	72,936,714	--	--	72,575,620
Kansas Health Policy Authority	--	--	77,355,279	676,750	--
Department on Aging	16,121,382	15,923,194	15,108,518	931,400	15,532,018
Health & Environment--Health	56,063,954	60,544,191	56,911,582	11,019,670	58,099,200
Department of Labor	36,773,942	37,637,751	35,264,511	146,200	37,825,372
Commission on Veterans Affairs	15,347,377	17,821,900	17,277,641	1,477,084	17,792,887
Kansas Guardianship Program	1,030,103	1,058,640	1,052,759	160,080	1,065,230
Total--Human Services	\$ 546,899,057	\$ 600,217,976	\$ 586,813,651	\$ 37,074,602	\$ 598,355,719
Education					
Department of Education	28,368,204	31,650,395	31,201,765	208,688	31,946,756
School for the Blind	5,139,035	5,391,185	5,344,704	182,871	5,474,325
School for the Deaf	7,857,108	8,507,067	8,304,817	364,020	8,504,724
Subtotal--Department of Education	\$ 41,364,347	\$ 45,548,647	\$ 44,851,286	\$ 755,579	\$ 45,925,805
Board of Regents	17,000,695	19,021,301	24,057,982	33,265,184	44,192,886
Emporia State University	59,214,928	61,929,720	60,572,942	--	61,055,562
Fort Hays State University	61,202,757	67,923,774	67,278,594	250,000	67,537,268
Kansas State University	292,345,361	317,113,596	311,945,074	--	314,674,641
Kansas State University--ESARP	104,344,858	117,417,943	116,497,446	--	117,516,874
KSU--Veterinary Medical Center	28,723,603	35,995,121	29,968,302	--	30,201,677
University of Kansas	422,719,980	435,629,855	431,651,180	--	436,256,695
Pittsburg State University	61,589,870	66,705,725	65,764,771	--	66,140,580
University of Kansas Medical Center	213,305,309	242,847,046	239,197,259	--	246,413,393
Wichita State University	154,371,592	167,066,072	162,679,318	2,000,000	165,756,108
Subtotal--Regents	\$1,414,818,953	\$1,531,650,153	\$1,509,612,868	\$ 35,515,184	\$1,549,745,684
Kansas Arts Commission	535,218	548,047	567,682	14,000	544,693
Historical Society	6,880,995	7,030,413	6,867,136	10,000	6,980,429
State Library	2,233,262	2,515,233	2,479,904	382,691	2,773,834
Total--Education	\$1,465,832,775	\$1,587,292,493	\$1,564,378,876	\$ 36,677,454	\$1,605,970,445
Public Safety					
Department of Corrections	79,570,729	95,636,034	96,945,877	5,856,416	101,528,573
El Dorado Correctional Facility	21,318,213	22,052,550	21,566,317	674,970	22,002,761
Ellsworth Correctional Facility	10,854,478	11,216,854	11,012,643	366,707	11,234,321
Hutchinson Correctional Facility	25,031,232	26,223,472	25,656,663	618,250	26,166,373
Lansing Correctional Facility	32,696,625	33,974,610	33,531,660	955,463	33,936,516
Larned Correctional Mental Health Facility	8,305,334	8,728,557	8,530,474	180,374	8,719,367
Norton Correctional Facility	12,616,329	13,122,746	12,838,234	297,438	13,106,580
Topeka Correctional Facility	11,669,361	12,188,265	12,010,487	477,711	12,259,923
Winfield Correctional Facility	10,649,627	11,330,037	10,661,162	669,856	11,339,547
Subtotal--Corrections	\$ 212,711,928	\$ 234,473,125	\$ 232,753,517	\$ 10,097,185	\$ 240,293,961
Juvenile Justice Authority	6,712,330	6,648,708	5,948,395	--	6,011,322
Atchison Juvenile Correctional Facility	5,974,295	6,160,410	6,096,349	623,973	5,926,560
Beloit Juvenile Correctional Facility	4,679,551	4,775,919	4,698,741	123,933	4,547,612
Kansas Juvenile Correctional Complex	14,435,513	15,614,571	15,363,441	19,000	15,378,950
Larned Juvenile Correctional Facility	7,969,478	8,480,742	8,186,879	167,300	8,217,425
Subtotal--Juvenile Justice	\$ 39,771,167	\$ 41,680,350	\$ 40,293,805	\$ 934,206	\$ 40,081,869
Adjutant General	31,101,419	30,180,809	30,317,457	1,562,170	31,767,704
Emergency Medical Services Board	920,115	1,028,539	975,609	200,000	1,190,889
State Fire Marshal	3,655,497	4,755,864	3,847,168	400,012	4,183,675
Highway Patrol	66,223,942	71,340,194	71,464,101	1,209,896	72,362,466
Kansas Bureau of Investigation	20,752,382	22,841,047	21,915,770	4,545,760	23,669,215
Kansas Parole Board	444,661	457,714	444,488	--	453,659

Schedule 3.1--Expenditures from All Funding Sources for State Operations by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Sentencing Commission	665,865	762,461	745,311	86,932	791,934
Total--Public Safety	\$ 376,246,976	\$ 407,520,103	\$ 402,757,226	\$ 19,036,161	\$ 414,795,372
Agriculture & Natural Resources					
Department of Agriculture	20,909,602	24,248,331	22,835,248	2,895,072	25,201,492
Animal Health Department	2,567,713	3,720,958	2,632,088	182,624	2,687,388
State Conservation Commission	2,076,367	2,406,060	1,869,611	198,350	2,090,896
Health & Environment--Environment	53,172,006	56,818,662	53,818,464	3,171,069	54,737,739
Kansas State Fair	4,919,753	5,161,185	5,096,973	126,290	5,203,922
Kansas Water Office	5,784,171	7,593,493	6,584,398	779,764	7,378,853
Department of Wildlife & Parks	38,680,874	40,064,573	39,327,480	2,105,300	40,832,801
Total--Ag. & Natural Resources	\$ 128,110,486	\$ 140,013,262	\$ 132,164,262	\$ 9,458,469	\$ 138,133,091
Transportation					
Department of Administration	--	--	--	--	4,992,724
Kansas Department of Transportation	251,822,577	289,371,402	279,603,092	1,855,675	282,580,294
Total--Transportation	\$ 251,822,577	\$ 289,371,402	\$ 279,603,092	\$ 1,855,675	\$ 287,573,018
Total Expenditures	\$3,162,672,420	\$3,474,404,691	\$3,399,089,917	\$ 123,552,612	\$3,493,661,779

Schedule 3.2--Expenditures from the State General Fund for State Operations by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Administration	12,761,196	22,540,369	27,772,051	1,796,773	28,369,763
Kansas Human Rights Commission	1,407,518	1,649,112	1,585,007	207,023	1,666,220
Board of Indigents Defense Services	17,643,244	18,325,760	17,778,885	4,329,271	18,161,055
Department of Commerce	237,346	234,602	225,835	--	4,459,701
Kansas Racing & Gaming Commission	--	--	--	510,584	--
Department of Revenue	19,949,799	20,571,834	20,113,647	116,300	20,154,916
Board of Tax Appeals	1,469,406	1,365,174	1,355,563	225,000	1,459,060
Governmental Ethics Commission	464,517	521,683	494,180	--	502,147
Office of the Governor	2,181,539	2,416,350	2,260,532	--	2,298,039
Office of the Lieutenant Governor	132,929	178,440	191,565	--	195,198
Attorney General	4,565,974	5,821,122	4,402,066	304,949	4,759,220
Secretary of State	114,292	643,455	--	--	--
State Treasurer	--	--	--	--	--
Legislative Coordinating Council	614,350	805,213	790,412	--	807,027
Legislature	12,359,590	14,931,242	15,326,174	--	15,510,849
Legislative Research Department	2,741,439	3,078,799	3,005,155	--	3,070,797
Legislative Division of Post Audit	1,927,713	2,572,681	2,505,636	--	2,550,899
Revisor of Statutes	2,340,311	2,714,917	2,739,872	--	2,789,917
Judiciary	90,040,669	97,917,553	98,607,957	6,637,448	100,774,803
Total--General Government	\$ 170,951,832	\$ 196,288,306	\$ 199,154,537	\$ 14,127,348	\$ 207,529,611
Human Services					
Social & Rehabilitation Services	96,234,823	83,546,015	83,081,403	7,343,966	85,076,763
Kansas Neurological Institute	10,585,980	12,089,114	11,636,113	196,690	11,670,591
Larned State Hospital	29,902,606	33,943,438	32,992,729	5,812,130	36,870,796
Osawatomie State Hospital	8,316,863	9,414,789	8,539,672	1,159,276	8,821,246
Parsons State Hospital & Training Center	7,648,956	8,403,787	8,057,970	594,703	8,629,055
Rainbow Mental Health Facility	3,865,122	3,824,556	3,694,289	682,468	3,791,284
Subtotal--SRS	\$ 156,554,350	\$ 151,221,699	\$ 148,002,176	\$ 15,789,233	\$ 154,859,735
Administration--Health Policy & Finance	--	18,280,636	--	--	18,089,880
Kansas Health Policy Authority	--	--	22,916,072	338,375	--
Department on Aging	5,664,638	6,258,491	5,642,189	630,429	5,830,979
Health & Environment--Health	7,642,062	9,142,480	8,921,966	11,019,670	9,611,979
Department of Labor	487,057	419,154	337,744	--	368,141
Commission on Veterans Affairs	6,006,824	7,911,184	7,282,962	1,477,084	7,674,816
Kansas Guardianship Program	1,030,103	1,058,640	1,052,759	160,080	1,065,230
Total--Human Services	\$ 177,385,034	\$ 194,292,284	\$ 194,155,868	\$ 29,414,871	\$ 197,500,760
Education					
Department of Education	9,223,237	10,114,250	9,952,520	135,755	10,478,685
School for the Blind	4,601,921	4,928,143	4,913,138	182,871	5,039,755
School for the Deaf	7,445,471	8,000,447	7,964,337	364,020	8,161,534
Subtotal--Department of Education	\$ 21,270,629	\$ 23,042,840	\$ 22,829,995	\$ 682,646	\$ 23,679,974
Board of Regents	4,605,010	5,592,535	8,354,222	33,265,184	28,453,660
Emporia State University	30,671,580	32,690,347	31,783,825	--	31,783,825
Fort Hays State University	31,881,390	33,489,742	32,803,701	250,000	32,803,701
Kansas State University	104,189,523	109,245,914	107,021,799	--	107,021,799
Kansas State University--ESARP	48,554,020	51,253,277	50,056,962	--	50,356,962
Kansas State University--Vet Med	9,989,497	10,529,658	10,245,026	--	10,245,026
University of Kansas	133,676,659	142,829,991	139,337,291	--	139,337,291
Pittsburg State University	33,443,805	35,241,284	34,326,826	--	34,326,826

Schedule 3.2--Expenditures from the State General Fund for State Operations by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
University of Kansas Medical Center	96,074,326	102,786,579	101,301,996	--	106,301,996
Wichita State University	65,667,733	70,618,249	67,722,725	2,000,000	69,722,725
Subtotal--Regents	\$ 558,753,543	\$ 594,277,576	\$ 582,954,373	\$ 35,515,184	\$ 610,353,811
Kansas Arts Commission	343,392	323,921	355,755	14,000	328,420
Historical Society	5,451,133	5,657,408	5,561,339	10,000	5,659,822
State Library	1,474,787	1,660,691	1,636,162	382,691	1,930,092
Total--Education	\$ 587,293,484	\$ 624,962,436	\$ 613,337,624	\$ 36,604,521	\$ 641,952,119
Public Safety					
Department of Corrections	59,495,791	77,517,101	81,830,819	5,776,416	86,270,300
El Dorado Correctional Facility	21,110,011	21,919,832	21,438,314	674,970	21,874,758
Ellsworth Correctional Facility	10,796,950	11,162,196	10,973,315	366,707	11,194,156
Hutchinson Correctional Facility	24,769,495	25,852,865	25,289,171	618,250	25,743,966
Lansing Correctional Facility	32,536,625	33,789,610	33,346,660	955,463	33,669,762
Larned Correctional Mental Health Facility	8,305,063	8,723,907	8,528,824	180,374	8,717,717
Norton Correctional Facility	12,420,776	12,941,867	12,657,355	297,438	12,923,070
Topeka Correctional Facility	10,336,554	11,252,190	11,078,991	477,711	11,313,191
Winfield Correctional Facility	10,406,692	11,102,330	10,435,543	669,856	11,096,074
Subtotal--Corrections	\$ 190,177,957	\$ 214,261,898	\$ 215,578,992	\$ 10,017,185	\$ 222,802,994
Juvenile Justice Authority	3,315,447	3,387,069	3,328,502	--	3,386,845
Atchison Juvenile Correctional Facility	5,798,738	6,010,294	5,958,849	623,973	5,789,060
Beloit Juvenile Correctional Facility	4,455,128	4,553,532	4,504,735	123,933	4,353,606
Kansas Juvenile Correctional Complex	13,935,818	15,048,477	14,879,347	19,000	14,845,988
Larned Juvenile Correctional Facility	7,658,724	8,085,181	8,032,082	167,300	8,060,971
Subtotal--Juvenile Justice	\$ 35,163,855	\$ 37,084,553	\$ 36,703,515	\$ 934,206	\$ 36,436,470
Adjutant General	4,597,104	5,053,519	5,117,945	520,343	5,719,670
Highway Patrol	30,671,690	34,641,983	34,513,369	(34,513,369)	34,558,672
Kansas Bureau of Investigation	11,876,482	13,768,263	14,022,661	4,322,026	15,553,754
Kansas Parole Board	444,661	457,714	444,488	--	453,659
Sentencing Commission	535,558	575,802	558,503	60,204	602,189
Total--Public Safety	\$ 273,467,307	\$ 305,843,732	\$ 306,939,473	\$ (18,659,405)	\$ 316,127,408
Agriculture & Natural Resources					
Department of Agriculture	9,560,294	10,399,625	10,054,039	2,612,573	11,047,255
Animal Health Department	644,357	774,801	655,524	248,683	685,074
State Conservation Commission	582,230	644,009	658,116	198,350	873,402
Health & Environment--Environment	9,426,548	9,691,200	9,200,320	2,987,481	9,761,086
Kansas State Fair	384,158	499,737	467,251	--	467,251
Kansas Water Office	1,395,898	1,440,009	1,404,650	779,764	2,196,044
Department of Wildlife & Parks	2,777,331	3,699,557	3,538,045	322,000	3,603,045
Total--Ag. & Natural Resources	\$ 24,770,816	\$ 27,148,938	\$ 25,977,945	\$ 7,148,851	\$ 28,633,157
Transportation					
Department of Administration	--	--	--	--	4,992,724
Total--Transportation	\$ --	\$ --	\$ --	\$ --	\$ 4,992,724
Total Expenditures	\$1,233,868,473	\$1,348,535,696	\$1,339,565,447	\$ 68,636,186	\$1,396,735,779

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Administration					
Emergency Flood Control	265,379	265,950	265,950	--	265,950
Public Broad. Digital Conversion	119,707	131,547	131,206	--	131,206
Wireless 911 Grants	3,846,234	2,727,558	3,883,711	--	3,883,711
Total--Department of Administration	\$ 4,231,320	\$ 3,125,055	\$ 4,280,867	\$ --	\$ 4,280,867
Kansas Corporation Commission					
Energy Conservation Grants	146,784	58,010	58,010	--	58,010
Department of Commerce					
Main Street Development	13,000	10,000	10,000	20,000	10,000
Community Services Block Grant	4,779,466	3,500,000	3,500,000	--	3,500,000
IMPACT	127,056	125,000	125,000	--	125,000
Community Development Block Grant	24,081,455	20,714,061	18,000,000	--	18,000,000
Enterprise Facilitation and IWW	345,000	365,000	364,936	40,000	364,936
Market Development Grants	--	137,080	--	--	--
Kansas Partnership Program	335,746	500,000	500,000	--	500,000
Total--Dept. of Commerce	\$ 29,681,723	\$ 25,351,141	\$ 22,499,936	\$ 60,000	\$ 22,499,936
Department of Revenue					
Sand Royalty Fund	74,026	69,720	69,720	--	69,720
County Treasurer. Vehicle Licensing	150,850	135,625	135,625	--	135,625
Mineral Production Tax Fund	7,487,993	9,868,000	7,230,000	--	8,415,000
County Drug Tax Fund	590,680	600,000	600,000	--	600,000
Miscellaneous Grants	16,453	--	--	--	--
Total--Department of Revenue	\$ 8,320,002	\$ 10,673,345	\$ 8,035,345	\$ --	\$ 9,220,345
Board of Nursing					
Educational Aid	--	46,400	--	--	--
Office of the Governor					
Federal & Other Grant Programs	4,812,386	5,435,845	4,744,104	--	4,744,104
Attorney General					
Project Safe Neighborhoods	18,441	193,596	99,300	--	99,300
Insurance Department					
Firefighter Association Grants	8,568,646	8,700,000	8,800,000	--	8,800,000
Secretary of State					
HAVA	500	12,000,000	--	--	--
State Treasurer					
Local Ad Valorem Tax Reduction	--	--	70,422,000	--	--
County & City Revenue Sharing	--	--	52,254,000	--	--
Tax Increment Financing	827,259	843,800	860,680	--	860,680
Total--State Treasurer	\$ 827,259	\$ 843,800	\$ 123,536,680	\$ --	\$ 860,680
Judiciary					
Child Welfare Federal Fund	46,346	--	--	--	--
Technology Fund	83,174	350,000	350,000	--	350,000
Permanent Families Account	254,299	285,698	286,068	--	286,068
Total--Judiciary	\$ 383,819	\$ 635,698	\$ 636,068	\$ --	\$ 636,068
Total--General Government	\$ 56,990,880	\$ 67,062,890	\$ 172,690,310	\$ 60,000	\$ 51,199,310
Human Services					
Social & Rehabilitation Services					
Children & Family Services Grants	194,637	169,200	169,200	--	169,200
Children's Cabinet Grants	1,294,825	10,183,256	9,322,017	--	9,122,017
Pre-K Pilot	--	--	--	--	2,000,000

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Social & Rehabilitation Services, Cont'd.					
Com. Devel. Disab. Support Grants	2,934,782	--	--	--	--
Mental Health Grants	7,690,403	7,593,598	7,593,598	1,251,250	7,593,598
Substance Abuse Treatment Grants	1,171,151	15,000	15,000	--	15,000
School Violence Prevention--CIF	220,500	228,000	228,000	--	228,000
Refugee Assistance Grants	--	125,000	125,000	--	125,000
Rehabilitation Services Grants	27,210	--	--	--	--
Total--SRS	\$ 13,533,508	\$ 18,314,054	\$ 17,452,815	\$ 1,251,250	\$ 19,252,815
Department on Aging					
Nutrition Grants	3,260,966	3,202,056	3,202,056	--	3,202,056
Senior Care Act	1,838,400	605,800	605,800	431,200	605,800
Federal Community Grants	1,586,540	2,764,280	2,764,280	--	2,764,280
Other Aid	7,000	--	--	--	--
Total--Aging	\$ 6,692,906	\$ 6,572,136	\$ 6,572,136	\$ 431,200	\$ 6,572,136
Health & Environment--Health					
General Health Programs	4,864,307	5,308,040	5,404,040	--	5,404,040
Primary Health Project	1,520,840	1,520,840	1,520,840	--	2,520,840
Other Federal Aid	117,463	90,371	90,371	--	90,371
Teen Pregnancy Prevention	728,463	767,995	767,995	--	767,995
Food Service Inspection	847,120	899,524	899,524	--	899,524
Sexually Trans. Disease Control Proj.	768,691	323,959	334,734	--	334,734
Medical Student Loan Repayment	87,500	--	--	--	--
Mothers & Infants Health Program	12,794,585	9,550,310	9,664,810	--	9,664,810
Pregnancy Maintenance Initiative	--	300,000	300,000	--	300,000
Child Care Facility Licensure Aid	848,614	--	--	--	--
Healthy Start	250,000	250,000	250,000	--	250,000
Family Planning	2,147,929	2,219,998	2,219,998	--	2,219,998
Preventive Health Block Grant	1,027,432	1,091,471	871,095	472,913	871,095
Community Prescription Support	--	750,000	750,000	--	750,000
Lead Poisoning and Prevention Program	260,809	173,750	173,750	--	173,750
Tobacco Prevention Aid	264,000	200,000	69,041	4,647,840	69,041
Homeland Security Aid	5,681,359	5,512,690	5,512,690	--	5,512,690
AIDS Services/Education	1,266,337	1,661,315	1,180,862	--	1,180,862
District Coroners Fund	312,672	251,945	251,945	--	251,945
Immunization Programs	905,883	754,373	754,373	--	754,373
Infant & Toddler Program	2,671,305	2,671,305	2,671,305	200,000	3,071,305
SIDS Program Network Aid	25,000	25,000	25,000	--	25,000
Child Care & Development Block Grant	3,574,854	4,389,216	4,389,216	--	4,389,216
Total--KDHE--Health	\$ 40,965,163	\$ 38,712,102	\$ 38,101,589	\$ 5,320,753	\$ 39,501,589
Department of Labor					
Employment Services	27,935	--	--	--	--
Total--Human Services	\$ 61,219,512	\$ 63,598,292	\$ 62,126,540	\$ 7,003,203	\$ 65,326,540
Education					
Department of Education					
General State Aid	1,775,273,858	1,919,586,105	1,925,703,000	66,114,000	1,906,350,000
Supplemental General State Aid	159,686,703	218,891,000	236,434,000	3,800,000	238,709,000
KPERS Employer Contribution	138,180,678	161,134,265	184,656,269	--	184,656,269
Special Education Services Aid	341,477,308	388,866,201	407,060,000	--	423,131,024
Bond & Interest Aid	52,174,313	56,150,000	59,150,000	--	59,150,000
Capital Outlay State Aid	--	19,197,016	18,500,000	--	21,000,000
Declining Enrollment State Aid	--	42,500	--	--	100,000

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Department of Education, Cont'd.					
Juvenile Detention Grants	6,435,374	7,884,815	7,884,815	181,516	7,884,815
Deaf-Blind Program Aid	109,985	110,000	110,000	--	110,000
Mentor Teachers	--	1,000,000	1,000,000	--	1,000,000
Professional Development for Teachers	--	1,000,000	1,000,000	7,500,000	3,000,000
School Food Assistance	86,420,145	89,216,486	91,316,486	--	91,316,486
Driver Education Program Aid	1,602,647	1,601,370	2,990,040	--	2,990,040
Alcohol & Drug Abuse Programs	2,652,814	2,650,000	2,425,000	--	2,425,000
School Safety Hotline	4,200	4,200	4,200	--	4,200
Ed. Research & Innovative Prog.	3,613,761	3,591,000	3,462,000	--	3,462,000
Elementary & Secondary Ed. Prog.	103,279,624	100,300,000	95,970,000	--	95,970,000
Education for Economic Security Aid	(1,137)	--	--	--	--
Community Service Grants	324,359	32,000	--	--	--
21st Century Community Learning Ctrs.	6,415,098	6,000,000	5,700,000	--	5,700,000
Rural & Low Income Schools	44,447	45,000	45,000	--	45,000
Lang Assistance Grants to States	2,849,391	2,700,000	2,850,000	--	2,850,000
Federal Reading First Grants	5,834,497	5,100,000	5,100,000	--	5,100,000
Improving Teacher Quality	21,765,523	21,000,000	21,000,000	--	21,000,000
Vocational Education Grants	5,142,563	5,100,000	5,100,000	--	5,100,000
Teaching Excellence Scholarships	181,000	186,000	181,500	--	181,500
Discretionary Grants	--	187,500	187,500	--	187,500
Parent Education	7,257,799	7,330,956	7,289,500	--	7,289,500
Total--Department of Education	\$2,720,724,950	\$3,018,906,414	\$3,085,119,310	\$ 77,595,516	\$3,088,712,334
Board of Regents					
Washburn Operating Grant	10,555,928	11,012,456	11,467,516	--	11,467,516
Postsecondary Aid for Vocational Ed.	33,707,192	34,924,789	34,430,981	1,811,746	35,430,981
Adult Basic Education	4,388,812	4,786,768	4,786,768	200,000	4,986,768
Technical Equipment	424,077	424,077	424,077	--	424,077
Technical Innovation & Internships	183,696	180,749	180,500	--	180,500
Technology College Grant	875,000	--	--	--	--
Out-District Tuition Off-Set	--	3,200,000	3,200,000	3,200,000	3,200,000
Vocational Education Capital Outlay	2,565,000	2,565,000	2,565,000	--	2,565,000
Truck Driver Training	70,000	70,000	70,000	--	70,000
Community College Operating Grant	86,028,123	91,130,331	96,216,412	--	96,216,412
KAN-ED	1,940,050	3,650,000	2,520,000	2,000,000	2,520,000
No Child Left Behind	171,666	918,000	590,000	--	590,000
Other Aid	16,475	34,418	35,000	--	35,000
Total--Board of Regents	\$ 140,926,019	\$ 152,896,588	\$ 156,486,254	\$ 7,211,746	\$ 157,686,254
Kansas State University					
Educational Aid	1,050,561	1,721,392	1,721,392	--	1,721,392
Kansas State University--ESARP					
Educational Aid	502,865	352,659	352,659	--	352,659
Emporia State University					
Future Teachers Academy Board	7,000	7,000	7,000	--	7,000
Educational Aid	2,500	2,500	2,500	--	2,500
Total--Emporia State University	\$ 9,500	\$ 9,500	\$ 9,500	\$ -	\$ 9,500
University of Kansas Medical Center					
Miscellaneous Aid	9,000	--	--	--	--
Subtotal--Regents	\$ 142,497,945	\$ 154,980,139	\$ 158,569,805	\$ 7,211,746	\$ 159,769,805
Kansas Arts Commission					
Arts Grants	125,977	128,850	119,999	129,314	119,999
Historical Society					
Historic Preservation Aid	443,786	574,191	530,000	--	530,000

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Historical Society, Cont'd.					
Kansas Humanities Council	81,830	131,830	81,830	70,000	151,830
Total--Historical Society	\$ 525,616	\$ 706,021	\$ 611,830	\$ 70,000	\$ 681,830
State Library					
Talking Books--READ Equipment	614,119	329,833	329,833	75,000	329,833
Grants to Libraries	2,475,562	2,393,562	2,393,562	600,000	2,393,562
Interlibrary Loan Development	624,670	624,670	624,670	--	624,670
Federal Library Services & Technology	--	305,035	305,035	--	305,035
Total--State Library	\$ 3,714,351	\$ 3,653,100	\$ 3,653,100	\$ 675,000	\$ 3,653,100
Total--Education	\$2,867,588,839	\$3,178,374,524	\$3,248,074,044	\$ 85,681,576	\$3,252,937,068
Public Safety					
Department of Corrections					
Correctional Conservation Camps	2,207,300	2,202,300	2,202,300	146,200	2,202,300
Community Corrections	15,539,357	15,548,912	15,548,912	654,979	15,548,912
Total--Department of Corrections	\$ 17,746,657	\$ 17,751,212	\$ 17,751,212	\$ 801,179	\$ 17,751,212
Juvenile Justice Authority					
Florence Crittenton	--	75,000	--	--	--
Delinquency Prevention Formula Grants	5,414,486	5,414,487	5,414,487	--	5,414,487
Juv. Justice Delinquency Prevent. Grant	381,649	779,878	779,878	--	779,878
Juv. Justice Delinquency Trust Fund	49,400	420,000	350,000	--	350,000
Juvenile Accountability Block Grant	1,523,947	543,696	489,715	--	489,715
Community Corrections	4,591,865	4,427,196	4,427,196	--	4,427,196
Case Management	5,432,040	5,843,826	5,843,826	--	5,843,826
Intake & Assessment	4,557,146	4,521,147	4,521,147	--	4,521,147
Purchase-of-Service	3,685,609	--	--	--	--
Going Home Federal Grant	156,840	329,045	185,749	--	185,749
Intervention	1,707,521	1,850,111	1,850,111	--	1,850,111
Education Grants	54,173	50,000	50,000	--	50,000
Multi-Systemic Therapy	--	--	--	570,992	--
Juvenile Detention Facilities	759,785	804,390	804,440	--	804,440
Administration Aid to Locals	--	137,135	137,135	--	137,135
Total--Juvenile Justice Authority	\$ 28,314,461	\$ 25,195,911	\$ 24,853,684	\$ 570,992	\$ 24,853,684
Beloit Juvenile Correctional Facility					
Aid to School Districts	26,636	29,653	15,000	--	15,000
Adjutant General					
FEMA Grants--Public Assistance	15,587,699	8,905,819	--	22,759,710	11,375,000
FEMA Grants--Hazard Mitigation	2,761,276	2,144,200	2,145,200	--	2,145,200
U.S. DOT Grants	251,878	256,900	257,100	--	257,100
State Disaster Match	1,491,577	1,777,362	--	3,034,628	1,500,000
ODP Homeland Sec. Grants--EMPG	1,279,509	1,019,281	1,609,900	--	1,609,900
OPD Homeland Sec. Grants--Other	456,702	456,700	456,900	--	456,900
EMAC Assistance	31,131	--	--	--	--
Total--Adjutant General	\$ 21,859,772	\$ 14,560,262	\$ 4,469,100	\$ 25,794,338	\$ 17,344,100
Emergency Medical Services Board					
Rural Health Options	\$ 20,000	--	--	--	--
Underserved Areas Training	192,616	200,000	200,000	--	200,000
Rural Access to Emergency Devices	227,350	151,199	--	--	--
Total--Emergency Medical Services	\$ 439,966	\$ 351,199	\$ 200,000	\$ --	\$ 200,000
Highway Patrol					
Homeland Security	19,438,320	31,642,141	30,332,061	--	30,332,061

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Kansas Bureau of Investigation					
Federal Aid Payments	1,554,349	1,455,004	1,328,018	--	1,328,018
Sentencing Commission					
Criminal Justice & Law Enforc. Grants	4,500	--	--	--	--
Total--Public Safety	\$ 89,384,661	\$ 90,985,382	\$ 78,949,075	\$ 27,166,509	\$ 91,824,075
Agriculture & Natural Resources					
State Conservation Commission					
Aid to Conservation Districts	1,043,000	1,044,000	1,044,000	4,000	1,048,000
Watershed Dam Planning Construction	435,576	1,102,499	601,499	--	601,499
NRCS 2002 Farm Bill	34,000	63,000	63,000	--	63,000
Lake Restoration	--	--	--	--	400,000
Multipurpose Small Lakes	440,491	286,333	1,100,000	200,000	1,100,000
Riparian and Wetland Restoration	900	900	--	900	900
Total--State Conservation Commiss.	\$ 1,953,967	\$ 2,496,732	\$ 2,808,499	\$ 204,900	\$ 3,213,399
Health & Environment--Environment					
Air Pollution Control Program Aid	1,136,797	909,432	909,432	--	909,432
Waste Management Aid	1,398,414	1,740,000	540,000	--	540,000
WRAPS Aid	--	180,721	180,721	--	180,721
Contamination Remediation	91,002	--	--	--	--
Nonpoint Source Pollution Program Aid	3,351,243	3,200,000	3,000,000	--	3,000,000
LEPP Aid	1,502,624	1,502,850	1,502,727	--	1,502,727
Other Federal Aid	44,750	25,000	25,000	--	25,000
Total--KDHE--Environment	\$ 7,524,830	\$ 7,558,003	\$ 6,157,880	\$ --	\$ 6,157,880
Department of Wildlife & Parks					
Land & Water Conservation Fund	210,670	355,000	355,000	--	355,000
Wildlife Fee Fund	206,010	188,150	188,150	--	188,150
Federal Grants Fund	238,846	582,200	582,200	--	582,200
Wildlife Conservation Fund	240,593	--	--	--	--
Boating Fee Fund	30,180	--	--	--	--
Total--Dept. of Wildlife & Parks	\$ 926,299	\$ 1,125,350	\$ 1,125,350	\$ --	\$ 1,125,350
Total--Ag. & Natural Resources	\$ 10,405,096	\$ 11,180,085	\$ 10,091,729	\$ 204,900	\$ 10,496,629
Transportation					
Kansas Department of Transportation					
Connecting Links Payments	2,893,656	3,360,000	3,360,000	--	3,360,000
County Equalization Aid Adjustment	2,500,000	2,500,000	2,500,000	--	2,500,000
Special City & County Highway Aid	147,906,906	154,599,000	154,792,000	--	154,792,000
Federal Transit Administration	381,046	--	--	--	--
Federal Highway Safety	2,504,175	2,132,385	1,799,385	--	1,799,385
Metropolitan Transportation Planning	1,811,529	1,431,253	1,431,253	--	1,431,253
State Coordinated Public Transportation	5,473,428	6,882,898	6,363,933	--	6,363,933
Aviation Grants	3,290,279	3,000,000	3,000,000	--	3,000,000
Total--Dept. of Transportation	\$ 166,761,019	\$ 173,905,536	\$ 173,246,571	\$ --	\$ 173,246,571
Total--Transportation	\$ 166,761,019	\$ 173,905,536	\$ 173,246,571	\$ --	\$ 173,246,571
Total--Aid to Local Governments	\$3,252,350,007	\$3,585,106,709	\$3,745,178,269	\$ 120,116,188	\$3,645,030,193

Schedule 4.2--Expenditures from the State General Fund for Aid to Local Governments

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Administration					
Public Broad. Digital Conversion	119,707	131,547	131,206	--	131,206
Department of Revenue					
Aid to Counties--Property Valuation	11,869	--	--	--	--
Total--General Government	\$ 131,576	\$ 131,547	\$ 131,206	\$ --	\$ 131,206
Human Services					
Social & Rehabilitation Services					
Children's Cabinet Grants	--	10,000	10,000	--	10,000
Children & Family Services Grants	150	--	--	--	--
Com. Devel. Disab. Support Grants	1,033,090	--	--	--	--
Mental Health Grants	5,872,142	6,616,942	6,616,942	1,015,000	6,616,942
Substance Abuse Treatment	127,350	--	--	--	--
Rehabilitation Services Grants	5,517	--	--	--	--
Total--SRS	\$ 7,038,249	\$ 6,626,942	\$ 6,626,942	\$ 1,015,000	\$ 6,626,942
Department on Aging					
Nutrition Grants	1,838,400	605,800	605,800	431,200	605,800
Senior Care Act	902,355	902,301	902,301	--	902,301
Total--Department on Aging	\$ 2,740,755	\$ 1,508,101	\$ 1,508,101	\$ 431,200	\$ 1,508,101
Health & Environment--Health					
General Health Programs	4,757,102	5,051,807	5,051,807	--	5,051,807
Primary Health Project	1,520,840	1,520,840	1,520,840	--	2,520,840
Community Prescription Support	--	750,000	750,000	--	750,000
Family Planning	98,880	98,880	98,880	--	98,880
Teen Pregnancy Prevention	537,660	537,660	537,660	--	537,660
Immunization Program	350,000	350,000	350,000	--	350,000
Preventive Health Block Grant	--	--	--	472,913	--
Tobacco Prevention Programs	--	--	--	4,647,840	--
Infant & Toddler Program	1,871,305	1,871,305	1,871,305	--	1,871,305
Pregnancy Maintenance Initiative	--	300,000	300,000	--	300,000
SIDS Program Network Grant	25,000	25,000	25,000	--	25,000
Total--KDHE--Health	\$ 9,160,787	\$ 10,505,492	\$ 10,505,492	\$ 5,120,753	\$ 11,505,492
Department of Labor					
Employment Services	27,935	--	--	--	--
Total--Human Services	\$ 18,967,726	\$ 18,640,535	\$ 18,640,535	\$ 6,566,953	\$ 19,640,535
Education					
Department of Education					
General State Aid	1,753,205,690	1,877,772,060	1,903,298,955	66,114,000	1,875,545,955
Supplemental General State Aid	159,686,703	218,891,000	236,434,000	3,800,000	238,709,000
Capital Outlay State Aid	--	19,197,016	18,500,000	--	21,000,000
Declining Enrollment State Aid	--	42,500	--	--	100,000
KPERs Employer Contribution	138,180,678	161,134,265	184,656,269	--	184,656,269
Special Education Services Aid	249,791,845	291,581,201	305,775,000	--	321,846,024
Juvenile Detention Grants	6,435,374	7,884,815	7,884,815	181,516	7,884,815
Teaching Excellence Scholarships	181,000	186,000	181,500	--	181,500
Mentor Teachers	--	1,000,000	1,000,000	--	1,000,000
Professional Development for Teachers	--	1,000,000	1,000,000	7,500,000	3,000,000
Deaf-Blind Program Aid	109,985	110,000	110,000	--	110,000
School Food Assistance	2,367,571	2,366,486	2,366,486	--	2,366,486
School Safety Hotline	4,200	4,200	4,200	--	4,200
Parent Education	4,639,500	4,789,500	4,789,500	--	4,789,500

Schedule 4.2--Expenditures from the State General Fund for Aid to Local Governments

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Department of Education, Cont'd.					
Discretionary Grants	--	187,500	187,500	--	187,500
Total--Department of Education	\$ 2,314,602,546	\$ 2,586,146,543	\$ 2,666,188,225	\$ 77,595,516	\$ 2,661,381,249
Board of Regents					
Washburn Operating Grant	10,555,928	11,012,456	11,467,516	--	11,467,516
Postsecondary Aid for Vocational Ed.	19,667,730	20,673,603	20,673,603	1,811,746	21,673,603
Adult Basic Education	947,964	1,148,998	1,148,998	200,000	1,348,998
Technical Equipment	424,077	424,077	424,077	--	424,077
Community College Operating Grant	86,028,123	91,130,331	96,216,412	--	96,216,412
Out District Tuition Off-Set	--	3,200,000	3,200,000	3,200,000	3,200,000
KAN-ED	--	--	--	2,000,000	--
Technology College Grant	875,000	--	--	--	--
Total--Board of Regents	\$ 118,498,822	\$ 127,589,465	\$ 133,130,606	\$ 7,211,746	\$ 134,330,606
Emporia State University					
Future Teachers Academy Board	7,000	7,000	7,000	--	7,000
Kansas Arts Commission					
Arts Grants	97,194	98,618	98,240	129,314	98,240
Historical Society					
Kansas Humanities Council	81,830	131,830	81,830	70,000	151,830
State Library					
Talking Books--READ Equipment	380,000	329,833	329,833	75,000	329,833
Grants to Libraries	2,393,562	2,393,562	2,393,562	600,000	2,393,562
Interlibrary Loan Development	606,034	624,670	624,670	--	624,670
Total--State Library	\$ 3,379,596	\$ 3,348,065	\$ 3,348,065	\$ 675,000	\$ 3,348,065
Total--Education	\$ 2,436,666,988	\$ 2,717,321,521	\$ 2,802,853,966	\$ 85,681,576	\$ 2,799,316,990
Public Safety					
Department of Corrections					
Correctional Conservation Camps	2,207,300	2,202,300	2,202,300	146,200	2,202,300
Community Corrections	15,539,357	15,548,912	15,548,912	654,979	15,548,912
Total--Department of Corrections	\$ 17,746,657	\$ 17,751,212	\$ 17,751,212	\$ 801,179	\$ 17,751,212
Juvenile Justice Authority					
Florence Crittenton	--	75,000	--	--	--
Community Corrections	4,591,865	4,427,196	4,427,196	--	4,427,196
Case Management	5,432,040	2,258,313	2,258,313	--	2,258,313
Intake & Assessment	971,633	4,521,147	4,521,147	--	4,521,147
Intervention	1,707,521	1,850,111	1,850,111	--	1,850,111
Purchase-of-Service	467,496	--	--	--	--
State Match JABG	34,578	--	--	--	--
Multi-Systemic Therapy	--	--	--	570,992	--
Total--Juvenile Justice Authority	\$ 13,205,133	\$ 13,131,767	\$ 13,056,767	\$ 570,992	\$ 13,056,767
Adjutant General					
State Disaster Match	23,532	1,722,810	--	3,034,628	1,500,000
Total--Public Safety	\$ 30,975,322	\$ 32,605,789	\$ 30,807,979	\$ 4,406,799	\$ 32,307,979
Agriculture & Natural Resources					
State Conservation Commission					
Riparian & Wetland Restoration	--	--	--	900	900
Multipurpose Small Lakes	440,491	--	--	--	--
Total State Conservation Commission	\$ 440,491	\$ --	\$ --	\$ 900	\$ 900
Total--Ag. & Natural Resources	\$ 440,491	\$ --	\$ --	\$ 900	\$ 900
Total--Aid to Local Governments	\$ 2,487,182,103	\$ 2,768,699,392	\$ 2,852,433,686	\$ 96,656,228	\$ 2,851,397,610

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Administration					
Canceled Warrant Payments	395,705	438,000	438,000	--	438,000
Earned Interest on Federal Funds	497,077	963,000	1,065,000	--	1,065,000
Grants to Public Broadcasting Stations	2,159,949	2,403,887	2,402,380	1,624,812	2,502,380
Medicare Part D Assistance	--	500,000	--	--	--
Claims	646	--	--	--	--
Total--Department of Administration	\$ 3,053,377	\$ 4,304,887	\$ 3,905,380	\$ 1,624,812	\$ 4,005,380
Kansas Corporation Commission					
Kansas Energy Council Grant	150,000	100,000	--	--	150,000
Energy Conservation Grants	61,000	--	--	--	--
Total--KCC	\$ 211,000	\$ 100,000	\$ --	\$ --	\$ 150,000
Health Care Stabilization					
Health Care Stabilization Fund	25,104,792	28,745,772	28,745,772	--	28,745,772
Kansas Public Employees Retirement Sys.					
Retirement Benefits Bond Payment	3,185,621	3,216,709	3,211,748	--	3,211,748
Department of Commerce					
Trade Show Assistance	49,336	--	--	--	--
KIT and KIR Programs	3,105,340	2,983,991	2,943,320	200,000	2,943,320
IMPACT	13,523,364	13,744,744	12,655,533	--	12,655,533
Certified Development Companies	230,481	230,481	230,481	--	230,481
Small Business Development Centers	11,500	--	--	--	--
Travel Information Centers	--	44,400	--	--	--
Commission on Disability Concerns	1,200	--	--	--	--
Community Development	836,695	502,000	447,911	--	487,911
Community Service Employment	855,622	855,622	855,622	--	855,622
Attraction Development Grants	356,039	315,600	360,000	--	360,000
Workforce Development	13,518,798	12,518,955	12,518,955	--	12,518,955
Greyhound Tourism Grants	36,866	42,440	42,440	--	42,440
Economic Opportunity Initiatives Fund	9,760,996	10,000,000	10,000,000	225,000	10,160,000
Agriculture Products Development	676,307	733,756	410,072	--	410,072
Goodyear Bond Repayment	3,207,476	3,165,458	3,158,792	--	3,158,792
Spirit Acrosystems Incentive	--	1,400,000	--	--	2,800,000
After School Grant Program	--	--	--	--	1,250,000
Brand Image	10,000	--	--	--	--
Existing Industry Expansion Program	866,875	900,000	900,000	300,000	900,000
Total--Dept. of Commerce	\$ 47,046,895	\$ 47,437,447	\$ 44,523,126	\$ 725,000	\$ 48,773,126
Kansas Technology Enterprise Corporation					
University and Strategic Research	5,339,929	5,435,025	5,330,339	--	5,330,339
Product Development Financing	1,214,951	1,519,030	1,519,030	--	1,519,030
Commercialization	1,379,494	1,905,500	1,590,249	60,000	1,590,249
MAMTC	3,035,026	2,566,025	2,563,776	--	2,563,776
Total--KTEC	\$ 10,969,400	\$ 11,425,580	\$ 11,003,394	\$ 60,000	\$ 11,003,394
Kansas Lottery					
Prize Money & Commission Payments	25,129,292	33,039,900	33,253,200	--	33,253,200
Kansas Racing & Gaming Commission					
Horse Breeding Development	459,167	466,174	466,174	--	466,174
Greyhound Breeding Development	276,864	251,023	251,023	--	251,023
County Fair Benefit Funds	650,000	600,000	550,000	--	550,000
Total--Racing & Gaming Comm.	\$ 1,386,031	\$ 1,317,197	\$ 1,267,197	\$ --	\$ 1,267,197

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Department of Revenue					
KS Qualified Ethyl Producer Fund	3,419,674	3,500,000	3,500,000	--	3,500,000
Claims	12,220				
Total--Department of Revenue	\$ 3,431,894	\$ 3,500,000	\$ 3,500,000	--	\$ 3,500,000
Banking Department					
Credit Counseling	95,000	45,000	45,000	--	45,000
Office of the Securities Commissioner					
Investor Education	60,000	40,000	5,000	--	5,000
Office of the Governor					
Federal & Other Grants Programs	6,524,300	4,472,509	3,881,540	--	3,881,540
Attorney General					
Crime Victims Assistance	1,253,801	701,471	984,563	--	984,563
Crime Victims Compensation	2,609,086	2,500,000	2,500,000	--	2,500,000
Tort Claims	1,947,909	1,500,000	1,200,000	--	1,200,000
Other Claims	573	--	--	--	--
Protection from Abuse Fund	1,742,939	1,201,817	1,301,104	--	1,301,104
Victims of Crime Fund	336,377	1,000,000	1,000,000	--	1,000,000
Safe Kids	--	250,000	--	175,000	--
Total--Attorney General	\$ 7,890,685	\$ 7,153,288	\$ 6,985,667	\$ 175,000	\$ 6,985,667
Insurance Department					
Monumental Life Settlement	1,000	5,000	5,000	--	5,000
Workers Compensation	1,615,713	1,650,000	1,600,000	--	1,600,000
Total--Insurance Department	\$ 1,616,713	\$ 1,655,000	\$ 1,605,000	\$ --	\$ 1,605,000
Treasurer					
Unclaimed Property	8,563,693	8,000,000	8,000,000	--	8,000,000
Legislature					
Claim	5,000	--	--	--	--
Judiciary					
Dispute Resolution Fund	5,000	10,000	10,000	--	10,000
Permanent Families Account	242,063	234,760	236,068	--	236,068
Access to Justice Fund	1,352,247	1,088,804	1,110,045	--	1,110,045
Child Welfare--Federal Grant	62,500	--	--	--	--
Total--Judiciary	\$ 1,661,810	\$ 1,333,564	\$ 1,356,113	\$ --	\$ 1,356,113
Total--General Government	\$ 145,935,503	\$ 155,786,853	\$ 151,288,137	\$ 2,584,812	\$ 155,788,137
Human Services					
Social & Rehabilitation Services					
Children's Cabinet Grants	7,758,269	--	--	--	--
Adoption Contract	34,341,840	3,549,996	3,727,500	--	3,727,500
Permanent Guardianship	170,525	320,200	320,200	--	320,200
Adoption Support	18,906,214	20,227,544	19,328,360	2,786,768	20,227,544
Independent Living Grants--Adoption	1,154,815	1,484,016	1,484,016	--	1,484,016
Early Head Start	7,238,139	7,889,618	7,889,618	2,522,612	9,742,397
Family Preservation	10,745,277	11,364,083	11,364,083	--	11,364,083
Foster Care Contract	94,798,502	119,000,000	113,746,539	10,099,708	132,000,000
Grants for Children & Families	1,729,676	2,276,657	2,276,657	--	2,276,657
Juvenile Justice Authority Services	14,234,280	--	--	--	--
Alcohol & Drug Abuse Programs	18,149,680	22,027,753	22,227,753	825,000	22,227,753
HCBS/DD Waiver	217,398,123	229,623,238	229,395,330	36,781,806	245,682,698
Head Injured Waiver	5,703,934	7,596,368	7,290,607	98,830	7,290,607

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Social & Rehabilitation Services, Cont'd.					
Independent Living Support	1,270,037	1,327,612	1,323,988	1,285,776	1,323,988
Intermediate Care Facilities--MR	18,088,052	17,972,807	17,972,807	--	17,972,807
Discretionary Grants/Commun. Funding	1,397,272	1,726,332	1,726,332	1,250,000	1,726,332
HealthWave	56,647,023	--	--	--	--
Nursing Facilities/Mental Health	13,117,336	12,500,000	13,356,500	--	12,875,000
HCBS/Physically Disabled Waiver	70,857,648	79,984,910	77,984,721	9,692,539	82,375,522
Regular Medical Assistance	1,251,991,745	--	--	--	--
Technology Assistance Waiver	182,470	235,581	235,581	--	235,581
Com. Develop. Disab. Support Services	16,033,818	19,043,159	19,043,159	3,042,596	19,043,159
Attendant Care for Independent Living	--	18,000,000	14,709,291	673,303	18,200,000
Head Injury Rehabilitation Hospital	--	5,346,442	5,346,442	--	5,798,830
Positive Behavior Support	--	250,000	250,000	--	250,000
CDDO Targeted Case Management	--	26,387,999	26,387,999	--	29,000,000
Substance Abuse Treatmt. Fee for Serv.	--	13,900,000	13,898,305	--	15,700,000
Private Psychiatrists & Psychologists	--	4,370,000	4,388,643	--	4,600,000
CMHC Certified Match	--	135,000,000	113,228,357	--	135,000,000
Behavior Management Services	--	14,904,358	14,904,358	--	15,586,948
Mental Health Grants	44,606,814	47,546,187	47,546,187	500,000	47,796,187
Non-Custody Behavior Management	415,384	495,155	495,155	--	495,155
Services for the Blind	45,007	29,785	29,785	--	29,785
Child Care Assistance	63,090,380	70,898,912	65,425,530	9,237,704	69,904,177
Child Support Pass-Through	296,501	296,433	296,433	--	296,433
Disability Determination Services	4,353,418	4,420,069	4,420,069	--	4,420,069
TAF Employment Preparation	10,585,534	12,042,333	12,042,333	1,213,239	12,042,333
Food Stamps Employment	35,675	81,576	81,576	--	81,576
Funeral Assistance	552,511	470,000	470,000	107,155	470,000
General Assistance	8,955,498	8,800,000	9,700,000	--	9,100,000
Low Income Energy Assistance	11,168,606	15,921,160	12,525,883	--	13,525,883
Refugee Assistance	28,448	40,986	45,540	--	45,540
Temporary Assistance to Families	64,932,053	67,500,000	69,400,000	--	69,000,000
Adult Protective Services	330,217	435,307	435,307	--	435,307
Develop. Disabilities Council Grants	200,053	584,486	584,486	--	584,486
Rehabilitation Services	21,050,808	21,380,468	21,376,441	--	21,376,441
Emergency Shelter Grant	1,069,966	1,441,256	1,441,256	--	1,441,256
Miscellaneous Grants & Claims	1,356,704	770,549	693,052	--	693,052
Grandparents as Caregivers	--	--	--	--	2,092,740
Total--SRS	\$2,094,988,252	\$1,029,463,335	\$ 990,816,179	\$ 80,117,036	\$1,069,862,042
State Hospitals					
Claims	21,080	3,204	3,204	--	3,204
Subtotal--SRS	\$2,095,009,332	\$1,029,466,539	\$ 990,819,383	\$ 80,117,036	\$1,069,865,246
Dept. of Admin.--Health Policy & Finance					
Regular Medical Assistance	--	1,240,000,000	--	--	1,229,314,500
Business Health Partnership	--	500,000	--	--	2,000,000
Generic Drug Program	--	200,000	--	--	400,000
HealthWave	--	61,525,860	--	--	69,302,363
Total--HPF	\$ --	\$1,302,225,860	\$ --	\$ --	\$1,301,016,863
Kansas Health Policy Authority					
Business Health Partnership	--	--	500,000	--	--
Regular Medical Assistance	--	--	1,257,887,747	15,400,000	--
HealthWave	--	--	57,976,354	11,326,009	--
Total--HPA	\$ --	\$ --	\$1,316,364,101	\$ 26,726,009	\$ --

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Department on Aging					
Targeted Case Management	3,633,020	5,971,200	6,603,600	596,216	6,240,000
Nutrition	5,931,841	6,314,494	6,314,494	33,157	6,347,651
Senior Care Act	4,419,829	1,394,200	1,394,200	--	1,825,400
Nursing Facilities	351,110,209	333,620,000	335,186,322	15,868,578	343,600,000
PACE	2,595,751	3,694,536	5,771,520	4,380,000	3,694,536
Senior Pharmacy Assistance	1,115,744	1,147,546	--	--	--
Older Americans Act	3,748,080	6,959,174	6,959,174	--	6,959,174
HCBS/FE	54,125,403	56,831,673	68,267,196	4,127,400	59,673,256
Miscellaneous Grants	285,469	626,186	967,930	335,000	967,930
Total--Department on Aging	\$ 426,965,346	\$ 416,559,009	\$ 431,464,436	\$ 25,340,351	\$ 429,307,947
Health & Environment--Health					
Women, Infants, & Children Program	42,556,201	37,800,000	39,400,000	--	39,400,000
Smoking Prevention Grants	420,000	920,000	920,000	--	920,000
Domestic Violence Prevention Grants	--	--	--	--	7,483,333
Total--KDHE--Health	\$ 42,976,201	\$ 38,720,000	\$ 40,320,000	\$ --	\$ 47,803,333
Department of Labor					
Unemployment Benefits	280,681,900	315,400,000	330,400,000	--	330,400,000
Claims	14,212	--	--	--	--
Total--Department of Labor	\$ 280,696,112	\$ 315,400,000	\$ 330,400,000	\$ --	\$ 330,400,000
Commission on Veterans Affairs					
Claims	428	--	--	--	--
Total--Human Services	\$2,845,647,419	\$3,102,371,408	\$3,109,367,920	\$ 132,183,396	\$3,178,393,389
Education					
Department of Education					
School Food Assistance	31,456,447	32,654,000	33,789,000	--	33,789,000
Agriculture in the Classroom	35,000	35,000	35,000	--	35,000
Special Education	346,632	350,000	350,000	--	350,000
Teaching Excellence Scholarships	41,000	44,000	48,500	--	48,500
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	18,630	17,000	30,000	--	30,000
Elementary & Secondary Ed. Prog.	505,474	540,000	565,000	--	565,000
Ed. Research & Innovative Prog.	1,488,285	1,354,000	966,500	--	966,500
Improving Teacher Quality	5,000	--	--	--	--
Community Service Grants	67,460	5,000	--	--	--
Discretionary Grants	120,000	307,500	307,500	--	307,500
Claims	643	--	--	--	--
Total--Department of Education	\$ 34,434,571	\$ 35,656,500	\$ 36,441,500	\$ --	\$ 36,441,500
Board of Regents					
State Scholarships	1,125,133	1,161,888	1,133,199	--	1,133,199
Comprehensive Grants Program	12,510,875	13,788,486	13,785,321	1,000,000	14,785,321
Vocational Scholarships	122,000	122,325	121,275	--	121,275
Scholarships for Osteopathic Education	--	75,000	75,000	--	75,000
Minority Scholarships	445,970	341,551	315,213	--	315,213
Minority Fellowship Program	--	24,000	24,000	--	24,000
Nursing Scholarships	407,625	456,759	448,592	--	648,592
Kansas Work Study	528,172	528,172	528,172	--	528,172
Teachers Scholarship Program	326,822	393,166	370,744	--	370,744

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Board of Regents, Cont'd.					
ROTC Reimbursement Program	152,395	253,959	186,401	--	186,401
Optometry Education Program	117,486	118,452	118,452	--	118,452
National Guard Ed. Assistance	929,265	926,963	925,838	--	925,838
Tuition Waivers	216,822	150,000	160,000	92,000	250,000
Math & Science Teacher Scholarship	--	250,000	250,000	--	250,000
SW KS Access Project	30,576	555,648	200,000	--	200,000
Student Aid, Grants, & Scholarships	684,213	--	--	--	--
Total--Board of Regents	\$ 17,597,354	\$ 19,146,369	\$ 18,642,207	\$ 1,092,000	\$ 19,932,207
Emporia State University					
Reading Recovery Program	114,500	114,500	114,500	--	114,500
Basic Opportunity Federal Grants	4,067,387	4,334,900	4,234,900	--	4,234,900
Student Aid, Grants, & Scholarships	1,875,938	1,000,644	1,060,379	--	1,060,379
Total--Emporia State University	\$ 6,057,825	\$ 5,450,044	\$ 5,409,779	\$ --	\$ 5,409,779
Fort Hays State University					
Education Opportunity Grants	5,283,296	5,284,096	5,284,096	--	5,284,096
Student Aid, Grants, & Scholarships	2,382,907	2,214,463	2,214,463	--	2,214,463
Total--Fort Hays State University	\$ 7,666,203	\$ 7,498,559	\$ 7,498,559	\$ --	\$ 7,498,559
Kansas State University					
Student Aid, Grants, & Scholarships	118,665,957	137,029,051	136,437,224	--	136,437,224
Kansas State University--ESARP					
Student Aid, Grants, & Scholarships	3,361,468	3,218,627	3,151,398	--	3,151,398
KSU--Veterinary Medical Center					
Student Aid, Grants, & Scholarships	1,284	3,427	1,928	--	1,928
Pittsburg State University					
Federal Student Financial Assistance	5,500,407	5,193,380	5,193,380	--	5,193,380
Student Aid, Grants, & Scholarships	1,969,416	1,890,714	1,890,714	--	1,890,714
Total--Pittsburg State University	\$ 7,469,823	\$ 7,084,094	\$ 7,084,094	\$ --	\$ 7,084,094
University of Kansas					
Federal Student Financial Assistance	12,602,989	10,000,000	10,000,000	--	10,000,000
Student Aid, Grants, & Scholarships	24,213,370	27,238,910	27,238,910	--	27,238,910
Total University of Kansas	\$ 36,816,359	\$ 37,238,910	\$ 37,238,910	\$ --	\$ 37,238,910
KU Medical Center					
Medical Scholarships	2,416,764	2,786,764	2,786,764	--	2,786,764
Wichita/Salina Resident Stipends	4,977,545	4,102,633	3,132,406	--	3,132,406
Student Aid, Grants, & Scholarships	7,706,446	704,000	1,674,227	--	1,674,227
Total--KU Medical Center	\$ 15,100,755	\$ 7,593,397	\$ 7,593,397	\$ --	\$ 7,593,397
Wichita State University					
Education Opportunity Grants	416,411	420,508	420,508	--	420,508
Federal Student Financial Assistance	8,327,021	8,900,000	8,900,000	--	8,900,000
Scholarship Funds	3,602,784	3,364,746	3,364,746	--	3,364,746
Student Aid, Grants, & Scholarships	1,822,107	925,823	925,823	--	925,823
Total--Wichita State University	\$ 14,168,323	\$ 13,611,077	\$ 13,611,077	\$ --	\$ 13,611,077
Subtotal--Regents	\$ 226,905,351	\$ 237,873,555	\$ 236,668,573	\$ 1,092,000	\$ 237,958,573
Kansas Arts Commission					
Arts Grants	1,354,998	1,404,688	1,312,578	--	1,312,578
Historical Society					
Historic Preservation Grants	853,005	850,000	850,000	--	850,000
Cultural Heritage Center	27,930	27,930	27,930	--	27,930

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Historical Society, Cont'd.					
Veterans Oral History Project Grants	--	150,000	--	150,000	--
Subtotal--Historical Society	\$ 880,935	\$ 1,027,930	\$ 877,930	\$ 150,000	\$ 877,930
State Library					
Grants to Libraries	514,602	1,021,546	642,302	--	642,302
Total--Education	\$ 264,090,457	\$ 276,984,219	\$ 275,942,883	\$ 1,242,000	\$ 277,232,883
Public Safety					
Correctional Institutions					
Claims	8,433	--	--	--	--
Juvenile Justice Authority					
Purchase of Service Assistance	17,299,442	33,782,550	19,853,150	15,659,468	33,553,464
Juv. Justice Delinquency Prevent. Grant	374,368	--	--	--	--
Juv. Justice Delinquency Trust Fund	102,056	--	--	--	--
Juvenile Accountability Block Grant	21,017	--	--	--	--
Juvenile Detention Facilities	33,673	--	--	--	--
Total--Juvenile Justice Authority	\$ 17,830,556	\$ 33,782,550	\$ 19,853,150	\$ 15,659,468	\$ 33,553,464
Adjutant General					
FEMA Grants--Public Assistance	12,630,380	10,963,417	705,200	22,759,710	12,080,200
FEMA Grants--Hazard Mitigation	1,163,479	1,186,300	1,186,800	--	1,186,800
US DOT Grants	--	--	--	--	--
State Disaster Match	1,009,353	1,777,360	--	3,034,628	1,500,000
ODP Homeland Sec. Grants--EMPG	77	--	1,200	--	1,200
National Guard Death Benefits	--	750,000	--	--	--
Military Emergency Relief	24,693	75,307	--	50,000	50,000
Claims	9,595	--	--	--	--
Total--Adjutant General	\$ 14,837,577	\$ 14,752,384	\$ 1,893,200	\$ 25,844,338	\$ 14,818,200
Emergency Medical Services Board					
Oper. of EMS Regional Councils	116,250	116,250	116,250	--	116,250
Rural Health Options Grant	59,025	60,975	--	--	--
Total--Emergency Medical Services	\$ 175,275	\$ 177,225	\$ 116,250	\$ --	\$ 116,250
Fire Marshal					
Grants, Gifts, & Donations	--	7,649	--	--	--
Hazardous Materials	3,500	250,000	250,000	--	208,519
Total--Fire Marshal	\$ 3,500	\$ 257,649	\$ 250,000	\$ --	\$ 208,519
Highway Patrol					
Claims	2,847	--	--	--	--
Kansas Bureau of Investigation					
Claims	683	400	--	--	--
Kansas Sentencing Commission					
Substance Abuse Treatment	4,911,113	8,592,900	6,033,391	5,330,609	9,000,000
Total--Public Safety	\$ 37,769,984	\$ 57,563,108	\$ 28,145,991	\$ 46,834,415	\$ 57,696,433
Agriculture & Natural Resources					
Department of Agriculture					
Farm Marketing Grants	24,537	18,730	--	--	--
Kansas Water Office					
Water Conservation Project Grants	--	181,058	3,500,000	--	3,500,000
State Conservation Commission					
Riparian and Wetland Restoration	195,391	285,274	186,782	65,000	186,782
Irrigation Water Use Reduction	--	--	--	--	786,268

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
State Conservation Commission, Cont'd.					
Land Treatment Cost Share Program	3,119,220	3,956,479	3,236,871	--	3,236,871
Quick Response Area Incentive Grants	--	--	--	450,000	450,000
Conservation Reserve Program	--	--	--	4,000,000	4,000,000
Water Rights Purchase Program	--	--	398,120	777,212	398,120
Buffer Initiative	439,143	267,157	267,157	--	267,157
Conservation Easements	--	31,250	--	311,500	311,500
Non-Point Source Pollution	2,213,387	2,472,527	2,225,610	--	2,225,610
Total--State Conservation Commiss.	\$ 5,967,141	\$ 7,012,687	\$ 6,314,540	\$ 5,603,712	\$ 11,862,308
Department of Wildlife & Parks					
Wildlife Fee Fund	90,320	76,850	76,850	--	76,850
Land and Water Conservation Fund	--	145,000	145,000	--	145,000
Claims	3,899	237,800	237,800	--	237,800
Wildlife Conservation Fund--State	276,281	--	--	--	--
Wildlife Conservation Fund--Federal	2,692	--	--	--	--
Gifts and Donations	2,000	--	--	--	--
Feed the Hungry	14,524	15,006	15,000	--	15,000
Total--Dept. of Wildlife & Parks	\$ 389,716	\$ 474,656	\$ 474,650	\$ --	\$ 474,650
Total--Ag. & Natural Resources	\$ 6,381,394	\$ 7,687,131	\$ 10,289,190	\$ 5,603,712	\$ 15,836,958
Transportation					
Department of Transportation					
Transportation Grants	5,979,773	7,296,545	16,276,156	--	16,276,156
Claims	529,809	400,000	400,000	--	400,000
Rail Grant	1,923,733	1,500,000	1,500,000	--	1,500,000
Total--Department of Transportation	\$ 8,433,315	\$ 9,196,545	\$ 18,176,156	\$ --	\$ 18,176,156
Total--Transportation	\$ 8,433,315	\$ 9,196,545	\$ 18,176,156	\$ --	\$ 18,176,156
Total--Other Asst., Grants & Benefits	\$3,308,258,072	\$3,609,589,264	\$3,593,210,277	\$ 188,448,335	\$3,703,123,956

Schedule 5.2--Expenditures from the State General Fund for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Administration					
Grants to Public Broadcasting Stations	2,159,949	2,403,887	2,402,380	1,624,812	2,502,380
Medicare Part D Assistance	--	500,000	--	--	--
Claims	481	--	--	--	--
Total--Department of Administration	\$ 2,160,430	\$ 2,903,887	\$ 2,402,380	\$ 1,624,812	\$ 2,502,380
Department of Commerce					
After School Grant Program	--	--	--	--	750,000
Kansas Public Employees Retirement Sys.					
Retirement Benefits Bond Payment	3,185,621	3,216,709	3,211,748	--	3,211,748
Department of Revenue					
Claims	2	--	--	--	--
Attorney General					
Safe Kids	--	250,000	--	175,000	--
Legislature					
Claims	5,000	--	--	--	--
Total--General Government	\$ 5,351,053	\$ 6,370,596	\$ 5,614,128	\$ 1,799,812	\$ 6,464,128
Human Services					
Social & Rehabilitation Services					
Adoption Contract	17,679,050	2,339,397	2,481,400	--	2,481,400
Permanent Guardianship	--	70,200	70,200	--	70,200
Adoption Support	8,776,339	7,672,308	7,672,308	1,527,149	7,672,308
Independent Living Grants--Adoption	230,964	254,785	254,785	--	254,785
Early Head Start	--	--	--	--	1,852,779
Family Preservation	(416,724)	136,662	136,662	--	136,662
Foster Care Contract	52,010,019	73,931,122	75,791,219	10,099,708	87,141,415
Juvenile Justice Authority Services	(4,827)	--	--	--	--
Grants for Children & Families	446,511	7,363	7,363	--	7,363
Alcohol and Drug Abuse Programs	2,069,634	2,407,466	2,407,466	825,000	2,407,466
HCBS/DD Waiver	83,942,180	88,986,285	88,758,377	14,545,184	95,182,115
Head Injured Waiver	2,226,853	2,465,653	2,346,253	38,979	2,346,253
Independent Living Support	123,057	126,084	122,460	1,285,776	122,460
Intermediate Care Facilities--MR	7,062,135	7,016,584	7,016,584	--	7,016,584
Discretionary Grants/Commun. Funding	--	--	--	1,250,000	--
HealthWave	13,762,676	--	--	--	--
Nursing Facilities/Mental Health	10,836,409	10,475,000	11,144,500	--	10,789,250
HCBS/Physically Disabled Waiver	27,660,929	31,244,533	30,469,241	3,820,323	32,193,491
Regular Medical Assistance	411,639,715	--	--	--	--
Technology Assistance Waiver	60,595	60,595	60,595	--	60,595
Com. Develop. Disab. Support Services	10,371,896	12,800,308	12,800,308	1,200,000	12,800,308
Behavior Management Services	--	12,329,892	5,772,219	--	5,959,803
Attendant Care for Independent Living	--	7,049,200	5,801,344	265,511	7,177,220
Head Injury Rehabilitation Hospital	--	2,108,637	2,108,637	--	2,302,449
Positive Behavior Support	--	98,600	98,600	--	98,600
CDDO Targeted Case Management	--	1,157,205	1,157,205	--	1,500,000
Substance Abuse Treatmt. Fee for Serv.	--	5,482,160	5,481,491	--	6,234,470
Private Psychiatrists & Psychologists	--	1,723,528	1,730,881	--	1,826,660
CMHC Certified Match	--	28,800,000	28,159,729	--	28,800,000
Mental Health Grants	33,255,867	38,538,907	38,538,907	500,000	38,788,907
Non-Custody Behavior Management	(19,568)	91,725	91,725	--	91,725

Schedule 5.2--Expenditures from the State General Fund for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Social & Rehabilitation Services, Cont'd.					
Child Care Assistance	17,115,369	21,113,822	21,113,822	6,152,454	15,128,062
Disability Determination	6,964	12,426	12,426	--	12,426
Food Stamps Employment Preparation	17,838	40,788	40,788	--	40,788
Funeral Assistance	552,511	470,000	470,000	107,155	470,000
General Assistance	8,962,163	8,800,000	9,700,000	--	9,100,000
Low Income Energy Assistance	--	--	--	--	1,000,000
Services for the Blind	6,797	3,806	4,998	--	4,998
Temporary Assistance to Families	29,821,455	29,821,028	29,821,028	--	29,821,028
TAF Employment Preparation	--	--	--	1,213,239	--
Early Head Start	--	--	--	2,522,612	--
Adult Protective Services	221,878	252,478	252,478	--	252,478
Rehabilitation Services	4,528,380	4,550,611	4,550,611	--	4,550,611
Emergency Shelter Grant	1,069,966	1,174,748	1,174,748	--	1,174,748
Miscellaneous Grants & Claims	131,659	7,750	--	--	--
Grandparents as Caregivers	--	--	--	--	2,092,740
Total--SRS	\$ 744,148,690	\$ 403,621,656	\$ 397,621,358	\$ 45,353,090	\$ 418,963,147
State Hospitals					
Claims	18,760	3,204	3,204	--	3,204
Subtotal--SRS	\$ 744,167,450	\$ 403,624,860	\$ 397,624,562	\$ 45,353,090	\$ 418,966,351
Dept. of Admin.--Health Policy & Finance					
Regular Medical Assistance	--	392,878,362	--	--	379,994,886
Business Health Partnership	--	500,000	--	--	2,000,000
Generic Drug Program	--	200,000	--	--	400,000
HealthWave	--	14,984,214	--	--	17,130,917
Total--HPF	\$ --	\$ 408,562,576	\$ --	\$ --	\$ 399,525,803
Kansas Health Policy Authority					
Business Health Partnership	--	--	500,000	--	--
Regular Medical Assistance	--	--	398,308,363	6,000,000	--
HealthWave	--	--	13,965,271	3,165,646	--
Total--HPA	\$ --	\$ --	\$ 412,773,634	\$ 9,165,646	\$ --
Department on Aging					
Targeted Case Management	1,418,899	2,356,236	2,604,460	256,268	2,477,904
Senior Care Act	4,419,829	1,394,200	1,394,200	--	1,825,400
Nursing Facilities	128,239,004	131,579,728	132,197,486	6,258,567	136,443,560
PACE	1,013,170	1,457,125	2,276,287	1,727,472	1,467,100
Nutrition	1,368,155	1,368,209	1,368,209	33,157	1,401,366
HCBS/FE	21,129,773	22,414,412	26,924,582	1,627,847	23,709,341
Miscellaneous Grants	(5,998)	--	--	335,000	--
Total--Department on Aging	\$ 157,582,832	\$ 160,569,910	\$ 166,765,224	\$ 10,238,311	\$ 167,324,671
Health & Environment--Health					
Domestic Violence Prevention Grants	--	--	--	--	1,583,333
Kansas Commission on Veterans Affairs					
Claims	38	--	--	--	--
Total--Human Services	\$ 901,750,320	\$ 972,757,346	\$ 977,163,420	\$ 64,757,047	\$ 987,400,158
Education					
Department of Education					
Claims	643	--	--	--	--
School Food Assistance	142,915	144,000	144,000	--	144,000
Agriculture in the Classroom	35,000	35,000	35,000	--	35,000

Schedule 5.2--Expenditures from the State General Fund for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Department of Education, Cont'd.					
Teaching Excellence Scholarships	41,000	44,000	48,500	--	48,500
Discretionary Grants	120,000	307,500	307,500	--	307,500
Total--Department of Education	\$ 339,558	\$ 530,500	\$ 535,000	\$ --	\$ 535,000
Board of Regents					
State Scholarships	1,125,133	1,161,888	1,133,199	--	1,133,199
Comprehensive Grants Program	12,129,739	13,193,043	13,189,878	1,000,000	14,189,878
Vocational Scholarships	122,000	122,325	121,275	--	121,275
Minority Scholarships	445,970	341,551	315,213	--	315,213
Nursing Scholarships	244,550	251,759	243,592	--	443,592
Kansas Work Study	528,172	528,172	528,172	--	528,172
Teachers Scholarship Program	326,822	349,166	326,744	--	326,744
ROTC Reimbursement Program	152,395	253,959	186,401	--	186,401
Optometry Education Program	117,486	113,850	113,850	--	113,850
National Guard Ed. Assistance	929,265	926,963	925,838	--	925,838
Math & Science Teacher Scholarship	--	250,000	250,000	--	250,000
SW Kansas Access	30,576	555,648	200,000	--	200,000
Tuition Waivers	--	--	--	92,000	90,000
Other Student Financial Assistance	168,557	--	--	--	--
Total--Board of Regents	\$ 16,320,665	\$ 18,048,324	\$ 17,534,162	\$ 1,092,000	\$ 18,824,162
Emporia State University					
Reading Recovery Program	114,500	114,500	114,500	--	114,500
Student Aid, Grants, & Scholarships	41,186	41,186	921	--	921
Total--Emporia State University	\$ 155,686	\$ 155,686	\$ 115,421	\$ --	\$ 115,421
Kansas State University					
Student Aid, Grants, & Scholarships	50,834	161,134	3,388	--	3,388
Pittsburg State University					
Student Aid, Grants, & Scholarships	3,305	121,609	121,609	--	121,609
University of Kansas					
Student Aid, Grants, & Scholarships	173,390	--	--	--	--
KU Medical Center					
Medical Scholarships	2,416,764	2,786,764	2,786,764	--	2,786,764
Wichita Resident Stipends	4,977,545	4,102,633	3,132,406	--	3,132,406
Total--KU Medical Center	\$ 7,394,309	\$ 6,889,397	\$ 5,919,170	\$ --	\$ 5,919,170
Wichita State University					
Student Aid, Grants, & Scholarships	9,061	--	--	--	--
Subtotal--Regents	\$ 24,107,250	\$ 25,376,150	\$ 23,693,750	\$ 1,092,000	\$ 24,983,750
Kansas Arts Commission					
Arts Grants	1,041,271	1,075,015	1,070,956	--	1,070,956
Historical Society					
Cultural History Center	27,930	27,930	27,930	--	27,930
Veterans Oral History Project	--	150,000	--	150,000	--
Total--KU Medical Center	\$ 27,930	\$ 177,930	\$ 27,930	\$ 150,000	\$ 27,930
State Library					
Grants to Libraries	70,420	6,240	6,240	--	6,240
Total--Education	\$ 25,586,429	\$ 27,165,835	\$ 25,333,876	\$ 1,242,000	\$ 26,623,876
Public Safety					
Correctional Institutions					
Claims	8,433	--	--	--	--

Schedule 5.2--Expenditures from the State General Fund for Other Assistance, Grants, & Benefits by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Juvenile Justice Authority					
State Match JABG	21,017	--	--	--	
Purchase of Service Assistance	13,022,638	13,998,596	13,307,607	2,226,359	13,998,596
Total--Juvenile Justice	\$ 13,043,655	\$ 13,998,596	\$ 13,307,607	\$ 2,226,359	\$ 13,998,596
Adjutant General					
State Disaster Match	27,779	1,722,809	--	3,034,628	1,500,000
Death Benefits	--	750,000	--	--	--
Military Emergency Relief	8,153	50,000	--	--	50,000
Claims	--	--	--	--	--
Total--Adjutant General	\$ 35,932	\$ 2,522,809	\$ --	\$ 3,034,628	\$ 1,550,000
Highway Patrol					
Claims	1,984	--	--	--	--
Kansas Bureau of Investigation					
Claims	--	400	--	--	--
Kansas Sentencing Commission					
Substance Abuse Treatment	4,911,113	8,466,291	6,033,391	5,330,609	8,850,000
Total--Public Safety	\$ 18,001,117	\$ 24,988,096	\$ 19,340,998	\$ 10,591,596	\$ 24,398,596
Agriculture & Natural Resources					
Wildlife & Parks					
Claims	11	--	--	--	--
Total--Ag. & Natural Resources	\$ 11	\$ --	\$ --	\$ --	\$ --
Total--Other Asst.,Grants & Benefits	\$ 950,688,930	\$ 1,031,281,873	\$ 1,027,452,422	\$ 78,390,455	\$ 1,044,886,758

Schedule 6.1--Expenditures from All Funding Sources for Capital Improvements by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Administration	4,567,553	5,854,676	4,843,240	8,834,756	4,895,240
Department of Commerce	66,947	521,500	65,000	--	65,000
Insurance Department	624,988	122,500	99,000	--	99,000
Judiciary	216,968	--	165,540	--	165,540
Total--General Government	\$ 5,476,456	\$ 6,498,676	\$ 5,172,780	\$ 8,834,756	\$ 5,224,780
Human Services					
Social & Rehabilitation Services	7,850,276	5,397,861	11,963,200	--	5,142,277
Kansas Neurological Institute	1,990	21,282	--	--	--
Larned State Hospital	29,768	164,082	164,082	--	--
Osawatomie State Hospital	23,136	39,265	--	--	--
Parsons State Hospital & Training Center	16,570	--	--	--	--
Rainbow Mental Health Facility	6,414	824	--	--	--
Subtotal--SRS	\$ 7,928,154	\$ 5,623,314	\$ 12,127,282	\$ --	\$ 5,142,277
Department of Labor	767,758	1,204,650	467,000	--	467,000
Commission on Veterans Affairs	2,094,553	1,304,857	6,314,908	2,063,090	8,377,998
Total--Human Services	\$ 10,790,465	\$ 8,132,821	\$ 18,909,190	\$ 2,063,090	\$ 13,987,275
Education					
School for the Blind	80,878	335,362	149,877	--	92,727
School for the Deaf	749,591	2,221,675	404,197	5,000	264,197
Subtotal--Department of Ed.	\$ 830,469	\$ 2,557,037	\$ 554,074	\$ 5,000	\$ 356,924
Board of Regents	12,930,000	10,880,000	32,450,000	--	32,450,000
Emporia State University	1,595,465	1,954,847	620,578	425,036	620,578
Fort Hays State University	1,170,984	1,819,564	694,511	320,000	694,511
Kansas State University	13,048,761	13,412,600	7,595,767	515,000	7,595,767
Kansas State University--ESARP	1,446,520	--	--	--	--
KSU--Veterinary Medical Center	167,958	300,000	315,000	--	315,000
Pittsburg State University	2,408,538	9,498,193	2,074,141	3,437,280	2,074,141
University of Kansas	17,846,284	22,676,531	8,852,722	8,800,000	8,852,722
University of Kansas Medical Center	5,429,273	2,980,225	3,365,000	6,228,701	3,365,000
Wichita State University	2,879,383	4,668,392	1,965,000	145,000	1,965,000
Subtotal--Regents	\$ 58,923,166	\$ 68,190,352	\$ 57,932,719	\$ 19,871,017	\$ 57,932,719
Historical Society	727,253	689,019	125,000	795,039	125,000
Total--Education	\$ 60,480,888	\$ 71,436,408	\$ 58,611,793	\$ 20,671,056	\$ 58,414,643
Public Safety					
Department of Corrections	7,984,184	8,656,296	7,756,170	1,689,697	7,756,170
El Dorado Correctional Facility	213,495	183,384	171,431	--	171,431
Ellsworth Correctional Facility	198,611	124,300	77,097	--	77,097
Hutchinson Correctional Facility	1,290,735	381,603	248,112	--	248,112
Lansing Correctional Facility	2,086,731	808,057	328,842	5,997,363	328,842
Larned Correctional Mental Health Facility	70,708	14,877	14,762	--	14,762
Norton Correctional Facility	266,500	596,872	149,535	595,000	149,535
Topeka Correctional Facility	145,482	368,507	64,015	--	64,015
Winfield Correctional Facility	329,358	488,694	125,202	--	125,202
Subtotal--Corrections	\$ 12,585,804	\$ 11,622,590	\$ 8,935,166	\$ 8,282,060	\$ 8,935,166
Juvenile Justice Authority	2,470,626	2,187,300	2,772,000	655,852	2,619,800
Atchison Juvenile Correctional Facility	274,249	245,597	--	--	--
Beloit Juvenile Correctional Facility	132,323	56,162	--	--	--
Kansas Juvenile Correctional Complex	205,331	10,310	--	--	--
Subtotal--Juvenile Justice	\$ 3,082,529	\$ 2,499,369	\$ 2,772,000	\$ 655,852	\$ 2,619,800

Schedule 6.1--Expenditures from All Funding Sources for Capital Improvements by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
Adjutant General	1,638,266	1,850,000	2,160,000	--	2,160,000
Highway Patrol	775,997	2,486,509	1,020,190	--	1,020,190
Kansas Bureau of Investigation	230,000	245,000	250,000	625,295	350,000
Total--Public Safety	\$ 18,312,596	\$ 18,703,468	\$ 15,137,356	\$ 9,563,207	\$ 15,085,156
Agriculture & Natural Resources					
Kansas State Fair	1,105,479	1,225,601	1,187,713	--	1,187,713
Department of Wildlife & Parks	5,328,254	18,508,076	5,885,000	305,000	5,885,000
Total--Agriculture & Natural Resources	\$ 6,433,733	\$ 19,733,677	\$ 7,072,713	\$ 305,000	\$ 7,072,713
Transportation					
Kansas Department of Transportation	760,701,708	1,033,356,023	761,443,841	2,415,962	754,025,878
Total--Transportation	\$ 760,701,708	\$ 1,033,356,023	\$ 761,443,841	\$ 2,415,962	\$ 754,025,878
Total Expenditures	\$ 862,195,846	\$ 1,157,861,073	\$ 866,347,673	\$ 43,853,071	\$ 853,810,445

Schedule 6.2--Expenditures from the State General Fund for Capital Improvements by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Base Budget	FY 2007 Enhance. Pkg.	FY 2007 Gov. Rec.
General Government					
Department of Administration	4,489,241	5,706,944	4,690,000	8,834,756	4,742,000
Judiciary	216,968	--	165,540	--	165,540
Total--General Government	\$ 4,706,209	\$ 5,706,944	\$ 4,855,540	\$ 8,834,756	\$ 4,907,540
Human Services					
Social & Rehabilitation Services	1,045	--	--	--	--
Kansas Neurological Institute	607	--	--	--	--
Larned State Hospital	3,325	--	--	--	--
Osawatomie State Hospital	15,663	--	--	--	--
Total--Human Services	\$ 20,640	\$ --	\$ --	\$ --	\$ --
Education					
School for the Blind	43,928	28,613	25,276	--	25,276
School for the Deaf	42,335	52,021	54,197	--	54,197
Emporia State University	--	--	--	425,036	--
Fort Hays State University	--	--	--	320,000	--
Kansas State University	420,597	189,446	189,446	515,000	189,446
Kansas State University--ESARP	107,913	--	--	--	--
Pittsburg State University	126,161	128,567	134,701	3,437,280	134,701
University of Kansas	2,547,042	676,300	709,183	8,800,000	709,183
University of Kansas Medical Center	568,958	--	--	6,228,701	--
Wichita State University	1,002,753	1,050,000	1,160,000	145,000	1,160,000
Subtotal--Regents	\$ 4,773,424	\$ 2,044,313	\$ 2,193,330	\$ 19,871,017	\$ 2,193,330
Historical Society	248,801	340,619	125,000	795,039	125,000
Total--Education	\$ 5,108,488	\$ 2,465,566	\$ 2,397,803	\$ 20,666,056	\$ 2,397,803
Public Safety					
Department of Corrections	6,055,303	3,345,000	2,290,303	1,689,697	2,290,303
El Dorado Correctional Facility	56,994	171,431	171,431	--	171,431
Ellsworth Correctional Facility	33,378	74,353	77,097	--	77,097
Hutchinson Correctional Facility	218,834	237,777	248,112	--	248,112
Lansing Correctional Facility	306,253	317,347	328,842	5,997,363	328,842
Larned Correctional Mental Health Facility	1,163	14,236	14,762	--	14,762
Norton Correctional Facility	138,039	143,672	149,535	595,000	149,535
Topeka Correctional Facility	8,544	61,736	64,015	--	64,015
Winfield Correctional Facility	115,576	120,293	125,202	--	125,202
Subtotal--Corrections	\$ 6,934,084	\$ 4,485,845	\$ 3,469,299	\$ 8,282,060	\$ 3,469,299
Atchison Juvenile Correctional Facility	1,024	--	--	--	--
Beloit Juvenile Correctional Facility	5,948	--	--	--	--
Kansas Juvenile Correctional Complex	57,773	--	--	--	--
Subtotal--Juvenile Justice	\$ 64,745	\$ --	\$ --	\$ --	\$ --
Adjutant General	250,724	850,000	1,160,000	--	1,160,000
Highway Patrol	11,613	--	--	--	--
Kansas Bureau of Investigation	230,000	245,000	250,000	625,295	350,000
Total--Public Safety	\$ 7,491,166	\$ 5,580,845	\$ 4,879,299	\$ 8,907,355	\$ 4,979,299
Agriculture & Natural Resources					
Kansas State Fair	1,000,000	1,120,635	1,080,000	--	1,080,000
Department of Wildlife & Parks	64,066	14,175	--	305,000	--
Total--Agriculture & Natural Resources	\$ 1,064,066	\$ 1,134,810	\$ 1,080,000	\$ 305,000	\$ 1,080,000
Total Expenditures	\$ 18,390,569	\$ 14,888,165	\$ 13,212,642	\$ 38,713,167	\$ 13,364,642

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

	<u>FY 2005 Actual</u>	<u>FY 2006 Gov. Estimate</u>	<u>FY 2007 Gov. Rec.</u>
General Government			
Department of Administration	265,379	265,950	265,950
Kansas Corporation Commission	4,062,307	3,760,186	3,702,270
Kansas Human Rights Commission	309,250	338,400	337,200
Department of Commerce	56,730,447	60,068,680	51,933,359
Kansas Technology Enterprise Corporation	2,336,201	1,864,951	1,864,951
Department of Revenue	3,950	--	--
Office of the Governor	15,700,463	13,841,633	10,046,867
Attorney General	1,474,288	2,014,593	1,664,432
Insurance Department	310,891	300,000	300,000
Secretary of State	14,373,122	469,000	229,600
Judiciary	265,771	187,507	175,768
Total--General Government	\$ 95,832,069	\$ 83,110,900	\$ 70,520,397
Human Services			
Social & Rehabilitation Services	1,776,266,495	822,597,498	786,652,069
Administration--Health Policy & Finance	--	842,450,793	831,490,000
Kansas Neurological Institute	393,500	394,603	394,371
Department on Aging	15,443,101	16,091,456	16,186,576
Health and Environment--Health	107,358,185	108,050,832	100,999,538
Department of Labor	20,158,827	23,003,227	21,575,000
Larned State Hospital	334	--	--
Osawatomie State Hospital	(2,391)	--	--
Parsons State Hospital & Training Center	197	83,000	--
Commission on Veterans Affairs	10,663,228	5,385,528	11,723,686
Total--Human Services	\$ 1,930,281,476	\$ 1,818,056,937	\$ 1,769,021,240
Education			
Department of Education	377,678,813	386,611,572	385,392,623
School for the Blind	6,982	6,461	6,601
Board of Regents	13,078,017	12,199,603	12,218,385
Emporia State University	7,284,271	7,518,161	7,419,063
Fort Hays State University	7,474,857	7,437,002	7,446,894
Kansas State University	149,067,653	168,476,171	168,640,890
Kansas State University--ESARP	32,693,290	43,562,330	44,210,849
KSU--Veterinary Medical Center	102,421	176,317	132,182
Pittsburg State University	7,394,799	13,253,529	7,345,314
University of Kansas	157,520,358	148,000,000	148,000,000
University of Kansas Medical Center	64,098,372	61,886,187	64,085,925
Wichita State University	28,874,799	27,366,961	27,373,408
Kansas Arts Commission	526,500	587,300	552,346
Historical Society	1,121,880	640,704	634,000
State Library	1,645,576	1,675,297	1,759,339
Total--Education	\$ 848,568,588	\$ 879,397,595	\$ 875,217,819
Public Safety			
Department of Corrections	4,399,473	3,071,396	578,600
El Dorado Correctional Facility	28,768	27,157	27,183
Topeka Correctional Facility	752,123	693,483	704,261
Larned Correctional Mental Health	--	150	150
Juvenile Justice Authority	2,757,247	14,336,009	14,802,726
Beloit Juvenile Correctional Facility	11,792	14,500	14,000
Kansas Bureau of Investigation	4,830,399	5,076,283	4,939,477
Sentencing Commission	26,500	50,000	50,000

Schedule 7--Federal Receipts by Agency

	FY 2005 Actual	FY 2006 Gov. Estimate	FY 2007 Gov. Rec.
Adjutant General	59,606,933	52,390,487	58,553,739
Emergency Medical Services Board	384,396	150,245	--
State Fire Marshal	266,488	228,000	228,000
Highway Patrol	32,030,934	50,409,872	43,120,309
Total--Public Safety	\$ 105,095,053	\$ 126,447,582	\$ 123,018,445
Agriculture & Natural Resources			
Department of Agriculture	3,623,616	5,470,599	4,611,167
Animal Health Department	861,236	1,676,798	150,415
State Conservation Commission	335,914	232,326	229,054
Health and Environment--Environment	17,886,179	17,608,761	17,100,524
Kansas Water Office	98,151	115,539	--
Department of Wildlife & Parks	13,157,433	15,321,514	11,538,133
Total--Agriculture & Natural Resources	\$ 35,962,529	\$ 40,425,537	\$ 33,629,293
Transportation			
Kansas Department of Transportation	394,490,836	265,046,000	370,300,900
Total Receipts	\$ 3,410,230,551	\$ 3,212,484,551	\$ 3,241,708,094

Schedule 8—Current Year Adjustments reconciles the differences between the approved FY 2006 budget, as published in the *Comparison Report* (August 2005) by the Division of the Budget, and the Governor’s estimate of revised expenditures for FY 2006, as published in this report. The purpose of the schedule is to track the changes that have occurred since the 2005 Legislature approved the FY 2006 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 2005 to FY 2006. These reappropriations represent funds approved to be spent prior to FY 2006 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.

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Department of Administration		
Operations Shift of Expenditure Authority from Prior Year	450,288	450,288
Salaries & Wages Adjustment	--	(286,284)
Aid to Local Governments Reduction	--	(739,986)
Medicare Part D Assistance	500,000	918,400
School Audits	--	400,000
Miscellaneous Operating Expenditures Increase	--	942,951
Savings Incentive Expenditures	45,508	45,508
Lapse Judicial & Statehouse Debt Service	(136,058)	(136,058)
Total--Department of Administration	\$ 859,738	\$ 1,594,819
Kansas Corporation Commission		
Miscellaneous Operating Expenditures Increase	\$ --	21,163
Citizens Utility Ratepayer Board		
Increase in Consulting Fees for Expert Testimony	\$ --	16,853
Kansas Human Rights Commission		
Operations Shift of Expenditure Authority from Prior Year	561	561
Federal Fund Expenditure Reductions	--	(43,248)
Miscellaneous Operating Expenditures Increase	--	365
Savings Incentive Expenditures	751	751
Total--Kansas Human Rights Commission	\$ 1,312	\$ (41,571)
Board of Indigents Defense Services		
Operations Shortfall of Expenditure Authority from Prior Year	(120,439)	(120,439)
Capital Defense Shift of Expenditure Authority from Prior Year	526,169	526,169
Increase in Fee Fund Expenditures	--	45,000
Miscellaneous Expenditure Reductions	(43,587)	(43,587)
Total--Board of Indigents Defense Services	\$ 362,143	\$ 407,143
Health Care Stabilization Fund Board of Governors		
Salaries & Wages Adjustment	--	12,730
Increase in Contractual Services	--	884,508
Increase in Commodities	--	900
Increase in Other Assistance	--	3,921,694
Savings Incentive Expenditures	--	135,685
Total--Health Care Stabilization Fund Board of Governors	\$ --	\$ 4,955,517
KPERs		
Revised Investment Fee Expenditures	--	851,496
Additional Information Technology Project Expenditures	--	879,043
Miscellaneous Operating Expenditure Reductions	--	(33,517)
Savings Incentive Expenditures	--	43,326
Debt Service Supplemental Appropriation	5,017	5,017
Total--KPERs	\$ 5,017	\$ 1,745,365
Department of Commerce		
Operations Shift of Expenditure Authority from Prior Year	29,204	594,841
Athletic Commission Expenditure Authority Lapse	(29,204)	(29,204)
America's Job Link Alliance Transfer from Labor	--	3,140,672
Spirit Aerosystems Bond Repayment	--	1,400,000
KCDC Youth Leadership Forum	5,000	5,000
IMPACT Program Expenditures Changed to Reportable	--	11,317,481
Kansas Partnership and Other Local Aid Reductions	--	(917,359)
Operating Expenditure Reduction	--	(600,168)
Total--Department of Commerce	\$ 5,000	\$ 14,911,263

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Kansas Technology Enterprise Corp.		
Operations Shift of Expenditure Authority from Prior Year	--	458,360
Miscellaneous Operating Expenditure Reductions	--	(840,997)
Decrease in Other Assistance	--	(262,822)
Total--Kansas Technology Enterprise Corp.	\$ --	\$ (645,459)
Kansas, Inc.		
Miscellaneous Operating Expenditures	\$ --	\$ (60,558)
Kansas Lottery		
Decrease in Prize Payments	--	(5,650,054)
Savings Incentive Expenditures	--	331,267
Miscellaneous Operating Expenditure Reductions	--	(447,994)
Total--Kansas Lottery	\$ --	\$ (5,766,781)
Kansas Racing & Gaming Commission		
Salaries & Wages Adjustment	--	116,113
Other Operating Adjustments	--	17,102
Other Assistance & Grants	--	(29,625)
Total--Kansas Racing & Gaming Commission	\$ --	\$ 103,590
Department of Revenue		
Operations Shift of Expenditure Authority from Prior Year	84,737	84,737
Increase in County Mineral Production Tax Estimate	--	2,176,000
Miscellaneous Operating Expenditure Increases	--	666,218
Savings Incentive Expenditures	--	1,045,046
Total--Department of Revenue	\$ 84,737	\$ 3,972,001
Board of Tax Appeals		
Operations Shift of Expenditure Authority from Prior Year	675	675
Miscellaneous Operating Expenditure Increases	--	155,339
Savings Incentive Expenditures	8,936	8,936
Total--Board of Tax Appeals	\$ 9,611	\$ 164,950
Board of Accountancy		
Savings Incentive Expenditures	\$ --	\$ 32,333
Banking Department		
Aid to Local Governments	--	(75,000)
Miscellaneous Operating Expenditures	--	400
Savings Incentive Expenditures	--	920,790
Total--Banking Department	\$ --	\$ 846,190
Board of Cosmetology		
Savings Incentive Expenditures	\$ --	\$ 60,912
Department of Credit Unions		
Savings Incentive Expenditures	\$ --	\$ 42,393
Kansas Dental Board		
Savings Incentive Expenditures	\$ --	\$ 10,955
Governmental Ethics Commission		
Operations Shift of Expenditure Authority from Prior Year	\$ 29,253	\$ 16,109
Behavioral Sciences Regulatory Board		
Savings Incentive Expenditures	\$ --	\$ 26,430
Board of Mortuary Arts		
Savings Incentive Expenditures	\$ --	\$ 5,926

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Board of Nursing		
Savings Incentive Expenditures	\$ --	\$ 54,671
Board of Pharmacy		
Savings Incentive Expenditures	\$ --	\$ 2,141
Real Estate Appraisal Board		
Savings Incentive Expenditures	\$ --	\$ 24,609
Kansas Real Estate Commission		
Savings Incentive Expenditures		46,267
Total--Kansas Real Estate Commission	\$ --	\$ 46,267
Office of the Securities Commissioner		
Increase in Investor Education Expenditures	--	325,000
Savings Incentives Expenditures	--	226,673
Total--Office of the Securities Commissioner	\$ --	\$ 551,673
Board of Technical Professions		
Savings Incentive Expenditures	\$ --	\$ 71,882
Office of the Governor		
Miscellaneous Operating Expenditures	113,214	113,214
Federal & Other Grant Revisions	--	(2,273,626)
Total--Officer of the Governor	\$ 113,214	\$ (2,160,412)
Office of the Lieutenant Governor		
Miscellaneous Operating Expenditures	\$ 4,432	\$ 4,432
Board of Veterinary Examiners		
Savings Incentive Expenditures	\$ --	\$ 14,870
Attorney General		
Operations Shift of Expenditure Authority from Prior Year	55,999	55,999
Miscellaneous Operating Expenditures	--	(98,916)
Federal Funds Increase	--	285,444
Increase in Tort Claim Payments	--	562,452
Total--Attorney General	\$ 55,999	\$ 804,979
Insurance Department		
Decrease in Operating Expenditures	--	(562,370)
Shrinkage Savings	--	(184,257)
Energy Conservation Project Interest	--	37,500
Decrease in Aid to Locals	--	(50,000)
Decrease in Other Assistance	--	(857,396)
Savings Incentive Expenditures	--	699,002
Capital Improvement Savings	--	(44,950)
Total--Insurance Department	\$ --	\$ (962,471)
Secretary of State		
Unspent HAVA Funds from Previous Years	\$ 643,455	\$ 2,232,572
State Treasurer		
Miscellaneous Operating Expenditures	--	80,399
Lowered Estimate for TIF Aid to Locals	--	(256,200)
Savings Incentive Expenditures	--	222,040
Total--State Treasurer	\$ --	\$ 46,239
Legislative Coordinating Council		
Miscellaneous Operating Expenditures	\$ 55,181	\$ 55,181

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Legislature		
Operating Expenditure Savings	\$ (604,588)	\$ (778,902)
Legislative Research Department		
Miscellaneous Operating Expenditures	\$ 39,116	\$ 38,377
Legislative Division of Post Audit		
Miscellaneous Operating Expenditures	\$ 32,535	\$ 32,535
Revisor of Statutes		
Miscellaneous Operating Expenditures	\$ 20,032	\$ 20,032
Judiciary		
Operations Shift of Expenditure Authority from Prior Year	533,364	533,364
Special Revenue Adjustments	--	(122,298)
Total--Judiciary	\$ 533,364	\$ 411,066
Judicial Council		
Miscellaneous Operating Expenditure Reductions	\$ --	\$ (1,024)
Total--General Government	\$ 2,249,551	\$ 22,928,260
Social & Rehabilitation Services		
Finance Council Transfers to DHPF	(2,046,850)	(10,935,692)
Transfer Sex Predator Funds from LSH to SRS	228,500	228,500
DD Waiver Shift of Expenditure Authority from Prior Year	227,908	227,908
PD Waiver Shift of Expenditure Authority from Prior Year	775,292	2,000,189
Adoption Support Increase	500,600	1,124,184
Adoption Contract Savings	(3,340,597)	(2,839,997)
Reduction in Information Technology Expenditures	(1,160,694)	(2,811,358)
Other Funding Changes	1,839,748	10,897,933
Title XIX Transfer to JJA	--	(15,949,599)
Head Injury Waiver Increase	119,400	305,761
Child Care Assistance Supplemental Funding	--	1,478,647
Consensus Caseload Increase--NFMH	(1,313,000)	(1,500,000)
Consensus Caseload Increase--TAF	--	(1,900,000)
Consensus Caseload Increase--GA	(900,000)	(900,000)
Consensus Caseload Increase--Reg. Med.	1,651,669	25,045,404
Consensus Caseload Decrease--Foster Care	(1,860,097)	(4,846,247)
Cover Child Welfare Medicaid Deferrals	6,787,447	--
Ongoing Capital Improvements	--	881,561
Total--Social & Rehabilitation Services	\$ 1,509,326	\$ 507,194
Kansas Neurological Institute		
Reduction in Salaries & Wages Expenditures	--	(1,568)
Federal Funds Increase	--	4,951
Miscellaneous Operating Expenditures	--	78,664
Shift of SIBF Capital Projects from Prior Year	--	21,282
Total--Kansas Neurological Institute	\$ --	\$ 103,329
Larned State Hospital		
Technical Correction	(228,500)	(228,500)
Miscellaneous Operating Expenditures	--	51,496
Savings Incentive Expenditures	--	1,484
Shift of SIBF Capital Projects from Prior Year	--	164,082
Total--Larned State Hospital	\$ (228,500)	\$ (11,438)

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Osawatomie State Hospital		
Miscellaneous Operating Expenditures	500,000	605,375
Shift of SIBF Capital Projects from Prior Year	--	39,265
Total--Osawatomie State Hospital	\$ 500,000	\$ 644,640
Parsons State Hospital and Training Center		
Miscellaneous Operating Expenditures	\$ --	\$ 83,000
Rainbow Mental Health Facility		
Miscellaneous Operating Expenditures	--	35,125
Shift of SIBF Capital Projects from Prior Year	--	824
Total--Rainbow Mental Health Facility	\$ --	\$ 35,949
Administration--Health Policy & Finance		
Regular Medical Caseload Reduction	(5,430,001)	(17,887,747)
Medical Policy Administration Changes	(639,331)	11,012,957
MMIS Contract Changes	(414,785)	(5,414,391)
HealthWave Administration Changes	1,054,116	2,681,766
Ticket to Work Additional Funds	--	125,597
SCHIP Caseload Growth	1,018,943	3,549,506
Finance Council Transfers from SRS	2,046,850	10,935,692
Community Health Record	250,000	250,000
House Operations from Kansas Health Policy Authority	950,173	950,173
Total--Administration--Health Policy & Finance	\$ (1,164,035)	\$ 6,203,553
Kansas Health Policy Authority		
Reductions in Salaries & Wages Expenditures	(499,827)	(656,018)
Move Operations to within Division of Health Policy and Finance	(950,173)	(950,173)
Total--Kansas Health Policy Authority	\$ (1,450,000)	\$ (1,606,191)
Department on Aging		
Operations Shift of Expenditure Authority from Prior Year	3,737,150	3,737,150
Salaries & Wages Adjustment	(11,649)	50,855
Other Operating Expenditures	547,113	753,668
Decrease Aid to Local Governments	(1,377,398)	(703,072)
Decrease Other Assistance	(1,648,042)	(6,619,968)
Nursing Facility Caseload Estimate Reduction	(270,347)	(685,464)
Senior Services Fund Expenditure Reduction	--	(29)
Lapse Savings from LTE Program	(4,272,614)	(4,272,614)
Savings Incentive Expenditures	535,464	535,464
Total--Department on Aging	\$ (2,760,323)	\$ (7,204,010)
Health & Environment--Health		
Shift in Prior Year Expenditure Authority	90,671	86,240
Increase in Salaries & Wages Expenditures	--	1,118,716
Increase in Contractual Services (Excluding Supplemental Funding)	90,000	2,126,729
Increase in Aid Expenditures	--	1,390,696
Technical Adjustment	24	--
Intra-Agency Transfer of Expenditure Authority from Environment	461,036	461,036
Supplemental Funding for Rent Increase at Forbes Field	500,000	500,000
Savings Incentive Expenditures	--	4,431
Total--Health & Environment--Health	\$ 1,141,731	\$ 5,687,848
Department of Labor		
Operations Shift of Expenditure Authority from Prior Year	43,092	43,092
Operating Expenditures Decrease Related to AJLA	--	(1,713,399)

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Department of Labor, Cont'd.		
Operating Expenditures Decrease for Empl. Serv. and Other Programs	--	(1,018,378)
Decrease in Unemployment Insurance Benefits	--	(57,200,000)
Savings Incentive Expenditures	33,614	979,045
Total--Department of Labor	\$ 76,706	\$ (58,909,640)
Commission on Veterans Affairs		
Miscellaneous Operating Expenditure Adjustments	2,701	106
SIBF Shift of Expenditure Authority from Prior Year	--	101,778
Change funding from Federal Funds to SGF for KVH	397,405	26,294
Ongoing Capital Improvements	--	718,972
Total--Commission on Veterans Affairs	\$ 400,106	\$ 847,150
Kansas Guardianship Program		
Operations Shift of Expenditure Authority from Prior Year	\$ 13,133	\$ 13,133
Total--Human Services	\$ (1,961,856)	\$ (53,605,483)
Department of Education		
Operations Shift of Expenditure Authority from Prior Year	--	41,456
Additional Federal & Other Grants	--	7,414,819
School Finance Consensus Adjustments to State Aid	(1,037,969)	12,272,031
Special Education State Aid to 89.3 Percent	10,589,356	10,589,356
Juvenile Detention Facilities State Aid	685,461	685,461
Declining Enrollment State Aid	42,500	42,500
Miscellaneous Operating Expenditures	--	3,114,706
Total--Department of Education	\$ 10,279,348	\$ 34,160,329
School for the Blind		
Salaries & Wages Savings	(68,625)	(68,625)
Fee and Special Funds Increases	--	26,215
Federal Funds Reduction	--	125,039
Shift of SIBF Capital Projects from Prior Year	--	114,833
Total--School for the Blind	\$ (68,625)	\$ 197,462
School for the Deaf		
Salaries & Wages Savings	(127,871)	(127,871)
Fee Funds Increase	--	77,852
Federal Funds Increase	--	97,946
Shift of SIBF Capital Projects from Prior Year	--	1,076,464
Total--School for the Deaf	\$ (127,871)	\$ 1,124,391
Board of Regents		
Operations Shift of Expenditure Authority from Prior Year	1,026,263	1,026,263
University Operating Grant Distribution to Universities	(11,643,908)	(11,643,908)
Faculty Salary Enhancement Distribution to Universities	(3,333,426)	(3,333,426)
27th Pay Period Distribution	(12,972,577)	(12,972,577)
Decrease in Special Revenue Expenditures	--	(3,911,269)
Distribution of EBF to Universities for Rehabilitation & Repair	--	(15,000,000)
Total--Board of Regents	\$ (26,923,648)	\$ (45,834,917)
Emporia State University		
Operations Shift of Expenditure Authority from Prior Year	170,008	170,008
Operating Grant from the Board of Regents	732,779	732,779
Faculty Salary Enhancement from Board of Regents	167,015	167,015
27th Pay Period Transfer from the Board of Regents	776,779	776,779

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Emporia State University, Cont'd.		
Increase in Restricted Fee Expenditures	--	135,005
EBF Rehabilitation & Repair Funding from the Board of Regents	--	885,000
Total--Emporia State University	\$ 1,846,581	\$ 2,866,586
Fort Hays State University		
Operations Shift of Expenditure Authority from Prior Year	36,237	36,237
Operating Grant from the Board of Regents	753,406	753,406
Faculty Salary Enhancement from Board of Regents	171,031	171,031
27th Pay Period Transfer from the Board of Regents	649,804	649,804
Increase in Restricted Fee Expenditures	--	2,479,892
Increase in Tuition Expenditures	--	3,055,713
Increase Federal Fund Expenditures	--	157,900
EBF Rehabilitation & Repair Funding from the Board of Regents	--	1,015,500
Total--Fort Hays State University	\$ 1,610,478	\$ 8,319,483
Kansas State University		
Operating Grant from the Board of Regents	1,851,866	1,851,866
Faculty Salary Enhancement from Board of Regents	694,706	694,706
27th Pay Period Transfer from the Board of Regents	2,381,861	2,381,861
Increase in Restricted Fee Expenditures	--	6,993,870
Increase in Tuition Expenditures	--	13,567,775
Increase Federal Fund Expenditures	--	15,025,724
EBF Rehabilitation & Repair Funding from the Board of Regents	--	4,183,500
Total--Kansas State University	\$ 4,928,433	\$ 44,699,302
Kansas State University--ESARP		
Operating Grant from the Board of Regents	1,157,091	1,157,091
Faculty Salary Enhancement from Board of Regents	239,303	239,303
27th Pay Period Transfer from the Board of Regents	1,196,315	1,196,315
Decrease in Restricted Fee Expenditures	--	(2,590,074)
Total--Kansas State University--ESARP	\$ 2,592,709	\$ 2,635
KSU--Veterinary Medical Center		
Operating Grant from the Board of Regents	177,052	177,052
Faculty Salary Enhancement from Board of Regents	79,046	79,046
27th Pay Period Transfer from the Board of Regents	284,632	284,632
Increase in Restricted Fee Expenditures	--	363,904
Increase in Tuition Expenditures	--	2,329,465
Increase Federal Fund Expenditures	--	65,249
General Use Fund Expenditure for New Equipment	--	4,469,999
Total--KSU--Veterinary Medical Center	\$ 540,730	\$ 7,769,347
Pittsburg State University		
Operations Shift of Expenditure Authority from Prior Year	3,713	3,713
Operating Grant from the Board of Regents	793,387	793,387
Faculty Salary Enhancement from Board of Regents	218,775	218,775
27th Pay Period Transfer from the Board of Regents	904,611	904,611
Increase in Restricted Fee Expenditures	--	88,224
Increase in Tuition Expenditures	--	1,165,145
Increase Federal Fund Expenditures	--	3,936,136
EBF Rehabilitation & Repair Funding from the Board of Regents	--	996,000
Total--Pittsburg State University	\$ 1,920,486	\$ 8,105,991

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
University of Kansas		
Operations Shift of Expenditure Authority from Prior Year	244,377	244,377
Operating Grant from the Board of Regents	2,422,031	2,422,031
Faculty Salary Enhancement from Board of Regents	978,260	978,260
27th Pay Period Transfer from the Board of Regents	3,215,440	3,215,440
Decrease in Restricted Fee Expenditures	--	(14,917,732)
Increase in Tuition Expenditures	--	21,601,288
EBF Rehabilitation & Repair Funding from the Board of Regents	--	4,360,500
Total--University of Kansas	\$ 6,860,108	\$ 17,904,164
KU Medical Center		
Operations Shift of Expenditure Authority from Prior Year	14,410	14,410
Operating Grant from the Board of Regents	2,401,780	2,401,780
Faculty Salary Enhancement from Board of Regents	404,878	404,878
27th Pay Period Transfer from the Board of Regents	2,440,400	2,440,400
Increase in Restricted Fee Expenditures	--	1,230,235
Increase in Tuition Expenditures	--	3,595,001
EBF Rehabilitation & Repair Funding from the Board of Regents	--	1,533,000
Total--KU Medical Center	\$ 5,261,468	\$ 11,619,704
Wichita State University		
Operations Shift of Expenditure Authority from Prior Year	--	292,058
Operating Grant from the Board of Regents	1,354,516	1,354,516
Faculty Salary Enhancement from Board of Regents	380,412	380,412
27th Pay Period Transfer from the Board of Regents	1,122,735	1,122,735
Increase in Restricted Fee Expenditures	--	7,960,201
Increase in Tuition Expenditures	--	4,881,040
EBF Rehabilitation & Repair Funding from the Board of Regents	--	1,866,000
Total--Wichita State University	\$ 2,857,663	\$ 17,856,962
Kansas Arts Commission		
Operating Expenditure Adjustment	\$ (33,169)	\$ 25,961
Historical Society		
Operations Shift of Expenditure Authority from Prior Year	2,311	2,311
Decrease in Operating Expenditures	--	(80,000)
Increase in Aid to Local Govt. and Other Assistance	--	80,000
Supplemental Funds to Replace Skylights at Museum	184,420	184,420
Total--Historical Society	\$ 186,731	\$ 186,731
State Library		
Increase in Other Operating Expenditures	--	119,870
Decrease in Aid to Local Governments	--	(162,737)
Increase in Other Assistance	--	484,591
Total--State Library	\$ --	\$ 441,724
Total--Education	\$ 11,731,422	\$ 109,445,855
Department of Corrections		
Reduced Expenditures for Bedspace Contract	(400,000)	(400,000)
Reduced Shrinkage in Central Office	69,667	69,667
Savings from Local Match for Wyandotte County Reentry Program	(156,421)	(156,421)
Revised Day Reporting Centers Contract	(88,072)	(88,072)
Replace Day Reporting Centers State General Fund with VOI/TIS	(152,077)	--
Revised Healthcare Contract Savings	(240,000)	(240,000)

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Department of Corrections, Cont'd.		
Revised Foodservice Contract ADP Savings	(262,037)	(262,037)
Reduce Number of Contract beds from 83 to 50	(488,575)	(488,575)
Revised No-Limit Fund Expenditures	--	61,388
Federal Funds Reduction	--	416,479
Increased Sales by Kansas Correctional Industries	--	1,280,703
Savings Incentive Expenditures	22,681	22,681
Transfer of CIBF to Correctional Facilities	--	(369,874)
Total--Department of Corrections	\$ (1,694,834)	\$ (154,061)
El Dorado Correctional Facility		
Revised General Fees Fund Expenditures	--	10,993
Internal Corrections Systemwide Transfer	96,996	96,996
Federal Funds Reduction	--	(693)
Ongoing Capital Improvements	--	11,953
Total--El Dorado Correctional Facility	\$ 96,996	\$ 119,249
Ellsworth Correctional Facility		
Revised General Fees Fund Expenditures	--	16,654
Savings Incentive Expenditures	570	570
Ongoing Capital Improvements	--	49,947
Total--Ellsworth Correctional Facility	\$ 570	\$ 67,171
Hutchinson Correctional Facility		
Revised General Fees Fund Expenditures	--	92,737
Internal Corrections Systemwide Transfer	119,000	119,000
Savings Incentive Expenditures	3,714	3,714
Ongoing Capital Improvements	--	143,826
Total--Hutchinson Correctional Facility	\$ 122,714	\$ 359,277
Lansing Correctional Facility		
Revised General Fees Fund Expenditures	--	25,000
Lapse Capital Outlay	(150,000)	(150,000)
Savings Incentive Expenditures	1,387	1,387
Ongoing Capital Improvements	--	490,710
Total--Lansing Correctional Facility	\$ (148,613)	\$ 367,097
Larned Correctional Mental Health Facility		
Internal Corrections Systemwide Transfer	42,000	42,000
Federal Funds Increase	--	150
Savings Incentive Expenditures	1,116	1,116
Ongoing Capital Improvements	--	641
Total--Larned Correctional Mental Health Facility	\$ 43,116	\$ 43,907
Norton Correctional Facility		
Internal Corrections Systemwide Transfer	61,000	61,000
Savings Incentive Expenditures	3,646	3,646
Ongoing Capital Improvements	--	453,200
Total--Norton Correctional Facility	\$ 64,646	\$ 517,846
Topeka Correctional Facility		
Revised General Fees Fund Expenditures	--	(18,975)
Expenditure Reductions for Housing Federal Female Inmates	--	(180,443)
Internal Corrections Systemwide Transfer	279,754	279,754
Savings Incentive Expenditures	159	159
Ongoing Capital Improvements	--	306,771
Total--Topeka Correctional Facility	\$ 279,913	\$ 387,266

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Winfield Correctional Facility		
Internal Corrections Systemwide Transfer	604,860	604,860
Revised General Fee Fund Expenditures	--	19,126
Savings Incentive Expenditures	91	91
Ongoing Capital Improvements	--	368,401
Total--Winfield Correctional Facility	\$ 604,951	\$ 992,478
Juvenile Justice Authority		
Operations Shift of Expenditure Authority from Prior Year	1,341	1,341
Increase in Juvenile Detention Facilities Fund Expenditures	--	87,954
Title XIX Federal Fund Decrease	--	(10,241)
JAB Adjustment	--	(47,256)
Title IV-E Federal Fund Decrease	--	(59,840)
Federal Funds Increase	--	834,471
Increased KDPT Grant Award	--	120,000
Level V Rate Increase	690,989	1,752,000
Transfer of Extraordinary Medical Expenses from SRS	30,884	30,884
Title XIX Transfer from SRS	--	11,948,314
Convert to Reportable Expenditure as a Technical Correction	--	137,135
Savings Incentive Expenditures	5,426	5,426
SIBF Shift of Expenditure Authority from Prior Year	--	1,040,938
Reduction of SIBF--Finance Council Action	--	(159,200)
Lapse of SIBF Capital Projects from Prior Year	--	(1,040,938)
Transfer of SIBF to Atchison Juvenile Correctional Facility	--	(128,500)
Total--Juvenile Justice Authority	\$ 728,640	\$ 14,512,488
Atchison Juvenile Correctional Facility		
Operations Shift of Expenditure Authority from Prior Year	40,005	40,005
JJA Reduced Population Savings Plan	(61,074)	(61,074)
Federal Funds Reduction	--	(75,490)
Reduction in Offender Fund	--	(4,000)
SIBF Shift of Capital Projects from Prior Year	--	117,097
Transfer of SIBF from Juvenile Justice Authority Central Office	--	128,500
Total--Atchison Juvenile Correctional Facility	\$ (21,069)	\$ 145,038
Beloit Juvenile Correctional Facility		
Operations Shift of Expenditure Authority from Prior Year	6,195	6,195
JJA Reduced Population Savings Plan	(82,905)	(82,905)
Transfer from KJCC to Fund "No Child Left Behind"	60,000	60,000
Increase in Fee Fund Expenditures	--	1,561
Increase in Title VI-B Expenditures	--	3,853
Federal Funds Reduction	--	(41,835)
SIBF Shift of Capital Projects from Prior Year	--	56,162
Total--Beloit Juvenile Correctional Facility	\$ (16,710)	\$ 3,031
Larned Juvenile Correctional Facility		
Operations Shift of Expenditure Authority from Prior Year	12,491	12,491
Reduction in Juvenile Incentive Block Grant	--	(59,362)
JJA Reduced Population Savings Plan	(64,778)	(64,778)
Increase in Federal Funds	--	391,899
Transfer of Extraordinary Medical Expenses from SRS	198,099	198,099
Fee Fund Increase	--	(114)
Fee Funds to Replace SGF	(5,129)	

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Larned Juvenile Correctional Facility, Cont'd.		
Savings Incentive Expenditures	1,279	1,279
Total--Larned Juvenile Correctional Facility	\$ 141,962	\$ 479,514
Kansas Juvenile Correctional Complex		
Operations Shift of Expenditure Authority from Prior Year	469	469
JJA Reduced Population Savings Plan	(61,000)	(61,000)
Reduction of Funding for Additional Units	(228,459)	(228,459)
Transfer to BJCF to Fund "No Child Left Behind"	(60,000)	(60,000)
Federal Funds Reduction	--	(8,250)
Fee Fund Reduction	--	(10,900)
Savings Incentive Expenditures	1,728	1,728
SIBF Shift of Capital Projects from Prior Year	--	10,310
Total--Kansas Juvenile Correctional Complex	\$ (347,262)	\$ (356,102)
Adjutant General		
Shift of National Guard Activation Payments & Misc.	115,578	115,578
Salaries & Wages Adjustment	(17,702)	(1,552,579)
Reduction in Aid to Local Governments	(1,632,606)	(24,000,045)
Increase in Other Assistance	1,867,393	9,520,543
Military Emergency Relief	50,000	50,000
BRAC Build-up	100,000	400,000
Resource Advisor Positions--Forbes & McConnell	--	70,610
Other Operating Expenditures Adjustments	(217,085)	1,510,406
Lapse Debt Service Funding for Armory Bonds	(207,196)	(207,196)
Total--Adjutant General	\$ 58,382	\$ (14,092,683)
Emergency Medical Services Board		
Salaries & Wages Savings	--	(32,974)
Federal Funds Increase	--	247,015
Savings Incentive Expenditures	--	51,063
Total--Emergency Medical Services Board	\$ --	\$ 265,104
State Fire Marshal		
Federal Funds Increase	--	91,739
Creation of a Homeland Security Bomb Unit	--	579,710
Expenditure of Gift Funds	--	7,649
Technical Correction	--	(15)
Savings Incentive Expenditures	--	107,715
Total--State Fire Marshal	\$ --	\$ 786,798
Highway Patrol		
Salaries & Wages Savings	(652,200)	(652,200)
Commodities Increase	--	491,789
Increase in Homeland Security Funding	--	5,661,860
Aircraft Fuel and Maintenance	--	189,426
Increase in Motor Vehicle Fuel Costs	--	311,808
Debt Service Port Modernization Savings	--	(110,863)
Total--Highway Patrol	\$ (652,200)	\$ 5,891,820
Kansas Bureau of Investigation		
Salaries & Wages Savings	(275,332)	(275,332)
Federal Funds Increase	--	1,114,419
Fee Fund Reduction	--	(513,858)
Total--Kansas Bureau of Investigation	\$ (275,332)	\$ 325,229

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Kansas Parole Board		
Operations Shift of Expenditure Authority from Prior Year	\$ 4,726	\$ 4,726
Kansas Sentencing Commission		
Operations Shift of Expenditure Authority from Prior Year	8,089	8,089
Substance Abuse Treatment Overspent in FY 2005	(411,113)	(411,113)
Supplemental Appropriation for Substance Abuse Treatment	2,844,013	2,844,013
Revised General Fee Fund Expenditures	--	8,275
Total--Kansas Sentencing Commission	\$ 2,440,989	\$ 2,449,264
Total--Public Safety	\$ 1,431,585	\$ 13,114,457
Department of Agriculture		
Fee Funds Decrease	--	(191,669)
Federal Funds Increase	--	1,637,095
Miscellaneous Operating Adjustment	--	(4,650)
Total--Department of Agriculture	\$ --	\$ 1,440,776
Department of Animal Health		
Federal Funds Increase for Animal Testing ID		1,158,771
Miscellaneous Operating Adjustment		56,029
Total--Department of Animal Health	\$ --	\$ 1,214,800
State Conservation Commission		
Operations Shift of Expenditure Authority from Prior Year	\$ 9,897	\$ 743,917
Health & Environment--Environment		
Operations Shift of Expenditure Authority from Prior Year	333,780	334,006
Agency Fee Fund Increase	--	1,008,915
Move to Off Budget as a Technical Correction	--	(2,336,221)
Intra-Agency Transfer of Expenditure Authority to Health	(461,198)	(461,087)
Savings Incentive Expenditures	--	132,846
Total--Health & Environment--Environment	\$ (127,418)	\$ (1,321,541)
Kansas State Fair		
Reduction in Fee Fund Expenditures	--	(334,575)
Supplemental for Grandstand Improvements	70,635	70,635
Debt Service Savings on Master Plan Bonds	(307)	(307)
Savings Incentive Expenditures	--	3,000
Total--Kansas State Fair	\$ 70,328	\$ (261,247)
Kansas Water Office		
Shift of Water Plan Fund	--	234,108
SGF Expend. Authority from Prior Year	6,617	6,617
Savings Incentive Expenditures	8	8
Convert to Reportable Expenditure as a Technical Correction	--	445,476
Water Conservation Projects Fund-Ks.v.Colorado Settlement	--	733,058
Fee Fund Increases	--	26,493
Total--Kansas Water Office	\$ 6,625	\$ 1,445,760
Department of Wildlife & Parks		
Operations Shift from Prior Year	205,824	205,824
Miscellaneous Operating Expenditures	(54,539)	6,595,122
Savings Incentive Expenditures	--	116,174
Ongoing Capital Improvements	--	7,087,352
Total--Department of Wildlife & Parks	\$ 151,285	\$ 14,004,472
Total--Agriculture & Natural Resources	\$ 110,717	\$ 17,266,937

Schedule 8--Current Year Adjustments

	<u>State General Fund</u>	<u>All Funding Sources</u>
Kansas Department of Transportation		
Increase in Salaries & Wages Expenditures	--	83,791
Reduction in Aid to Local Governments Funding	--	(3,336,499)
Other Assistance & Grants Increase	--	1,611,389
Increased Federal Expenditures	--	11,997,640
Supplemental Funding: Increase for Fuel Prices	--	2,035,394
Miscellaneous Operating Expenditures	--	2,973,207
Savings Incentive Expenditures	--	1,775,237
Debt Service--Interest Savings	--	(6,186,154)
Ongoing Capital Improvements	--	124,060,029
Total--Kansas Department of Transportation	\$ --	\$ 135,014,034
Total--Transportation	\$ --	\$ 135,014,034
Statewide Total	\$ 13,561,419	\$ 244,164,060

Schedules 9.1—9.3—Positions by Agency present three views of the state workforce.

Schedule 9.1—Authorized Positions by Agency reflects the total number of positions approved for 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 unclassified permanent 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 9.2—Headcount by Agency shows the average number of employees on the state payroll for all 26 biweekly payrolls for actual FY 2003, FY 2004, and FY 2005. Headcount includes everyone on the state payroll, both permanent and temporary. It is calculated by dividing the number of checks issued in a fiscal year by 26 biweekly payrolls, yielding the average number of employees on the payroll during that fiscal year.

Schedule 9.3—Mathematical FTE Positions by Agency restores the historical concept of FTE by representing the state workforce as the number of positions mathematically equated to full time. What is currently called authorized FTE positions has become an artificially inflated total, because reductions for shrinkage and other budget reductions to salaries prevent many agencies from filling the positions they are legally authorized. To balance their budgets, they must leave positions vacant for all or part of a fiscal year. Therefore, the legal FTE count remains higher than what the budget can really support. This table represents a view that mathematically equates to full time the number of positions actually filled for the fiscal years indicated, including overtime and any leave time in which employees were in pay status. For example, if an agency is legally authorized 10.00 FTE positions but one of them was vacant for half of the fiscal year, this table would report that agency’s mathematical FTE total as 9.50. This table presents a more accurate and precise picture of FTE positions, including for budgeting purposes a view that indicates the number of positions that the budget can actually support.

Schedule 9.1--Authorized Positions by Agency

	<u>FY 2005</u> <u>Actual</u>	<u>FY 2006</u> <u>Gov.Estimate</u>	<u>FY 2007</u> <u>Base Budget</u>	<u>FY 2007</u> <u>Enhance.Pkg.</u>	<u>FY 2007</u> <u>Gov. Rec.</u>
General Government					
Department of Administration					
FTE Positions	804.40	803.05	759.55	--	759.55
Non-FTE Unclassified Permanent Positions	28.10	22.25	20.75	--	20.75
Total--Department of Administration	832.50	825.30	780.30	--	780.30
Kansas Corporation Commission					
FTE Positions	212.00	214.00	214.00	--	214.00
Non-FTE Unclassified Permanent Positions	6.50	6.50	6.50	--	6.50
Total--Kansas Corporation Commission	218.50	220.50	220.50	--	220.50
Citizens Utility Ratepayer Board					
FTE Positions	5.00	3.00	3.00	--	3.00
Non-FTE Unclassified Permanent Positions	--	3.00	3.00	--	3.00
Total--Citizens Utility Ratepayer Board	5.00	6.00	6.00	--	6.00
Kansas Human Rights Commission	36.00	39.00	39.00	--	34.00
Board of Indigents Defense Services					
FTE Positions	173.00	178.00	178.00	5.00	178.00
Non-FTE Unclassified Permanent Positions	8.00	1.00	1.00	--	1.00
Total--Board of Indigents Defense Services	181.00	179.00	179.00	5.00	179.00
Health Care Stabilization	16.00	16.00	16.00	1.00	16.00
Kansas Public Employees Retirement System	85.25	85.25	85.25	--	85.25
Department of Commerce					
FTE Positions	389.10	423.10	423.10	--	423.10
Non-FTE Unclassified Permanent Positions	28.00	23.10	23.10	--	23.10
Total--Department of Commerce	417.10	446.20	446.20	--	446.20
Kansas Technology Enterprise Corporation					
FTE Positions	28.80	28.80	28.80	--	28.80
Non-FTE Unclassified Permanent Positions	2.00	1.00	1.00	--	1.00
Total--KTEC	30.80	29.80	29.80	--	29.80
Kansas, Inc.					
FTE Positions	4.00	4.50	4.50	--	4.50
Non-FTE Unclassified Permanent Positions	1.00	1.00	1.00	--	1.00
Total--Kansas, Inc.	5.00	5.50	5.50	--	5.50
Kansas Lottery					
FTE Positions	87.00	87.00	87.00	--	87.00
Non-FTE Unclassified Permanent Positions	2.00	5.00	5.00	--	5.00
Total--Kansas Lottery	89.00	92.00	92.00	--	92.00
Kansas Racing & Gaming Commission					
FTE Positions	67.00	67.00	67.00	--	67.00
Non-FTE Unclassified Permanent Positions	9.00	9.00	9.00	--	9.00
Total--Racing & Gaming Commission	76.00	76.00	76.00	--	76.00
Department of Revenue	1,196.00	1,146.00	1,146.00	--	1,146.00
Board of Tax Appeals	26.00	26.00	26.00	--	26.00
Abstracters Board of Examiners	--	--	--	--	--
Board of Accountancy	3.00	3.00	3.00	--	3.00

Schedule 9.1--Authorized Positions by Agency

	<u>FY 2005 Actual</u>	<u>FY 2006 Gov.Estimate</u>	<u>FY 2007 Base Budget</u>	<u>FY 2007 Enhance.Pkg.</u>	<u>FY 2007 Gov. Rec.</u>
Banking Department	86.00	90.00	90.00	--	90.00
Board of Barbering					
FTE Positions	1.50	1.50	1.50	--	1.50
Non-FTE Unclassified Permanent Positions	0.50	0.50	0.50	--	0.50
Total--Board of Barbering	2.00	2.00	2.00	--	2.00
Behavioral Sciences Regulatory Board	8.00	8.00	8.00	--	8.00
Board of Cosmetology	12.00	12.00	12.00	--	12.00
Department of Credit Unions	13.00	13.00	13.00	--	13.00
Kansas Dental Board	3.00	3.00	3.00	--	3.00
Governmental Ethics Commission					
FTE Positions	9.00	9.00	9.00	--	9.00
Non-FTE Unclassified Permanent Positions	0.50	0.50	0.50	--	0.50
Total--Governmental Ethics Commission	9.50	9.50	9.50	--	9.50
Board of Healing Arts	30.00	32.00	32.00	2.00	32.00
Hearing Aid Board of Examiners	0.40	0.40	0.40	--	0.40
Board of Mortuary Arts	3.00	3.00	3.00	--	3.00
Board of Nursing	22.00	22.00	22.00	--	22.00
Board of Examiners in Optometry					
FTE Positions	0.80	0.80	0.80	--	0.80
Non-FTE Unclassified Permanent Positions	1.00	1.00	1.00	--	1.00
Total--Board of Examiners in Optometry	1.80	1.80	1.80	--	1.80
Board of Pharmacy	7.00	7.00	7.00	--	7.00
Real Estate Appraisal Board	2.00	2.00	2.00	--	2.00
Kansas Real Estate Commission	13.00	14.00	14.00	--	14.00
Office of the Securities Commissioner	28.00	30.00	30.13	2.00	30.13
Board of Technical Professions	6.00	6.00	6.00	--	6.00
Board of Veterinary Examiners	3.00	3.00	3.00	--	3.00
Office of the Governor	41.00	38.50	39.00	--	39.00
Office of the Lieutenant Governor	3.00	3.00	3.50	--	3.50
Attorney General					
FTE Positions	94.50	94.50	94.50	--	94.50
Non-FTE Unclassified Permanent Positions	9.00	15.00	15.00	--	15.00
Total--Attorney General	103.50	109.50	109.50	--	109.50
Insurance Department					
FTE Positions	146.70	146.70	146.70	--	146.70
Non-FTE Unclassified Permanent Positions	4.00	4.00	4.00	--	4.00
Total--Insurance Department	150.70	150.70	150.70	--	150.70
Secretary of State	54.00	54.00	54.00	--	54.00
State Treasurer	55.50	55.50	55.50	--	55.50
Legislative Coordinating Council	12.00	12.00	12.00	--	12.00

Schedule 9.1--Authorized Positions by Agency

	FY 2005 Actual	FY 2006 Gov.Estimate	FY 2007 Base Budget	FY 2007 Enhance.Pkg.	FY 2007 Gov. Rec.
Legislature	33.00	34.00	35.00	--	35.00
Legislative Research Department	38.00	38.00	38.00	--	38.00
Legislative Division of Post Audit	21.00	26.00	26.00	--	26.00
Revisor of Statutes					
FTE Positions	26.50	29.13	30.00	--	30.00
Non-FTE Unclassified Permanent Positions	1.00	--	--	--	--
Total--Revisor of Statutes	27.50	29.13	30.00	--	30.00
Judiciary	1,829.30	1,830.30	1,833.30	--	1,833.30
Judicial Council	4.00	4.00	4.00	--	4.00
Total--FTE Positions	5,738.75	5,746.03	5,708.53	10.00	5,703.53
Total--Non-FTE Unclassified Perm. Pos.	100.60	92.85	91.35	--	91.35
Total--General Government	5,839.35	5,838.88	5,799.88	10.00	5,794.88
Human Services					
Social & Rehabilitation Services					
FTE Positions	3,981.52	3,655.11	3,873.62	--	3,670.61
Non-FTE Unclassified Permanent Positions	76.40	91.08	64.08	--	64.08
Total--Social & Rehabilitation Services	4,057.92	3,746.19	3,937.70	--	3,734.69
Kansas Neurological Institute	588.20	588.20	588.20	--	575.20
Larned State Hospital					
FTE Positions	798.20	938.20	938.20	--	938.20
Non-FTE Unclassified Permanent Positions	8.00	10.00	10.00	--	10.00
Total--Larned State Hospital	806.20	948.20	948.20	--	948.20
Osawatomie State Hospital	398.60	398.60	398.60	--	398.60
Parsons State Hospital & Training Center	467.20	467.20	467.20	--	467.20
Rainbow Mental Health Facility	115.20	115.20	115.20	--	115.20
Subtotal--FTE Positions	6,348.92	6,162.51	6,381.02	--	6,165.01
Subtotal--Non-FTE Unclassified Perm. Pos.	84.40	101.08	74.08	--	74.08
Subtotal--SRS	6,433.32	6,263.59	6,455.10	--	6,239.09
Division of Health Policy & Finance					
FTE Positions	--	129.88	--	--	170.18
Non-FTE Unclassified Permanent Positions	--	9.99	--	--	10.49
Total--Division of Health Policy & Finance	--	139.87	--	--	180.67
Kansas Health Policy Authority					
FTE Positions	--	--	183.36	8.00	--
Non-FTE Unclassified Permanent Positions	--	--	10.49	--	--
Total--Kansas Health Policy Authority	--	--	193.9	8.00	--
Department on Aging					
FTE Positions	208.00	208.00	208.00	--	208.00
Non-FTE Unclassified Permanent Positions	6.50	6.50	6.50	--	6.50
Total--Department on Aging	214.50	214.50	214.50	--	214.50
Health & Environment--Health					
FTE Positions	422.70	416.70	417.95	--	416.70
Non-FTE Unclassified Permanent Positions	117.45	128.10	128.10	--	128.10
Total--Health & Environment--Health	540.15	544.80	546.05	--	544.80

Schedule 9.1--Authorized Positions by Agency

	<u>FY 2005</u> <u>Actual</u>	<u>FY 2006</u> <u>Gov.Estimate</u>	<u>FY 2007</u> <u>Base Budget</u>	<u>FY 2007</u> <u>Enhance.Pkg.</u>	<u>FY 2007</u> <u>Gov. Rec.</u>
Department of Labor					
FTE Positions	634.23	601.23	601.23	--	601.23
Non-FTE Unclassified Permanent Positions	42.45	26.00	26.00	--	26.00
Total--Department of Labor	676.68	627.23	627.23	--	627.23
Commission on Veterans Affairs	557.80	557.80	557.80	--	557.80
Kansas Guardianship Program	12.00	12.00	12.00	--	12.00
Total--FTE Positions	8,183.65	8,088.12	8,361.36	8.00	8,130.92
Total--Non-FTE Unclassified Perm. Pos.	250.80	271.67	245.17	--	245.17
Total--Human Services	8,434.45	8,359.79	8,606.53	8.00	8,376.09
Education					
Department of Education					
FTE Positions	210.75	211.75	211.75	2.00	213.75
Non-FTE Unclassified Permanent Positions	46.60	51.20	49.25	--	49.25
Total--Department of Education	257.35	262.95	261.00	2.00	263.00
School for the Blind	93.50	93.50	93.50	--	93.50
School for the Deaf	173.50	173.50	173.50	--	173.50
Subtotal--FTE Positions	477.75	478.75	478.75	2.00	480.75
Subtotal--Non-FTE Unclassified Perm. Pos.	46.60	51.20	49.25	--	49.25
Subtotal--Board of Education	524.35	529.95	528.00	2.00	530.00
Board of Regents	56.50	57.50	57.50	3.00	58.50
Emporia State University	792.59	793.58	793.58	--	793.58
Fort Hays State University	729.35	745.85	745.85	4.00	745.85
Kansas State University	3,203.01	3,269.31	3,269.31	--	3,269.31
Kansas State University--ESARP	1,390.70	1,390.59	1,390.59	--	1,390.59
KSU--Veterinary Medical Center	286.60	295.58	295.58	--	295.58
University of Kansas	4,640.00	4,685.37	4,685.37	--	4,685.37
Pittsburg State University	830.75	840.62	840.62	--	840.62
University of Kansas Medical Center	2,360.02	2,478.70	2,478.70	--	2,478.70
Wichita State University	1,807.03	1,807.03	1,807.03	--	1,807.03
Subtotal--FTE Positions	16,096.55	16,364.13	16,364.13	7.00	16,365.13
Subtotal--Regents	16,096.55	16,364.13	16,364.13	7.00	16,365.13
Kansas Arts Commission	8.00	8.00	8.00	--	8.00
Historical Society					
FTE Positions	136.50	134.00	134.00	--	134.00
Non-FTE Unclassified Permanent Positions	4.00	4.00	4.00	--	4.00
Total--Historical Society	140.50	138.00	138.00	--	138.00
State Library	27.00	27.00	27.00	2.00	27.00
Total--FTE Positions	16,745.80	17,011.88	17,011.88	11.00	17,014.88
Total--Non-FTE Unclassified Perm. Pos.	50.60	55.20	53.25	--	53.25
Total--Education	16,796.40	17,067.08	17,065.13	11.00	17,068.13

Schedule 9.1--Authorized Positions by Agency

	<u>FY 2005 Actual</u>	<u>FY 2006 Gov.Estimate</u>	<u>FY 2007 Base Budget</u>	<u>FY 2007 Enhance.Pkg.</u>	<u>FY 2007 Gov. Rec.</u>
Public Safety					
Department of Corrections					
FTE Positions	302.20	296.70	296.70	--	308.70
Non-FTE Unclassified Permanent Positions	27.00	32.00	25.00	--	25.00
Total--Department of Corrections	329.20	328.70	321.70	--	333.70
El Dorado Correctional Facility					
FTE Positions	466.00	465.00	465.00	--	465.00
Non-FTE Unclassified Permanent Positions	1.00	2.00	2.00	--	2.00
Total--El Dorado Correctional Facility	467.00	467.00	467.00	--	467.00
Ellsworth Correctional Facility					
FTE Positions	223.00	223.00	223.00	--	223.00
Non-FTE Unclassified Permanent Positions	1.00	1.00	1.00	--	1.00
Total--Ellsworth Correctional Facility	224.00	224.00	224.00	--	224.00
Hutchinson Correctional Facility					
FTE Positions	513.00	515.00	515.00	--	515.00
Non-FTE Unclassified Permanent Positions	--	2.00	2.00	--	2.00
Total--Hutchinson Correctional Facility	513.00	517.00	517.00	--	517.00
Lansing Correctional Facility					
FTE Positions	699.00	696.00	696.00	--	696.00
Non-FTE Unclassified Permanent Positions	1.00	2.00	2.00	--	2.00
Total--Lansing Correctional Facility	700.00	698.00	698.00	--	698.00
Larned Correctional Mental Health Facility	186.00	186.00	186.00	--	186.00
Norton Correctional Facility					
FTE Positions	265.00	265.00	265.00	--	265.00
Non-FTE Unclassified Permanent Positions	2.00	2.00	2.00	--	2.00
Total--Norton Correctional Facility	267.00	267.00	267.00	--	267.00
Topeka Correctional Facility					
FTE Positions	248.00	248.00	248.00	--	248.00
Non-FTE Unclassified Permanent Positions	3.00	4.00	4.00	--	4.00
Total--Topeka Correctional Facility	251.00	252.00	252.00	--	252.00
Winfield Correctional Facility					
FTE Positions	201.00	201.00	201.00	--	201.00
Non-FTE Unclassified Permanent Positions	2.00	2.00	2.00	--	2.00
Total--Winfield Correctional Facility	203.00	203.00	203.00	--	203.00
Subtotal--FTE Positions	3,103.20	3,095.70	3,095.70	--	3,107.70
Subtotal--Non-FTE Unclassified Perm. Pos.	37.00	47.00	40.00	--	40.00
Subtotal--Corrections	3,140.20	3,142.70	3,135.70	--	3,147.70
Juvenile Justice Authority					
FTE Positions	42.00	42.00	42.00	--	42.00
Non-FTE Unclassified Permanent Positions	16.30	15.50	15.50	--	15.50
Total--Juvenile Justice Authority	58.30	57.50	57.50	--	57.50
Atchison Juvenile Correctional Facility	118.00	99.00	99.00	--	99.00
Beloit Juvenile Correctional Facility	94.00	87.00	87.00	--	87.00
Kansas Juvenile Correctional Complex	275.20	253.50	253.50	--	253.50
Larned Juvenile Correctional Facility					
FTE Positions	147.00	146.00	146.00	--	146.00

Schedule 9.1--Authorized Positions by Agency

	<u>FY 2005</u> <u>Actual</u>	<u>FY 2006</u> <u>Gov.Estimate</u>	<u>FY 2007</u> <u>Base Budget</u>	<u>FY 2007</u> <u>Enhance.Pkg.</u>	<u>FY 2007</u> <u>Gov. Rec.</u>
Larned Juvenile Correctional Facility, Cont'd.					
Non-FTE Unclassified Permanent Positions	15.00	15.00	15.00	--	15.00
Total--Larned Juvenile Correctional Facility	162.00	161.00	161.00	--	161.00
Subtotal--FTE Positions	676.20	627.50	627.50	--	627.50
Subtotal--Non-FTE Unclassified Perm. Pos.	31.30	30.50	30.50	--	30.50
Subtotal--Juvenile Justice	707.50	658.00	658.00	--	658.00
Adjutant General					
FTE Positions	215.00	217.00	215.00	2.00	217.00
Non-FTE Unclassified Permanent Positions	189.30	240.20	269.20	4.00	269.20
Total--Adjutant General	404.30	457.20	484.20	6.00	486.20
Emergency Medical Services Board	13.00	14.00	14.00	--	14.00
State Fire Marshal					
FTE Positions	51.00	51.00	51.00	--	51.00
Non-FTE Unclassified Permanent Positions	2.00	3.00	1.00	--	3.00
Total--State Fire Marshal	53.00	54.00	52.00	--	54.00
Highway Patrol					
FTE Positions	854.75	856.00	856.00	--	859.00
Non-FTE Unclassified Permanent Positions	22.00	30.00	30.00	--	30.00
Total--Highway Patrol	876.75	886.00	886.00	--	889.00
Kansas Bureau of Investigation					
FTE Positions	200.00	207.00	207.00	27.00	213.00
Non-FTE Unclassified Permanent Positions	109.00	104.73	102.23	(10.00)	102.23
Total--Kansas Bureau of Investigation	309.00	311.73	309.23	17.00	315.23
Kansas Parole Board	3.00	3.00	3.00	--	3.00
Sentencing Commission					
FTE Positions	7.00	7.00	7.00	--	8.00
Non-FTE Unclassified Permanent Positions	4.00	4.00	4.00	--	4.00
Total--Sentencing Commission	11.00	11.00	11.00	--	12.00
Total--FTE Positions	5,123.15	5,078.20	5,076.20	29.00	5,100.20
Total--Non-FTE Unclassified Perm. Pos.	394.60	459.43	476.93	(6.00)	478.93
Total--Public Safety	5,517.75	5,537.63	5,553.13	23.00	5,579.13
Agriculture & Natural Resources					
Department of Agriculture					
FTE Positions	302.49	302.49	302.49	--	302.49
Non-FTE Unclassified Permanent Positions	23.18	23.00	21.29	--	21.29
Total--Department of Agriculture	325.67	325.49	323.78	--	323.78
Animal Health Department					
FTE Positions	33.60	33.00	33.00	--	33.00
Non-FTE Unclassified Permanent Positions	1.00	1.00	1.00	--	1.00
Total--Animal Health Department	34.60	34.00	34.00	--	34.00
State Conservation Commission					
FTE Positions	13.00	13.00	13.00	--	13.00
Non-FTE Unclassified Permanent Positions	8.00	8.00	8.00	--	8.00
Total--State Conservation Commission	21.00	21.00	21.00	--	21.00
Health & Environment--Environment					
FTE Positions	462.30	462.30	462.30	--	462.30

Schedule 9.1--Authorized Positions by Agency

	FY 2005	FY 2006	FY 2007	FY 2007	FY 2007
	Actual	Gov.Estimate	Base Budget	Enhance.Pkg.	Gov. Rec.
Health & Environment--Environment, Cont'd.					
Non-FTE Unclassified Permanent Positions	38.20	40.00	37.00	--	37.00
Total--Health & Environment--Environment	500.50	502.30	499.30	--	499.30
Kansas State Fair	23.00	24.00	23.00	1.00	24.00
Kansas Water Office					
FTE Positions	22.50	22.50	22.50	--	22.50
Non-FTE Unclassified Permanent Positions	1.00	1.00	1.00	--	1.00
Total--Kansas Water Office	23.50	23.50	23.50	--	23.50
Department of Wildlife & Parks	406.50	406.50	406.50	1.00	407.50
Total--FTE Positions	1,263.39	1,263.79	1,262.79	2.00	1,264.79
Total--Non-FTE Unclassified Perm. Pos.	71.38	73.00	68.29	--	68.29
Total--Agriculture & Natural Resources	1,334.77	1,336.79	1,331.08	2.00	1,333.08
Transportation					
Kansas Department of Transportation					
FTE Positions	3,251.50	3,237.50	3,237.50	--	3,237.50
Non-FTE Unclassified Permanent Positions	15.00	28.95	28.95	--	28.95
Total--Kansas Department of Transportation	3,266.50	3,266.45	3,266.45	--	3,266.45
Total--FTE Positions	40,306.24	40,425.52	40,658.26	60.00	40,451.82
Total--Non-FTE Unclassified Perm. Pos.	882.98	981.10	963.94	(6.00)	965.94
Total--Positions	41,189.22	41,406.62	41,622.20	54.00	41,417.76

Schedule 9.2--Headcount by Agency

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual
General Government			
Department of Administration	799.62	701.46	715.08
Kansas Corporation Commission	204.50	205.42	208.65
Citizens Utility Ratepayer Board	5.73	5.35	5.19
Kansas Human Rights Commission	34.85	32.38	32.31
Board of Indigents Defense Services	160.31	160.73	167.35
Health Care Stabilization	15.77	14.88	14.81
Kansas Public Employees Retirement System	88.19	87.96	88.96
Department of Commerce	145.38	115.15	359.31
Kansas Technology Enterprise Corp.	28.46	25.50	24.77
Kansas, Inc.	4.50	4.42	3.96
Kansas Lottery	80.23	82.04	85.38
Kansas Racing & Gaming Commission	67.73	69.88	68.04
Department of Revenue	1,137.31	1,086.12	1,107.19
Board of Tax Appeals	26.58	22.23	22.23
Abstracters Board of Examiners	2.27	2.19	2.31
Board of Accountancy	4.54	4.38	4.85
Banking Department	81.88	86.12	87.04
Board of Barbering	3.73	3.62	3.35
Behavioral Sciences Regulatory Board	10.62	9.69	8.65
Board of Cosmetology	16.85	15.54	16.31
Department of Credit Unions	13.54	13.85	13.96
Kansas Dental Board	4.35	5.46	4.85
Governmental Ethics Commission	13.73	13.46	13.35
Board of Healing Arts	37.35	39.54	39.31
Hearing Aid Board of Examiners	2.19	2.23	2.15
Board of Mortuary Arts	3.69	3.69	3.54
Board of Nursing	23.46	23.35	23.77
Board of Examiners in Optometry	2.50	2.58	2.15
Board of Pharmacy	9.38	10.77	10.08
Real Estate Appraisal Board	5.04	4.73	5.31
Kansas Real Estate Commission	13.58	13.65	15.35
Office of the Securities Commissioner	28.00	27.38	29.50
Board of Technical Professions	8.73	8.27	8.38
Board of Veterinary Examiners	4.81	4.77	6.69
Office of the Governor	28.23	39.54	52.81
Office of the Lieutenant Governor	3.08	1.08	2.69
Attorney General	102.12	100.38	102.23
Insurance Department	136.08	133.04	128.77
Secretary of State	56.38	55.81	58.50
State Treasurer	49.04	47.38	46.77
Legislative Coordinating Council	12.54	10.38	11.00
Legislature	280.58	277.54	278.92
Legislative Research Department	36.27	36.88	37.69
Legislative Division of Post Audit	20.85	20.12	21.08
Revisor of Statutes	29.92	29.85	30.38
Judiciary	1,930.54	1,948.42	1,965.42
Judicial Council	15.08	13.12	8.88
Total--General Government	5,790.07	5,622.34	5,949.27
Human Services			
Social & Rehabilitation Services	3,684.54	3,527.85	3,480.88
Kansas Neurological Institute	693.77	677.85	675.77
Larned State Hospital	670.58	776.23	878.96
Osawatomie State Hospital	450.08	411.88	412.58

Schedule 9.2--Headcount by Agency

	FY 2003	FY 2004	FY 2005
	Actual	Actual	Actual
Parsons State Hospital & Training Center	599.15	606.38	617.88
Rainbow Mental Health Facility	126.85	120.81	122.04
Subtotal--SRS	6,224.96	6,121.00	6,188.12
Department on Aging	126.50	177.42	178.23
Health & Environment--Health	1,027.42	949.85	967.23
Department of Labor	933.92	923.12	592.73
Commission on Veterans Affairs	350.35	382.15	396.15
Kansas Guardianship Program*	--	--	--
Total--Human Services	8,663.15	8,553.54	8,322.46
Education			
Department of Education	241.92	249.08	254.00
School for the Blind	91.12	88.96	89.96
School for the Deaf	165.35	159.04	164.77
Subtotal--Department of Education	498.38	497.08	508.73
Board of Regents*	50.23	53.08	58.54
Kansas Arts Commission	9.50	9.08	9.58
Historical Society	164.27	166.19	168.12
State Library	27.85	27.85	27.12
Total--Education	750.23	753.27	772.08
Public Safety			
Department of Corrections	316.88	314.73	311.62
El Dorado Correctional Facility	441.46	446.88	447.73
Ellsworth Correctional Facility	216.85	218.77	217.31
Hutchinson Correctional Facility	499.54	505.46	504.15
Lansing Correctional Facility	665.12	650.77	657.12
Larned Correctional Mental Health Facility	176.35	178.50	178.92
Norton Correctional Facility	247.08	252.38	255.73
Topeka Correctional Facility	215.50	224.96	225.15
Winfield Correctional Facility	196.38	197.77	200.23
Subtotal--Corrections	2,975.15	2,990.23	2,997.96
Juvenile Justice Authority	48.35	51.08	51.65
Atchison Juvenile Correctional Facility	108.88	94.88	86.54
Beloit Juvenile Correctional Facility	82.27	80.69	78.69
Larned Juvenile Correctional Facility	132.73	140.92	150.12
Topeka Juvenile Correctional Facility	206.85	209.19	203.88
Kansas Juvenile Correctional Complex	--	--	18.77
Subtotal--Juvenile Justice	579.08	576.77	589.65
Adjutant General	340.38	357.46	404.81
Emergency Medical Services Board	17.08	14.88	15.62
Ombudsman for Corrections	3.85	--	--
State Fire Marshal	49.00	49.65	48.65
Highway Patrol	832.04	833.62	849.65
Kansas Bureau of Investigation	253.04	249.88	253.54
Kansas Parole Board	3.54	2.92	3.00
Sentencing Commission	13.92	9.42	10.92
Total--Public Safety	5,067.08	5,084.85	5,173.81
Agriculture & Natural Resources			
Department of Agriculture	297.81	296.35	295.85
Animal Health Department	29.88	29.62	29.65
State Conservation Commission	18.73	14.27	15.85

* Excludes the Guardianship Program and Regents universities because payroll data on these employees are not in the SH ARP system.

Schedule 9.2--Headcount by Agency

	FY 2003	FY 2004	FY 2005
	Actual	Actual	Actual
Health & Environment--Environment**	--	--	--
Kansas State Fair	25.96	27.81	26.81
Kansas Water Office	25.69	25.42	25.04
Department of Wildlife & Parks	692.46	682.27	701.46
Total--Ag. & Natural Resources	1,090.54	1,075.73	1,094.65
Transportation			
Kansas Department of Transportation	3,229.50	3,202.46	3,182.00
Total--Transportation	3,229.50	3,202.46	3,182.00
Total Headcount	24,590.57	24,292.19	24,494.27

** KDHE payroll data are not separated by function into "health" and "environment." Totals for this agency are shown entirely under "health."

Schedule 9.3--Mathematical FTE Positions by Agency

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual
General Government			
Department of Administration	762.50	689.80	702.28
Kansas Corporation Commission	199.50	201.18	203.12
Citizens Utility Ratepayer Board	4.71	4.81	4.47
Kansas Human Rights Commission	31.84	29.61	29.60
Board of Indigents Defense Services	157.65	157.81	165.47
Health Care Stabilization	15.72	14.81	14.76
Kansas Public Employees Retirement System	82.89	83.27	83.75
Department of Commerce	142.88	101.81	346.93
Kansas Technology Enterprise Corp.	26.41	24.09	23.04
Kansas, Inc.	4.30	4.36	3.94
Kansas Lottery	78.36	80.21	83.63
Kansas Racing & Gaming Commission	60.04	61.84	61.31
Department of Revenue	1,114.56	1,064.40	1,080.09
Board of Tax Appeals	25.10	20.98	20.22
Abstracters Board of Examiners	0.93	0.97	0.95
Board of Accountancy	2.92	3.00	2.92
Banking Department	77.79	81.62	82.12
Board of Barbering	2.34	2.35	2.35
Behavioral Sciences Regulatory Board	8.00	7.40	7.00
Board of Cosmetology	11.99	11.70	11.32
Department of Credit Unions	12.45	12.98	13.00
Kansas Dental Board	2.21	2.84	2.99
Governmental Ethics Commission	9.30	9.26	8.91
Board of Healing Arts	28.46	29.35	30.73
Hearing Aid Board of Examiners	1.33	1.43	1.25
Board of Mortuary Arts	3.00	3.00	3.00
Board of Nursing	21.17	21.05	21.76
Board of Examiners in Optometry	1.80	1.80	1.71
Board of Pharmacy	6.30	7.45	7.82
Real Estate Appraisal Board	2.00	2.00	2.00
Kansas Real Estate Commission	11.24	10.86	12.32
Office of the Securities Commissioner	27.16	26.35	27.23
Board of Technical Professions	5.14	5.01	5.00
Board of Veterinary Examiners	2.93	3.00	2.88
Office of the Governor	24.62	34.98	41.82
Office of the Lieutenant Governor	2.54	1.02	2.62
Attorney General	96.87	92.99	95.49
Insurance Department	132.92	130.69	126.64
Secretary of State	51.62	51.07	54.23
State Treasurer	48.21	47.71	44.91
Legislative Coordinating Council	10.94	10.29	11.00
Legislature	107.91	104.83	105.02
Legislative Research Department	36.17	36.81	37.59
Legislative Division of Post Audit	19.43	19.86	20.94
Revisor of Statutes	28.47	28.30	28.92
Judiciary	1,820.74	1,847.07	1,855.08
Judicial Council	3.96	4.14	4.06
Total--General Government	5,329.34	5,192.14	5,498.17
Human Services			
Social & Rehabilitation Services	3,582.95	3,455.26	3,427.80
Kansas Neurological Institute	562.12	547.77	541.88
Larned State Hospital	626.42	720.41	789.91

Schedule 9.3--Mathematical FTE Positions by Agency

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual
Osawatomie State Hospital	397.13	382.54	383.13
Parsons State Hospital & Training Center	457.71	461.78	467.02
Rainbow Mental Health Facility	115.83	112.04	111.82
Subtotal--SRS	5,742.16	5,679.80	5,721.56
Department on Aging	122.91	175.03	176.02
Health & Environment--Health	1,007.19	927.80	947.55
Department of Labor	894.64	885.31	553.76
Commission on Veterans Affairs	325.10	355.04	364.38
Kansas Guardianship Program*	--	--	--
Total--Human Services	8,092.00	8,022.98	7,763.28
Education			
Department of Education	224.63	231.71	238.59
School for the Blind	80.05	79.97	80.26
School for the Deaf	145.08	140.30	142.51
Subtotal--Department of Education	449.76	451.98	461.36
Board of Regents	45.17	47.14	53.22
Kansas Arts Commission	7.81	7.52	7.99
Historical Society	131.03	129.54	129.08
State Library	26.65	26.71	26.05
Total--Education	660.42	662.89	677.70
Public Safety			
Department of Corrections	318.81	314.40	306.46
El Dorado Correctional Facility	448.06	450.61	450.79
Ellsworth Correctional Facility	216.96	219.08	218.16
Hutchinson Correctional Facility	507.61	514.64	512.08
Lansing Correctional Facility	669.92	655.77	661.40
Larned Correctional Mental Health Facility	176.17	178.00	178.84
Norton Correctional Facility	252.88	257.83	259.92
Topeka Correctional Facility	217.18	227.85	230.25
Winfield Correctional Facility	196.80	198.84	201.21
Subtotal--Corrections	3,004.39	3,017.02	3,019.11
Juvenile Justice Authority	46.90	49.38	50.11
Atchison Juvenile Correctional Facility	107.38	93.30	84.91
Beloit Juvenile Correctional Facility	81.22	78.15	76.19
Larned Juvenile Correctional Facility	130.86	139.22	148.26
Topeka Juvenile Correctional Facility	206.30	209.18	207.47
Kansas Juvenile Correctional Complex	--	--	19.84
Subtotal--Juvenile Justice	572.66	569.24	586.77
Adjutant General	315.15	334.96	378.48
Emergency Medical Services Board	13.60	11.89	13.01
Ombudsman for Corrections	3.50	--	--
State Fire Marshal	48.97	49.41	48.38
Highway Patrol	865.14	870.39	874.58
Kansas Bureau of Investigation	251.73	247.33	251.90
Kansas Parole Board	3.59	3.02	3.00
Sentencing Commission	11.70	8.28	9.96
Total--Public Safety	5,090.43	5,111.54	5,185.21
Agriculture & Natural Resources			
Department of Agriculture	291.00	292.07	292.01
Animal Health Department	28.95	28.29	28.09
State Conservation Commission	13.38	11.94	14.28

* Excludes the Guardianship Program and Regents universities because payroll data on these employees are not in the SH ARP system.

Schedule 9.3--Mathematical FTE Positions by Agency

	FY 2003	FY 2004	FY 2005
	Actual	Actual	Actual
Health & Environment--Environment**	--	--	--
Kansas State Fair	23.72	25.84	25.35
Kansas Water Office	21.68	21.82	22.26
Department of Wildlife & Parks	557.59	554.40	563.86
Total--Ag. & Natural Resources	936.31	934.36	945.83
Transportation			
Kansas Department of Transportation	3,271.02	3,272.92	3,231.54
Total--Transportation	3,271.02	3,272.92	3,231.54
Total Mathematical FTE Positions	23,379.53	23,196.83	23,301.74

** KDHE payroll data are not separated by function into "health" and "environment." Totals for this agency are shown entirely under "health."

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